

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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1 **AN ACT** to renumber ~~66.066 (5)~~; to renumber and amend 704.31 (3); to amend
2 13.94 (4) (a) l., 13.94 (10), 16.70 (14), 18.03 (5s), 19.42 (13) (a), 19.59 (1) (a),
3 19.59 (1) (g) 1. a., 25.50 (1) (d), 66.066 (1) (a), 66.066 (1) (c), **66.067**, 66.30 (1) (a),
4 71.26 (1) (bm), 71.26 (1m) (g), 71.36 (1m), 71.45 (1t) (g), 77.705 (title), 77.707,
5 77.71, 77.76 (3m), 77.76 (4), 779.14 (1m) (d) 2. b. and 779.14 (1m) (d) 3.; and **to**
6 **create 20.566** (1) (ge), 20.835 (4) (ge), 20.867 (5), 24.61 (2) (a) 8., 25.17 (3) (b)
7 ll., 66.04 (2) (a) 3q., 66.066 (5) (b), 71.05 (1) (c) 5., 77.54 (45), 77.706, 77.76 (3p),
8 219.09 (1) (d), subchapter IV of chapter 229 [precedes 229.820], 704.31 (3) (a),
9 704.31 (3) (b) and 779.14 (4) of the statutes; **relating to:** creating a local
10 professional football stadium district; giving a local professional football
11 stadium district the authority to issue bonds and granting income tax
12 exemptions for interest income on bonds issued by the district; making a state
13 moral obligation pledge with respect to bonds issued by a local professional
14 football stadium district; giving a local professional football stadium district
15 the authority to impose a sales tax and a use tax; creating an income and

franchise tax exemption for a local professional football stadium district; and making appropriations.

Analysis by the Legislative Reference Bureau
CREATION AND DISSOLUTION OF A DISTRICT

This bill creates a professional football stadium district, which is a special purpose district, in each county with a population of more than 150,000 that includes the site of an existing or to be constructed league-approved home stadium for a professional football team that is a member of a league of teams that have home stadiums in at least ten states and a collective average attendance for all league members of at least 40,000 per game over the five years immediately preceding the year in which a district is created. A district is a local unit of government that is a body corporate and politic and that is separate and distinct from, and independent of, the state and the political subdivisions within its jurisdiction. Under the bill, a district's jurisdiction remains fixed even if population or attendance figures subsequently decline below the minimums described. A district does not have jurisdiction over any relocated stadium, whether or not the stadium is approved by the league.

In connection with football stadium facilities, the powers of a district include the construction, maintenance, management and acquisition of the football stadium and facilities; the issuance of bonds and imposition of a sales tax and a use tax to finance the stadium and facilities; and the authority to enter into partnerships, joint ventures, common ownership or other arrangements with other persons to further the district's purposes. Before the taxes imposed by a district may take effect, however, the district's action must be approved in a referendum. A district may also set standards governing the use of, and the conduct within, the stadium and facilities, and may set and collect fees for the use of the facilities or for the right to purchase admission to events at the stadium. Unless it is not feasible to do so, the bill requires a district to enter into a contract with a professional football team, or a subsidiary of the team, that requires the team or its subsidiary to acquire and construct ~~improvements to~~ football stadium facilities that are part of any facilities that the district leases to the team, whether or not the ~~improvements~~ are financed by a district. *or its subsidiary* *football stadium facilities*



The district is governed by a board that consists of two persons appointed by the governor, two persons appointed by the chief elected official of the most populous city within the district's jurisdiction, two persons appointed by the chief elected official of the county in which the football stadium is located and, if such a situation exists, one person appointed by the chief elected official of each city, village or town (municipality) within the district's jurisdiction, other than the most populous city within the district's jurisdiction, that has a boundary at the time of the district's creation that is contiguous to a boundary of the site of the football stadium.

A district may dissolve by action of the district board, subject to payment of the district's bonds and fulfillment of its other contractual obligations. If a district is

dissolved, its property must be transferred to the municipalities and county in the district's jurisdiction in proportions determined by the secretary of administration, based on the contributions of each municipality and county to the development or improvement of the football stadium facilities.

Under the bill, a municipality or county within the district's jurisdiction may make grants or loans, or lease or transfer property, to a district; expend public funds to subsidize a district; or borrow money to fund grants, loans or subsidies to a district. With the consent of a district, such a municipality or county may also establish and collect fees or other charges applicable only to a football stadium for the right to purchase admission to events at the stadium.

BONDING

This bill grants a district the power to issue revenue bonds for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating or managing a local professional football stadium district. Under the bill, the bonds issued by the district ~~shall~~ be secured by the district's interest in any football stadium facilities, by income from these facilities, by proceeds of bonds issued by the district and by other amounts placed in a special redemption fund and investment earnings on such amounts, including any taxes that the district is authorized to impose. The bill specifically provides that the district may not pledge its full faith and credit on the bonds and that the bonds are not a general obligation liability of the district.

The bill authorizes a district to establish a special debt service reserve fund, subject to certain findings of the secretary of administration. The special debt service reserve fund is significant, because if there are insufficient moneys in the special debt service reserve fund to meet the special debt service reserve fund requirement established in the bill, the legislature expresses its expectation and aspiration that, if certain conditions are met, the legislature would appropriate state moneys to the district in the amount necessary to restore the moneys in the fund to an amount equal to its special debt service reserve fund requirement. This expression of legislative expectation and aspiration has been referred to as a "state moral obligation pledge". The special debt service requirement is determined in the bond resolution authorizing the issuance of bonds.

In order to create a special debt service reserve fund backed up by the state moral obligation pledge, however, the secretary of administration must find that the bond proceeds will be used for purposes related to the football stadium facilities; that there is a reasonable likelihood that the bonds will be repaid without the necessity of drawing on funds in the special debt service reserve fund; that the amount of all bonds that would be secured by all special debt service reserve funds of the district will not exceed ~~(\$)XXXV~~; and that the bonds, other than refunding bonds, will be issued no later than December 31, ~~XXXX~~ 2004

In addition to creating a state moral obligation pledge to appropriate to the district the funds necessary to restore the special debt service reserve fund to an amount equal to its special debt service reserve fund requirement, the bill provides that the state pledges that it will not limit or alter the rights vested in a district under

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the bill before the district has fully performed its contracts and has fully met and discharged its bonds.

Finally, the bill contains provisions authorizing certain state and local government funds and certain regulated financial institutions to invest in bonds issued by the district; provides that all moneys received by a district, including proceeds from the sale of bonds, are trust funds to be held and applied solely for the purposes provided in the bill; and limits the personal liability of members of a district's board of directors with respect to the issuance of bonds.

