



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2017 Senate Bill 727**

**Senate Substitute Amendment 2**

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### **BACKGROUND**

Current law authorizes cities, villages, towns, and counties to create special purpose districts, called local exposition districts (“districts”), with the power to do several things, including building, maintaining, and operating exposition centers, and, under certain circumstances, imposing room taxes, food and beverage taxes, and car rental taxes. In order for a district to impose such taxes, the sponsoring municipality must adopt a resolution certifying that the exposition center serves a statewide public purpose by satisfying five statutorily prescribed conditions and must agree to stop imposing and collecting its own room tax. A district may impose a room tax of no more than three percent of total room charges.

Current law also includes a legislative declaration finding that, for several reasons, the provision of government assistance and funding to districts serves a statewide public purpose and that, for similar reasons, a district serves a public purpose within the local units of government that comprise its jurisdiction.

### **2017 SENATE BILL 727**

2017 Senate Bill 727 modifies the law regarding districts created by the City of Superior or the City of Eau Claire as follows:

- Exempts any such district from the legislative declaration regarding the public purposes served by districts.
- Expands the definition of “exposition center” to include structures, fixtures, and equipment that are used primarily for recreational or sporting activities.

- Limits the amount of room tax that a district may charge to no more than two percent of total room charges, while permitting the City of Superior and the City of Eau Claire to simultaneously impose and collect a room tax.
- Prohibits a local exposition district from imposing a local rental car tax.
- Requires that an enabling resolution adopted by the City of Superior or the City of Eau Claire to establish a district be approved at referendum by a majority of the electors in the city voting on the resolution before the resolution takes effect.
- Provides that a referendum approving the creation of a district in the City of Superior passed by a majority of electors in Douglas County in 2016 satisfies the referendum requirement.

## **SENATE SUBSTITUTE AMENDMENT 2**

Senate Substitute Amendment 2 modifies the law regarding districts only for those created by the City of Superior, not for those created by the City of Eau Claire, as follows:

- Exempts any such district from the legislative declaration regarding the public purposes served by districts.
- Expands the definition of “exposition center” to include structures, fixtures, and equipment that are used primarily for sporting tournaments and states that an exposition center is intended for use by transient tourists and to generate tourism activity.
- Limits the amount of room tax that a district may charge to no more than two percent of total room charges, while permitting the City of Superior to simultaneously impose and collect a room tax.
- Prohibits a local exposition district from imposing a local rental car tax.
- Requires that an enabling resolution adopted by the City of Superior to establish a district be approved at referendum by a majority of the electors in the city voting on the resolution before the resolution takes effect, except that a referendum approving the creation of a district in the City of Superior passed by a majority of electors in Douglas County in 2016 satisfies the referendum requirement.
- Requires that a district contract with a local tourism entity to promote, advertise, and publicize its exposition center, facilities, and related activities.

## **BILL HISTORY**

Senator Moulton introduced 2017 Senate Bill 727 on January 19, 2018. On March 12, 2018, Senators Moulton and Bewley offered Senate Substitute Amendment 2. On March 14, 2018, the Senate Committee on Agriculture, Small Business, and Tourism recommended adoption of the substitute amendment on votes of Ayes, 9; Noes, 0, and recommended passage of the bill, as amended, on votes of Ayes, 8; Noes, 1.