



State of Wisconsin
2019 - 2020 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 73**

May 21, 2019 - Offered by Representative WITTKÉ.

1 **AN ACT** *to amend* 77.707 (1) and 229.68 (intro.); and *to create* 77.76 (6) of the
2 statutes; **relating to:** the imposition of sales and use taxes related to a local
3 professional baseball park district and legislative oversight of such a district.

Analysis by the Legislative Reference Bureau

Currently a local professional baseball park district (district) may impose a sales tax and a use tax within the area of its jurisdiction, and a district may issue revenue bonds if the district board determines that the district's lease with a professional baseball team franchise that uses the district's baseball facilities is for a term of at least 30 years. Generally, the sales and use taxes may not be imposed and collected after the district pays off the bonds issued to construct a stadium and funds a special maintenance and capital improvements fund.

Under this bill, the sales and use taxes may not be collected, generally, after March 31, 2020, or after the date on which the district board certifies that the district has paid off the bonds and established its special fund, whichever is earlier. The bill also specifies that the district board may not incur any new obligations after the sales and use tax is no longer collected, if the obligation could not be paid once the sales and use tax is no longer collected. The bill also prohibits the district board from incurring any costs or obligations for signage related to a change in naming rights for the baseball park facilities.

The bill also contains an oversight provision for the district. Under the bill, by January 31, 2020, the district board must provide the Joint Committee on Finance

with a written report specifying whether the district board believes it will be able to pay off its bonds and meet its other obligations by March 31, 2020, the date after which the district may no longer collect the sales and use tax. If the district board does not believe that it will be able to meet its obligations by that date, the Legislative Audit Bureau must conduct a financial audit of the district to determine when the district will have sufficient revenues to meet them. The LAB must provide the report to JCF by February 29, 2020.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 77.707 (1) of the statutes is amended to read:

2 77.707 (1) Retailers and the department of revenue may not collect a tax under
3 s. 77.705 for any local professional baseball park district created under subch. III of
4 ch. 229 after the last day of the calendar quarter that is at least 120 days from the
5 ~~date on which~~ the local professional baseball park district board makes a
6 certification to the department of revenue under s. 229.685 (2) or after March 31,
7 2020, whichever is earlier, except that the department of revenue may collect from
8 retailers taxes that accrued before the ~~day after the last day of that calendar quarter~~
9 termination date and fees, interest and penalties that relate to those taxes. Except
10 as provided under s. 77.60 (9), the department of revenue may not issue any
11 assessment nor act on any claim for a refund or any claim for an adjustment under
12 s. 77.585 after the end of the calendar year that is 4 years after the year in which a
13 local professional baseball park district tax has terminated. The department of
14 revenue shall estimate the amount of the refunds, including interest, that the
15 department may need to pay during that 4-year period and retain that amount from
16 the taxes collected for the district after the termination date. Any amount that
17 remains after the payment of refunds shall be distributed to the counties based on
18 the tax revenues derived from each county that is part of the district.

1 **SECTION 2.** 77.76 (6) of the statutes is created to read:

2 77.76 (6) (a) If the local professional baseball park district receives from the
3 department any of the taxes collected for the district under s. 77.705 following the
4 termination date under s. 77.707 (1), excluding taxes reported to the department
5 before the termination date, that the department paid to the district, the district
6 shall return those taxes to the department, in the manner prescribed by the
7 department, so that the department may distribute the taxes based on the tax
8 revenues derived from each county that is part of the district.

9 (b) The department shall distribute, as provided under par. (a), the taxes
10 collected for the district under s. 77.705 following the termination date under s.
11 77.707 (1), including the amounts returned under par. (a), no later than the date that
12 is 8 months after the termination date. The department shall distribute, as provided
13 under par. (a), any additional amounts collected for the district under s. 77.705 after
14 the date that is 6 months after the termination date, including interest, penalties,
15 and amounts due as a result of an audit determination, annually beginning on the
16 first day of the first month that is 7 months after the termination date, and on the
17 first day of that month in each year thereafter.

18 (c) Each county that receives revenue under s. 77.707 (1) and pars. (a) and (b)
19 shall deposit the revenue into a segregated account established and controlled by the
20 county to use only for property tax relief, public safety, parks and recreation, or
21 economic development.

22 **SECTION 3.** 229.68 (intro.) of the statutes is amended to read:

23 **229.68 Powers of a district.** (intro.) A district has all of the powers necessary
24 or convenient to carry out the purposes and provisions of this subchapter, except that
25 it may not incur any new obligations after the date on which the district may no

1 longer collect the tax under s. 77.707 (1), if such an obligation could not be paid out
2 of the district's revenues or assets once the tax under s. 77.707 (1) is no longer
3 collected. The district may not incur costs or any obligations for signage related to
4 a change in naming rights for the baseball park facilities. In addition to all other
5 powers granted by this subchapter, a district may do all of the following:

6 **SECTION 4. Nonstatutory provisions.**

7 (1) OVERSIGHT. Not later than January 31, 2020, the local professional baseball
8 park district board shall report in writing to the joint committee on finance regarding
9 the district's financial position as of December 31, 2019. The report shall specify
10 whether the district board believes it will be able to pay off all of its bonds as
11 described in s. 229.685 (2) and meet all of its other statutory and contractual
12 obligations if it does not collect a tax under s. 77.705 after March 31, 2020. If the
13 district board reports that it believes it will not have sufficient revenues to meet all
14 of its obligations as described in this subsection by the time it will not be able to
15 collect the tax under s. 77.707 (1), the legislative audit bureau shall conduct a
16 financial audit of the district to evaluate when the district will have sufficient
17 revenues to meet all of its obligations. The audit bureau shall submit that audit
18 report in writing to the joint committee on finance no later than February 29, 2020.

19 (END)