PROVISION OF FINANCIAL SERVICES

This bill permits the building commission, upon request of a district, to serve as a financial consultant to the district for the purpose of assisting with and coordinating the issuance of bonds by the district.

FINANCE

This bill permits the legislative audit bureau to audit the records of a district. Under the bill, the joint legislative audit committee may review a district's performance.

ETHICS

Members of a district board are subject to the statutory code of ethics for local public officials. In addition, board members are subject to other standards of conduct that apply to state public officials. However, like other local public officials, district board members are not subject to periodic reporting requirements.

APPLICABILITY OF OTHER LAWS

Numerous laws that apply to special purpose districts and local units of government apply to a local professional football district, including, among others:

1. The district is subject to laws requiring, with certain exceptions, public notice of and access to meetings of the district board and public access to the district's records.
2. The district is subject to worker's compensation, unemployment insurance, state minimum wage and hour and family and medical leave laws.
3. The district is subject to the law requiring the payment of prevailing wages on local government public works projects.
4. The district is governed by laws regulating municipal administrative procedures and rights.
5. The district is subject to laws restricting employers from testing employes and prospective employes for human immunodeficiency virus (HIV) or an antibody to HIV.
6. The district is subject to the tort and antitrust liability limitation that currently applies to actions brought against local governmental units of \$50,000 per occurrence, and persons attempting to sue the district are subject to a requirement to file notice of their claims within 120 days of their occurrence.
7. The district's ownership interest in any professional football stadium or related facilities is exempt from the property tax.
8. The district is subject to laws regulating buildings and safety

(Currently, a professional football stadium and related facilities are exempt from the property tax.)

bill provides that the

other than purchases of building materials,

9. The district may exercise eminent domain powers for public purposes, upon a showing of necessity.

10. Purchases made by the district are subject to the sales tax and use tax and the property of the district is subject to special assessment levies.

The district is subject to laws regulating the ways in which funds may be invested. *of local governments*

Under the bill, the district may participate in the state public employe retirement plan and state-administered plans for deferred compensation, health care benefits and disability and survivor benefits.

The bill also provides that the district may:

- 1. Contract with municipalities and federally recognized Indian tribes and bands in this state for the receipt or furnishing of services or the joint exercise of powers or duties.
- 2. Participate in the state-operated local government pooled-investment fund.
- 3. Participate in the local government property insurance fund.

Under the bill, the assets and liabilities of a district are not assets or liabilities of the county in which the district is located.

TAXATION

Under the bill, a local professional football stadium district may adopt a resolution to impose a sales tax and a use tax at a rate of no more than 0.5% on the sale or use of tangible personal property or services in the district subject to approval by the electors of a district at a referendum. The referendum may be held at any regularly scheduled primary or other election, or at a special election. The date of the referendum is determined by the county board of the county in which a district is located. The district tax revenue may be used only for purposes related to football stadium facilities. Under the bill, generally, the sales tax and use tax imposed by the district may not be collected after the district has retired its bonds related to the football stadium facilities *and after reserve funds are adequately funded*

Under the bill, the income of a local professional football stadium district is exempt from the income tax and the franchise tax, and the income and interest from the district's obligations are exempt from the income tax and the franchise tax.

~~LEASE~~

~~Current law provides that, if a tenant who is required to construct improvements exceeding \$50,000 at the tenant's own expense on land leased to the tenant under a lease with a term of 30 years or more defaults or breaches a condition of the lease, the landlord may commence an action to recover the property after a one-year redemption period free from all liens, claims or demands of the tenant in the same manner as a mortgage foreclosure except without a sale of the property. The bill creates an exception under that statute for leases to which a district is a party.~~

LIENS

Current law provides certain protections to persons who provide labor and materials for a construction project. For example, a person who works on an improvement to privately owned land generally has a lien on all interests in the land (construction lien). However, under current law, a construction lien may not be filed

bill
creates a sales tax and a use tax exemption for parking related to professional football stadium facilities and for a license or other right to purchase admission to events at a professional football stadium.

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against property owned by a public entity. Thus, in the case of a public construction project, a person who works on the project generally has a lien on money owing to the prime contractor, with certain exceptions. Furthermore, current law contains a bonding requirement, under which certain public construction contracts must include a provision requiring the prime contractor to provide or obtain a payment and performance bond or other payment assurance. In the case of a public construction contract with a local government entity, a bonding requirement applies to any contract exceeding \$50,000.

This bill exempts a public construction contract with a district from any applicable bonding requirement.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 13.94 (4) (a) 1. of the statutes, as affected by 1999 Wisconsin Act 9,
2 is amended to read:

3 13.94 (4) (a) 1. Every state department, board, examining board, affiliated
4 credentialing board, commission, independent agency, council or office in the
5 executive branch of state government; all bodies created by the legislature in the
6 legislative or judicial branch of state government; any public body corporate and
7 politic created by the legislature including specifically a professional baseball park
8 district, a local professional football stadium district and a family care district
9 created under s. 46.2895; every Wisconsin works agency under subch. III of ch. 49;
10 every provider of medical assistance under subch. IV of ch. 49; technical college
11 district boards; development zones designated under s. 560.71; every county
12 department under s. 51.42 or 51.437; every nonprofit corporation or cooperative to
13 which moneys are specifically appropriated by state law; and every corporation,
14 institution, association or other organization which receives more than 50% of its

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1 annual budget from appropriations made by state law, including subgrantee or
2 subcontractor recipients of such funds.

3 **SECTION 2.** 13.94 (10) of the statutes is amended to read:

4 13.94 (10) ~~FINANCIAL STATUS OF LOCAL CERTAIN PROFESSIONAL BASEBALL PARK~~
5 ~~SPORTS~~ DISTRICTS. As promptly as possible following the end of each state fiscal
6 biennium in which there are outstanding bonds or notes issued by a local
7 professional baseball park district created under subch. III of ch. 229 that are subject
8 to s. 229.74 (7) or bp a local professional football stadium district created under
9 subch. IV of ch. 229 that are subject to s. 229.830 (7), the legislative audit bureau
10 shall submit a report to the cochairpersons of the joint committee on finance
11 concerning the financial status of that district.

12 **SECTION 3.** 16.70 (14) of the statutes is amended to read:

13 16.70 (14) "State" does not include a district created under subch. II ~~or~~, III or
14 IV of ch. 229.

15 **SECTION 4.** 18.03 (5s) of the statutes is amended to read:

16 18.03 (5s) Upon the request of a local professional baseball park district
17 created under subch. III of ch. 229 or a local nprofessional football stadium district
18 created under subch. IV of ch. 229, the commission may serve as financial consultant
19 to assist and coordinate the issuance of the bonds of a district.

20 **SECTION 5.** 19.42 (13) (a) of the statutes is amended to read:

21 19.42 (13) (a) All positions to which individuals are regularly appointed by the
22 governor, except the position of trustee of any private higher educational institution
23 receiving state appropriations ~~and~~, the position of member of the district board of a
24 local professional baseball park district created under subch. III of ch. 229 and the

1 position of member of the district board of a local professional football stadium
2 district created under subch. IV of ch. 229.

3 **SECTION 6.** 19.59 (1) (a) of the statutes is amended to read:

4 19.59 (1) (a) No local public official may use his or her public position or office
5 to obtain financial gain or anything of substantial value for the private benefit of
6 himself or herself or his or her immediate family, or for an organization with which
7 he or she is associated. A violation of this paragraph includes the acceptance of free
8 or discounted admissions to a professional baseball or football game by a member of
9 the district board of a local professional baseball park district created under subch.
10 III of ch. 229 or a local professional football stadium district created under subch. IV
11 of ch. 229. This paragraph does not prohibit a local public official from using the title
12 or prestige of his or her office to obtain campaign contributions that are permitted
13 and reported as required by ch. 11.

14 **SECTION 7.** 19.59 (1) (g) 1. a. of the statutes is amended to read:

15 19.59 (1) (g) 1. a. "District" means a local professional baseball park district
16 created under subch. III of ch. 229 or a local professional football stadium district
17 created under subch. IV of ch. 229.

18 **SECTION 8.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
19 the following amounts for the purposes indicated:

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1 20.566 Revenue, department of

2 (1) COLLECTION OF TAXES

3 (ge) Administration of local profes-
4 sional football stadium district

5 taxes PR A - O - - O -

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6 **SECTION 9.** 20.566 (1) (ge) of the statutes is created to read:

7 20.566 (1) (ge) Administration of local professional football stadium district
8 taxes. From the moneys transferred from the appropriation account under s. 20.835
9 (4) (ge), the amounts in the schedule for administering the special district taxes
10 imposed under s. 77.706 by a local professional football stadium district created
11 under subch. IV of ch. 229.

12 **SECTION 10.** 20.835 (4) (ge) of the statutes is created to read:

13 20.835 (4) (ge) Local professional football stadium district taxes. All moneys
14 received from the taxes imposed under s. 77.706, for the purpose of distribution to
15 the special districts that adopt a resolution imposing taxes under subch. V of ch. 77,
16 and for the purpose of financing a local professional football stadium district, except
17 that, of those tax revenues collected under subch. V of ch. 77, 1.5% shall be credited
18 to the appropriation account under s. 20.566 (1) (ge).

19 **SECTION 11.** 20.867 (5) of the statutes is created to read:

20 20.867 (5) SERVICE TO NON-STATE GOVERNMENTAL UNITS. (g) Financial consulting
21 services. All moneys received from local professional football stadium districts for
22 financial consulting services provided under s. 18.03 (5s), to be used to provide those
23 services.

1 **SECTION 12. 24.61 (2) (a) 8.** of the statutes is created to read:

2 24.61 (2) (a) 8. Bonds issued by a local professional football stadium district
3 created under subch. IV of ch. 229.

4 **SECTION 13. 25.17 (3) (b) 11.** of the statutes is created to read:

5 25.17 (3) (b) 11. Bonds issued by a local professional football stadium district
6 created under subch. IV of ch. 229.

7 **SECTION 14. 25.50 (1) (d)** of the statutes, as affected by 1999 Wisconsin Act 9,
8 is amended to read:

9 25.50 (1) (d) "Local government" means any county, town, village, city, power
10 district, sewerage district, drainage district, town sanitary district, public inland
11 lake protection and rehabilitation district, local professional baseball park district
12 created under subch. III of ch. 229, family care district under s. 46.2895, local
13 professional football stadium district created under subch. IV of ch. 229, public
14 library system, school district or technical college district in this state, any
15 commission, committee, board or **officer** of any governmental subdivision of this
16 state, any court of this state, other than the court of appeals or the supreme court,
17 or any authority created under s. 231.02, 233.02 or 234.02.

18 **SECTION 15. 66.04 (2) (a) 3q.** of the statutes is created to read:

19 66.04 (2) (a) 3q. Bonds issued by a local professional football stadium district
20 created under subch. IV of ch. 229.

21 **SECTION 16. 66.066 (1) (a)** of the statutes is amended to read:

22 66.066 (1) (a) "Municipality" means any city, village, town, county, commission
23 created by contract under s. 66.30, public inland lake protection and rehabilitation
24 district established under s. 33.23, 33.235 or 33.24, metropolitan sewerage district
25 created under ss. 66.20 to 66.26 or 66.88 to 66.918, town sanitary district under

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1 subch. IX of ch. 60, a local professional baseball park district created under subch.
2 III of ch. 229, a local professional football stadium district created under subch. IV
3 of ch. 229 or a municipal water district or power district under ch. 198 and any other
4 public or quasi-public corporation, officer, board or other public body empowered to
5 borrow money and issue obligations to repay the same out of revenues.
6 “Municipality” does not include the state or a local exposition district created under
7 subch. II of ch. 229.

8 **SECTION 17.** 66.066 (1) (c) of the statutes is amended to read:

9 66.066 (1) (c) “Revenue” means all moneys received from any source by a public
10 utility and all rentals and fees and, in the case of a local professional baseball park
11 district created under subch. III of ch. 229 includes tax revenues deposited into a
12 special fund under s. 229.685 and payments made into a special debt service reserve
13 fund under s. 229.74 and in the case of a local professional football stadium district
14 created under subch. IV of ch. 229 includes tax revenues deposited into a special fund
15 under s. 229.825 and payments made into a special debt service reserve fund under
16 s. 229.830.

17 **SECTION 18.** 66.066 (5) of the statutes is renumbered 66.066 (5) (a).

18 **SECTION 19. 66.066** (5) (b) of the statutes is created to read:

19 66.066 (5) (b) Revenue bonds issued by a local professional football stadium
20 district created under subch. IV of ch. 229 are subject to the provisions in ss. 229.829
21 to 229.834.

22 **SECTION 20.** 66.067 of the statutes is amended to read:

23 66.067 **Public works projects.** For financing purposes, garbage
24 incinerators, toll bridges, swimming pools, tennis courts, parks, playgrounds, golf
25 links, bathing beaches, bathhouses, street lighting, city halls, village halls, town

1 halls, courthouses, jails, schools, cooperative educational service agencies, hospitals,
2 homes for the aged or indigent, child care centers, as defined in s. 231.01 (3c),
3 regional projects, waste collection and disposal operations, systems of sewerage,
4 local professional baseball park facilities, local professional football stadium
5 facilities and any and all other necessary public works projects'undertaken by any
6 municipality are public utilities within the meaning of s. 66.066.

7 **SECTION 21.** 66.30 (1) (a) of the statutes, as affected by 1999 Wisconsin Act 9,
8 is amended to read:

9 66.30 (1) (a) In this section "municipality" means the state or any department
10 or agency thereof, or any city, village, town, county, school district, public library
11 system, public inland lake protection and rehabilitation district, sanitary district,
12 farm drainage district, metropolitan sewerage district, sewer utility district, solid
13 waste management system created under s. 59.70 (2), local exposition district
14 created under subch. II of ch. 229, local professional baseball park district created
15 under subch. III of ch. 229, local professional football stadium district created under
16 subch. IV of ch. 229, family care district under s. 46.2895, water utility district,
17 mosquito control district, municipal electric company, county or city transit
18 commission, commission created by contract under this section, taxation district or
19 regional planning commission.

20 **SECTION 22.** 71.05 (1) (c) 5. of the statutes is created to read:

21 71.05 (1) (c) 5. A local professional football stadium district created under
22 subch. IV of ch. 229.

23 **SECTION 23.** 71.26 (1) (bm) of the statutes is amended to read:

24 71.26 (1) (bm) *Certain local districts.* Income of a local exposition district
25 created under subch. II of ch. 229 ~~or~~, a local professional baseball park district

1 created under subch. III of ch. 229 or a local professional football stadium district
2 created under subch. IV of ch. 229.

3 **SECTION 24.** 71.26 (lm) (g) of the statutes is amended to read:

4 71.26 **(lm)** (g) Those issued under s. 66.066 by a local professional baseball
5 park district or a local professional football stadium district.

6 **SECTION 25.** 71.36 (lm) of the statutes is amended to read:

7 71.36 **(lm)** A tax-option corporation may deduct from its net income all
8 amounts included in the Wisconsin adjusted gross income of its shareholders, the
9 capital gain deduction under s. 71.05 (6) (b) 9. and all amounts not taxable to
10 nonresident shareholders under ss. 71.04 (1) and (4) to (9) and 71.362. For purposes
11 of this subsection, interest on federal obligations, obligations issued under s. 66.066
12 by a local professional baseball park district or a local professional football stadium
13 district, obligations issued under ss. 66.40, 66.431 and 66.4325, obligations issued
14 under s. 234.65 to fund an economic development loan to finance construction,
15 renovation or development of property that would be exempt under s. 70.11 (36) and
16 obligations issued under subch. II of ch. 229 is not included in shareholders' income.
17 The proportionate share of the net loss of a tax-option corporation shall be attributed
18 and made available to shareholders on a Wisconsin basis but subject to the limitation
19 and carry-over rules as prescribed by section 1366 (d) of the internal revenue code.
20 Net operating losses of the corporation to the extent attributed or made available to
21 a shareholder may not be used by the corporation for further tax benefit. For
22 purposes of computing the Wisconsin adjusted gross income of shareholders,
23 tax-option items shall be reported by the shareholders and those tax-option items,
24 including capital gains and losses, shall retain the character they would have if
25 attributed to the corporation, including their character as business income. In

1 computing the tax liability of a shareholder, no credit against gross tax that would
2 be available to the tax-option corporation if it were a nontax-option corporation may
3 be claimed.

4 **SECTION 26.** 71.45 (It) (g) of the statutes is amended to read:

5 71.45 **(1t)** (g) Those issued under s. 66.066 by a local professional baseball park
6 district or a local professional football stadium district.

7 **SECTION 27.** 77.54 (45) of the statutes is created to read:

8 77.54 (45) The gross receipts from the sale of, and the storage, use or other
9 consumption of, any of the following related to the use of ~~the~~ football stadium^{facilities} as
10 defined in s. 229.821 ^{✓ 7} (6):

11 (a) Parking or providing parking space for motor vehicles on property that is
12 leased from a municipality or a local professional football stadium district and leased
13 to a professional football team or a related party, as defined in s. 229.821 (12).

14 (b) Parking or providing parking space for motor vehicles on professional
15 football game days pursuant to a contract between a municipality or a local
16 professional football stadium district and the owner of the property on which there
17 is parking or parking space provided on professional football game days.

18 (c) A license or other right to purchase admission to events at a football
19 stadium, as defined in s. 229.821 (6), that is granted by a municipality; a local
20 professional football stadium district; or a professional football team or related party,
21 as defined in s. 229.821 (12).

22 **SECTION 28.** 77.705 (title) of the statutes is amended to read:

23 77.705 (title) **Adoption by resolution; baseball park district.**

24 **SECTION 29.** 77.706 of the statutes is created to read:

1 **77.706 Adoption by resolution; football stadium district.** A local
2 professional football stadium district created under subch. IV of ch. 229, by
3 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this
4 subchapter at a rate of no more than 0.5% of the gross receipts or sales price. Those
5 taxes may be imposed only in their entirety. The imposition of the taxes under this
6 section shall be effective on the first day of the first month that begins 30 days after
7 the approval of the resolution by the electors in the district's jurisdiction under s.
8 229.824 (15).

9 ~~SECTION 30. 77.707 of the statutes is amended to read:~~

10 ~~**77.707 Sunset.** Retailers and the department of revenue may not collect a tax
11 under s. 77.705 for any local professional baseball park district created under subch.
12 III of ch. 229, or under s. 77.706 for any local professional football stadium district
13 created under subch. IV of ch. 229, after the calendar quarter during which the local
14 professional baseball park district board makes a certification to the department of
15 revenue under s. 229.685 (2), or the local professional football stadium district board
16 makes a certification to the department of revenue under s. 229.825 (2), except that
17 the department of revenue may collect from retailers taxes that accrued before that
18 calendar quarter and fees, interest and penalties that relate to those taxes.~~

19 SECTION 31. 77.71 of the statutes is amended to read:

20 **77.71 Imposition of county and special district sales and use taxes.**

21 Whenever a county sales and use tax ordinance is adopted under s. 77.70 or a special
22 district resolution is adopted under s. 77.705 or 77.706, the following taxes are
23 imposed:

24 (1) For the privilege of selling, leasing or renting tangible personal property
25 and for the privilege of selling, performing or furnishing services a sales tax is

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1 imposed upon retailers at the rate of 0.5% in the case of a county tax or at the rate
2 under s. 77.705 or 77.706 in the case of a special district tax of the gross receipts from
3 the sale, lease or rental of tangible personal property, except property taxed under
4 sub. (4), sold, leased or rented at retail in the county or special district or from selling,
5 performing or furnishing services described under s. 77.52 (2) in the county or special
6 district.

7 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax or
8 at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
9 price upon every person storing, using or otherwise consuming in the county or
10 special district tangible personal property or services if the property or service is
11 subject to the state use tax under s. 77.53, except that a receipt indicating that the
12 tax under sub. (1), (3) or (4) has been paid relieves the buyer of liability for the tax
13 under this subsection and except that if the buyer has paid a similar local tax in
14 another state on a purchase of the same property or services that tax shall be credited
15 against the tax under this subsection and except that for motor vehicles that are used
16 for a purpose in addition to retention, demonstration or display while held for sale
17 in the regular course of business by a dealer the tax under this subsection is imposed
18 not on the sales price but on the amount under s. 77.53 (1m).

19 (3) An excise tax is imposed upon a contractor engaged in construction
20 activities within the county or special district, at the rate of 0.5% in the case of a
21 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
22 of the sales price of tangible personal property that is used in constructing, altering,
23 repairing or improving real property and that becomes a component part of real
24 property in that county or special district, unless the contractor has paid the sales
25 tax of a county in the case of a county tax or of a special district in the case of a special

1 district tax in this state on that property, and except that if the buyer has paid a
2 similar local sales tax in another state on a purchase of the same property that tax
3 shall be credited against the tax under this subsection.

4 (4) An excise tax is imposed at the rate of 0.5% in the case of a county tax or
5 at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
6 price upon every person storing, using or otherwise consuming a motor vehicle, boat,
7 snowmobile, mobile home not exceeding 45 feet in length, trailer, semitrailer,
8 all-terrain vehicle or aircraft, if that property must be registered or titled with this
9 **state** and if that property is to be customarily kept in a county that has in effect an
10 ordinance under s. 77.70 or in a special district that has in effect a resolution under
11 s. 77.705 or 77.706, except that if the buyer has paid a similar local sales tax in
12 another state on a purchase of the same property that tax shall be credited against
13 the tax under this subsection.

14 **SECTION 32.** 77.76 (3m) of the statutes is amended to read:

15 77.76 (3m) From the appropriation under s. 20.835 (4) (gb) the department, for
16 the first 2 years of collection, shall distribute 97% of the ~~special district~~ taxes
17 reported for each ~~special~~ local professional baseball park district that has imposed
18 taxes under this subchapter, minus the ~~special~~ district portion of the retailers'
19 discounts, to the ~~special~~ local professional baseball park district no later than the end
20 of the 3rd month following the end of the calendar quarter in which such amounts
21 were reported. From the appropriation under s. 20.835 (4) (gb) the department, after
22 the first 2 years of collection, shall distribute 98.5% of the ~~special district~~ taxes
23 reported for each ~~special~~ local nrofessional baseball nark district that has imposed
24 taxes under this subchapter, minus the ~~special~~ district portion of the retailers'
25 discount, to the ~~special~~ local professional baseball park district no later than the end

1 of the 3rd month following the end of the calendar quarter in which such amounts
2 were reported. At the time of distribution the department shall indicate the taxes
3 reported by each taxpayer. In this subsection, the “~~special~~ district portion of the
4 retailers’ discount” is the amount determined by multiplying the total retailers’
5 discount by a fraction the numerator of which is the gross ~~special~~ local professional
6 baseball park district sales and use taxes payable and the denominator of which is
7 the sum of the gross state and ~~special~~ local professional baseball park district sales
8 and use taxes payable. The ~~special~~ local professional baseball park district taxes
9 distributed shall be increased or decreased to reflect subsequent refunds, audit
10 adjustments and all other adjustments of the ~~special~~ local professional baseball park
11 district taxes previously distributed. Interest paid on refunds of ~~special~~ local
12 professional baseball park district sales and use taxes shall be paid from the
13 appropriation under s. 20.835 (4) (gb) at the rate paid by this state under s. 77.60 (1)
14 (a). Any ~~special~~ local professional baseball park district receiving a report under this
15 subsection is subject to the duties of confidentiality to which the department of
16 revenue is subject under s. 77.61 (5).

17 **SECTION 33.** 77.76 (3p) of the statutes is created to read:

18 77.76 (3p) From the appropriation under s. 20.835 (4) (ge) the department of
19 revenue shall distribute 98.5% of the taxes reported for each local professional
20 football stadium district that has imposed taxes under this subchapter, minus the
21 district portion of the retailers’ discount, to the local professional football stadium
22 district no later than the end of the 3rd month following the end of the calendar
23 quarter in which such amounts were reported. At the time of distribution the
24 department of revenue shall indicate the taxes reported by each taxpayer. In this
25 subsection, the “district portion of the retailers’ discount” is the amount determined

1 by multiplying the total retailers' discount by a fraction the numerator of which is
 2 the gross local professional football stadium district sales and use taxes payable and
 3 the denominator of which is the sum of the gross state and local professional football
 4 stadium district sales and use taxes payable. The local professional football stadium
 5 district taxes distributed shall be increased or decreased to reflect subsequent
 6 refunds, audit adjustments and all other adjustments of the local professional
 7 football stadium district taxes previously distributed. Interest paid on refunds of
 8 local professional football stadium district sales and use taxes shall be paid from the
 9 appropriation under s. 20.835 (4) (ge) at the rate paid by this state under s. 77.60 (1)
 10 (a). Any local professional football stadium district receiving a report under this
 11 subsection is subject to the duties of confidentiality to which the department of
 12 revenue is subject under s. 77.61 (5).

~~****NOTE: The percentage of taxes distributed under this subsection is equal to the percentage of special district taxes that are distributed to local professional baseball park districts. Is that OK? YES~~

13 **SECTION 34.** 77.76 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is
 14 amended to read:

15 77.76 (4) There shall be retained by the state 1.5% of the taxes collected for
 16 taxes imposed by special districts under ~~s. ss.~~ ss. 77.705 and 77.706 and 1.75% of the
 17 taxes collected for taxes imposed by counties under s. 77.70 to cover costs incurred
 18 by the state in administering, enforcing and collecting the tax. All interest and
 19 penalties collected shall be deposited and retained by this state in the general fund.

*INS
1919*

20 **SECTION 35.** ~~219.09~~ **219.09** (1) (d) of the statutes is created to read:

21 219.09 (1) (d) A local professional football stadium district created under
 22 subch. IV of ch. 229.

1 appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of
2 trust providing terms and conditions for bonds.

3 (3) "Chief ~~ex~~te do ficial" means the mayor of a city or, if the city is organized
4 under subch. I of ch. 64, the president of the council of that city, the village president
5 of a village, the town board chair of a town or the county executive of a county or, if
6 the county does not have a county executive, the chairperson of the county board of
7 supervisors.

****NOTE: Based on s. 229.41 (4), except for cite to president of the council for cities
organized under subch. I of ch. 64 instead of city manager; "town board chair of a town"
was added. The definition in the Foley draft applied only to counties.

8 (4) "District" means a special purpose district created under this subchapter.

9 (5) "District board" means the governing board of a district.

10 (6) "Football stadium" means ~~that part of football~~ stadium ^a facilities that is
11 principally used as the home stadium of a professional football team described in s.
12 229.823 at the time that a district is created, or if no home stadium exists at the time
13 that a district is created, "football stadium" means ~~that part of football~~ ^a stadium
14 ~~facilities~~ that includes the site of a proposed home stadium of such a team.

****NOTE: Please review this definition very carefully. See also subs. (7) and (8).
We believe that it ensures an open class but does not provide for a scenario where a home
stadium is to be relocated. Does this definition meet your intent?

15 (7) "Football stadium facilities" means property, tangible or intangible, ~~owned~~
16 in whole or in substantial part, operated or leased by a district that is principally for
17 professional football ^{of which a football stadium is composed,} including practice facilities, parking lots and structures,
18 garages, restaurants, parks, concession facilities, entertainment facilities, facilities
19 for the display or sale of memorabilia, transportation facilities, and other
20 functionally related or auxiliary facilities or structures.

***Note: Modification of s. 229.65 (1)

21 (8) "Home stadium" means a stadium approved as provided in s. 229.823.

1 (9) "Members-elect" means those members of the governing body of a
2 municipality or county, at a particular time, who have been duly elected or appointed
3 for a current regular or unexpired term and whose service has not terminated by
4 death, resignation or removal from office.

~~***NOTE: Based on s. 59.001(2m).~~

5 (10) "Municipality" means a city, village or town.

6 (11) "Political subdivision" means a city, village, town or county.

7 (12) "Related party" means a corporation or business entity that is owned,
8 controlled or operated by ^{or under common control with,} a professional football team.

~~***NOTE: Use existing definition of "professional football team" in s. 36(12).
(2m). Is it OK?~~

9 **229.822 Creation and organization.** (1) There is created, for each
10 jurisdiction under s. 229.823, a special district that is a local governmental unit, that
11 is a body corporate and politic, that is separate and distinct from, and independent
12 of, the state and the political subdivisions within its jurisdiction, that has the powers
13 under s. 229.824 and the name of which includes "Professional Football Stadium
14 District".

15 (2) A district is governed by its district board. Subject to sub. (3), the district
16 board shall consist of the following members:

17 (a) Two persons appointed by the governor. At least one of the persons
18 appointed by the governor shall reside within the county in which the football
19 stadium is located. A person appointed under this paragraph may take his or her
20 seat immediately upon appointment and qualification, subject to confirmation or
21 rejection by the senate.

22 (b) Two persons appointed by the chief elected official of the most populous city
23 located wholly or partly within the jurisdiction of a district. A person appointed

1 under this paragraph may take his or her seat immediately upon appointment and
2 qualification, subject to confirmation or rejection by a majority of the members-elect
3 of the common council or council.

4 (c) Two persons appointed by the chief elected official of the county in which the
5 football stadium is located. A person appointed under this paragraph may take his
6 or her seat immediately upon appointment and qualification, subject to confirmation
7 or rejection by a majority of the members-elect of the county board.

8 (d) One person appointed by the chief elected official of any municipality
9 located wholly or partly within the jurisdiction of the district, other than the most
10 populous city located wholly or partly within the jurisdiction of the district, that has
11 a boundary at the time of creation of the district that is contiguous to a boundary of
12 the site of the football stadium. A person appointed under this paragraph may take
13 his or her seat immediately upon appointment and qualification, subject to
14 confirmation or rejection by a majority of the members-elect of the governing body
15 of the municipality

16 (3) Upon appointment under sub. (2), the appointing authorities shall certify
17 the appointees to the secretary of administration. The terms of office of the persons
18 appointed under sub. (2) shall be 2 years expiring on July 1, except that the initial
19 terms shall expire on July 1 of the 4th year beginning after the year of creation of a
20 district. Persons appointed under sub. (2) may be removed from the district board
21 before the expiration of their terms by the appointing authority but only for cause,
22 as defined in s. 17.16 (2). Vacancies shall be filled by the appointing authority who
23 appointed the person whose office is vacant. A person appointed to fill a vacancy
24 under sub. (2) shall serve for the remainder of the unexpired term to which he or she

1 is appointed. The appointing authorities shall confer with one another regarding
2 their appointments with a view toward achieving diversity on the district board.

3 (4) The governor shall select the chairperson of the district board, and the
4 district board shall elect from its membership a vice chairperson, a secretary and a
5 treasurer. A majority of the current membership of the district board constitutes a
6 quorum to do business. The district may take action based on the affirmative vote
7 of a majority of those members of the district board who are present at a meeting of
8 the district board.

9 (5) The members of the district board shall be reimbursed for their actual and
10 necessary expenses incurred in the performance of their duties.

11 (6) Upon the appointment and qualification of a majority of the members of a
12 district board, the district board may exercise the powers and duties of a district
13 board under this subchapter.

14 (7) The district board shall name the district, and the name shall include
15 "Professional Football Stadium District".

16 **229.823 Jurisdiction.** A district's jurisdiction is any county with a population
17 at the date of the district's creation of more than 150,000 that includes the ^{principal} site of a
18 stadium that is home to a professional football team, that is a member of a league of
19 professional football teams that have home stadiums in at least 10 states and a
20 collective average attendance for all league members of at least 40,000 persons per
21 game over the 5 years immediately preceding the year in which a district is created,
22 and that is approved by that league for use as a home stadium for that professional
23 football team. Once created, the district's jurisdiction remains fixed even if
24 population or attendance figures subsequently decline below the minimums
25 described in this section.

1 **229.824 Powers of a district.** A district has all of the powers necessary or
2 convenient to carry out the purposes and provisions of this subchapter. In addition
3 to all other powers granted by this subchapter, a district may do all of the following:

4 (1) Adopt bylaws to govern the district's activities, subject to this subchapter.

5 (2) Sue and be sued in its own name, plead and be impleaded.

6 (3) Maintain an office.

7 (4) In connection with football stadium facilities:

8 (a) Acquire, construct, equip, maintain, improve, operate and manage the
9 football stadium facilities as a revenue-generating enterprise, or engage other
10 persons to do these things.

11 (b) Acquire; lease, as lessor or lessee; use; transfer; or accept transfers of
12 property.

13 (c) Improve, maintain and repair property, and fund reserves for maintenance,
14 depreciation and capital improvements.

15 (d) Enter into contracts, subject to such standards as may be established by the
16 district board. The district board may award any such contract for any combination
17 or division of work it designates and may consider any factors in awarding a contract,
18 including price, time for completion of work and qualifications and past performance
19 of a contractor.

20 (e) Grant concessions.

21 (f) Sell or otherwise dispose of unneeded or unwanted property.

22 (5) Employ personnel, and fix and regulate their compensation; and provide,
23 either directly or subject to an agreement under s. 66.30 as a participant in a benefit
24 plan of another governmental entity, any employe benefits, including an employe
25 pension plan.

1 (6) Purchase insurance, establish and administer a plan of self-insurance or,
2 subject to an agreement with another governmental entity under s. 66.30,
3 participate in a governmental plan of insurance or self-insurance.

4 (7) Mortgage, pledge or otherwise encumber the district's property or funds.

5 (8) Issue revenue bonds under s. 66.066, subject to ss. 229.829 to 229.834, and
6 enter into agreements related to the issuance of bonds, including liquidity and credit
7 facilities, remarketing agreements, insurance policies, guaranty agreements, letter
8 of credit or reimbursement agreements, indexing agreements, interest exchange
9 agreements and currency exchange agreements.

10 (9) Maintain funds and invest the funds in any investment described in s. 66.04
11 that the district board considers appropriate.

***NOTE: Is this reference to s. 66.04 (2) OK? Because of the cross-reference to s.
(34.01 (1) in s. 66.04 (2), the district is covered under s. 66.04 (2).

12 (10) Promote, advertise and publicize its football stadium facilities and related
13 activities.

14 (11) Set standards governing the use of, and the conduct within, its football
15 stadium facilities in order to promote public safety and convenience and to maintain
16 order.

17 (12) Establish and collect fees or other charges for the use of its football
18 stadium facilities or for services rendered by the district.

19 (13) Establish and collect fees or other charges for the right to purchase
20 admission to events at the football stadium if the proceeds from any amount that is
21 collected under this subsection are used for purposes related to football stadium
22 facilities.

***NOTE: We separated your sub. (12) into 2 subsections so we could add the
"purposes related to football stadium facilities" language which we discussed during our
January 14 meeting/teleconference. Is this OK?

1 (14) Enter into partnerships, joint ventures, common ownership or other
2 arrangements with other persons to further the district's purposes.

3 (15) Impose, by the adoption of a resolution, the taxes under subch. V of ch. 77,
4 except that the taxes imposed by the resolution may not take effect until the
5 resolution is approved by a majority of the electors in the district's jurisdiction voting
6 on the resolution at a referendum, to be held on a date specified by the county board
7 not earlier than 45 days ^{nor later than one year} after adoption of the resolution. The referendum may be
8 held at any spring or general election or any spring or September primary, or at a
9 special election called by the county board for that purpose. The question submitted

10 shall be substantially as follows: "Shall the resolution of the ... Professional Football
11 Stadium District board that imposes the sales tax and use tax in County, as
12 authorized under subchapter V of chapter 77 of the Wisconsin Statutes, be
13 approved?" A district may not levy any taxes that are not expressly authorized under

14 subch. V of ch. 77. If a district board adopts a resolution that imposes taxes and the
15 resolution is approved by the electors, the district shall deliver a certified copy of the
16 resolution to the secretary of revenue at least **30** days before its effective date.

17 (16) Accept gifts, loans and other aid.

18 (17) Administer the receipt of revenues, and oversee the payment of bonds
19 issued by the district.

20 (18) Adopt and alter an official seal.

21 **229.825 Special fund tax revenues. (1) The** district board shall maintain
22 a special fund into which it deposits only the revenue received from the department
23 of revenue, that is derived from the taxes imposed under subch. V of ch. 77, and may
24 use this revenue only for purposes related to football stadium facilities.

1 (2) If the district board determines that the revenues in the special fund under
2 this section exceed current debt service and operating expenses for the operation of
3 football stadium facilities, the district board shall apply the excess first to fund a
4 reserve or reserves for maintenance costs, depreciation and capital improvements,
5 and second, when the reserve or reserves are adequately funded to meet the
6 obligations of the district, to retire bonds issued for purposes related to football
7 stadium facilities, and any bonds issued to fund or refund those bonds, prior to their
8 maturity. As soon as practicable after the retirement of all bonds issued for purposes
9 related to football stadium facilities and all bonds issued to fund or refund those
10 bonds and after -funding a reserve or reserves for maintenance costs and capital
11 improvements sufficiently to meet any maintenance, depreciation or capital
12 improvement obligations between the district and any professional football team
13 using football stadium facilities constructed under this subchapter as a home
14 stadium, the district board shall make a certification to the department of revenue
15 to that effect.

****NOTE: This subsection contains some differences from 1995 Act 56, i.e.,
inserting "purposes related to" football stadium facilities. Is this OK?

16 **229.826 Powers granted to a municipality or county.** In addition to any
17 powers that it may otherwise have, a county or municipality located wholly or partly
18 within a district's jurisdiction may do any of the following:

19 (1) Make grants or loans to a district upon terms that the county or
20 municipality considers appropriate.

21 (2) Expend public funds to subsidize a district.

22 (3) Borrow money under ss. 67.04 and 67.12 (12) for football stadium facilities
23 or to fund grants, loans or subsidies to a district.

1 (4) Lease or transfer property to a district upon terms that the county or
2 municipality considers appropriate.

~~***NOTE: Because municipalities and counties may already lease or transfer property, we don't think that sub. (4) is necessary. Do you still want it to remain in the bill?~~
yes - retain

3 (5) With the consent of a district, establish and collect fees or other charges
4 applicable only to a football stadium for the right to purchase admission to events at
5 the stadium, if the proceeds from any amount that is collected under this subsection
6 are used for purposes related to football stadium facilities.

~~***NOTE: We added the public purpose language which we discussed during our January 14 meeting/teleconference. Is this OK? See also s. 229.824 (13).~~

7 **229.827 Contracting.** Unless a district board determines that it is not
8 feasible to do so, the district shall enter into a contract with a professional football
9 team, as described in s. 229.823, or a related party, that requires the team or related
10 party to acquire and construct ~~improvements~~^{to} football stadium facilities that are
11 part of any facilities that are leased by the district to the team, without regard to
12 whether the ~~improvements~~^{football stadium facilities} are financed by the district.

~~***NOTE: Please review this section carefully. We believe it reflects your intent, as described in your 1/26/00 fax, but the narrative description seems to be at odds with the prepared draft of s. 237.08. Let us know if this section does not reflect your intent. Additionally, this section now includes the term "improvements", which is not used elsewhere in the bill. Did you mean something other than the defined term, "football stadium facilities?"~~

13 **229.828 Dissolution of a district.** Subject to providing for the payment of
14 its bonds, including interest on the bonds, and the performance of its other
15 contractual obligations, a district may be dissolved by the action of the district board.
16 If the district is dissolved, the property of the district shall be transferred to the
17 political subdivisions that compose the district's jurisdiction in such proportions as
18 the secretary of administration determines fairly and reasonably represent the

1 contributions of each political subdivision to the development or improvement of the
2 football stadium facilities.

****NOTE: This section contains a few changes from the language you submitted;
we changed "governmental unit" to "political subdivision". Is it OK?

3 **229.829 Issuance and negotiability of bonds. (1) NEGOTIABILITY.** All bonds
4 are negotiable for all purposes, notwithstanding their payment from a limited
5 source.

6 (2) **EMPLOYMENT OF FINANCIAL CONSULTANT.** A district may retain the building
7 commission or any other person as its financial consultant to assist with and
8 coordinate the issuance of bonds.

9 (3) **NO PERSONAL LIABILITY.** Neither the members of the district board nor any
10 person executing the bonds is liable personally on the bonds or subject to any
11 personal liability or accountability by reason of the issuance of the bonds, unless the
12 personal liability or accountability is the result of wilful misconduct.

13 **229.830 Special debt service reserve funds for moral obligation pledge.**

14 **(1) DESIGNATION OF SPECIAL DEBT SERVICE RESERVE FUNDS.** A district may designate one
15 or more accounts in funds created under s. 66.066 (2) (e) as special debt service
16 reserve funds, if, prior to each issuance of bonds to be secured by each special debt
17 service reserve fund, the secretary of administration determines that all of the
18 following conditions are met with respect to the bonds:

****NOTE: Please review the changes made in this section.

19 (a) **Purpose.** The proceeds of the bonds, other than refunding bonds, will be
20 used for purposes related to football stadium facilities.

****NOTE: Please review the changes made in this section.

21 (b) **Feasibility.** The proceeds of bonds, other than refunding bonds, will be used
22 for feasible projects and there is a reasonable likelihood that the bonds will be repaid

1 without the necessity of drawing on funds in the special debt service reserve fund
2 that secures the bonds. The secretary of administration may make the
3 determinations required under this paragraph only after considering all of the
4 following:

5 1. Whether a pledge of the tax revenues of the district is made under the bond
6 resolution.

7 2. How the tax revenues of the district are pledged to the payment of the bonds.

8 3. Revenue projections for the project to be financed by the bonds, including tax
9 revenues, and the reasonableness of the assumptions on which these revenue
10 projections are based.

11 4. The proposed interest rates of the bonds and the resulting cash-flow
12 requirements.

13 5. The projected ratio of annual tax revenues to annual debt service of the
14 district, taking into account capitalized interest.

15 6. Whether an understanding exists providing for repayment by the district to
16 the state of all amounts appropriated to the special debt service reserve fund
17 pursuant to sub. (7) .

18 7. Whether the district has agreed that the department of administration will
19 have direct and immediate access, at any time and without notice, to all records of
20 the district.

21 (c) **Limit on bonds issued backed by moral obligation pledge.** The principal
22 amount of all bonds, other than refunding bonds, that would be secured by all special
23 debt service reserve funds of the district under this section will not exceed ~~XXXXXX~~
24 at any one time outstanding.

***NOTE: We will need to fill in the bonding amount limit. \$ 166,000,000

1 (d) *Date of issuance.* The bonds, other than refunding bonds, will be issued no
2 later than December 31, ~~2000~~ 2004

***NOTE: We will need to fill in the date by which the bonds must be issued.

3 (e) *Refunding bonds.* All refunding bonds to be secured by the special debt
4 service reserve fund meet all of the following conditions:

5 1. The refunding bonds are to be issued to fund, refund or advance refund bonds
6 secured by a special debt service reserve fund.

7 2. The refunding of bonds by the refunding bonds will not adversely affect the
8 risk that the state will be called on to make a payment under sub. (7).

9 (f) *Approval of outstanding debt.* All outstanding debt of the district has been
10 reviewed and approved by the secretary of administration. In determining whether
11 to approve outstanding debt under this paragraph, the secretary may consider any
12 factor which the secretary determines to have a bearing on whether the state moral
13 obligation pledge under sub. (7) should be granted with respect to an issuance of
14 bonds.

15 (g) *Financial reports.* The district has agreed to provide to the department of
16 administration, the legislative fiscal bureau and the legislative audit bureau all
17 financial reports of the district and all regular monthly statements of any trustee of
18 the bonds on a direct and ongoing basis.

19 (2) **PAYMENT OF FUNDS INTO A SPECIAL DEBT SERVICE RESERVE FUND.** A district shall
20 pay into any special debt service reserve fund of the district any moneys appropriated
21 and made available by the state for the purposes of the special debt service reserve
22 fund, any proceeds of a sale of bonds to the extent provided in the bond resolution
23 authorizing the issuance of the bonds and any other moneys that are made available

1 to the district for the purpose of the special debt service reserve fund from any other
2 source.

3 (3) **USE OF MONEYS IN THE SPECIAL DEBT SERVICE RESERVE FUND.** All moneys held
4 in any special debt service reserve fund of a district, except as otherwise specifically
5 provided, shall be used, as required, solely for the payment of the principal of bonds
6 secured in whole or in part by the special debt service reserve fund, the making of
7 sinking fund payments with respect to these bonds, the purchase or redemption of
8 these bonds, the payment of interest on these bonds or the payment of any
9 redemption premium required to be paid when these bonds are redeemed prior to
10 maturity. If moneys in a special debt service reserve fund at any time are less than
11 the special debt service reserve fund requirement under sub. (5) for the special debt
12 service reserve fund, the district may not use these moneys for any optional purchase
13 or optional redemption of the bonds. Any income or interest earned by, or increment
14 to, any special debt service reserve fund due to the investment of moneys in the
15 special debt service reserve fund may be transferred by the district to other funds or
16 accounts of the district to the extent that the transfer does not reduce the amount of
17 the special debt service reserve fund below the special debt service reserve fund
18 requirement under sub. (5) for the special debt service reserve fund.

19 (4) **LIMITATION ON BONDS SECURED BY A SPECIAL DEBT SERVICE RESERVE FUND.** A
20 district shall accumulate in each special debt service reserve fund an amount equal
21 to the special debt service reserve fund requirement under sub. (5) for the special
22 debt service reserve fund. A district may not at any time issue bonds secured in whole
23 or in part by a special debt service reserve fund if upon the issuance of these bonds
24 the amount in the special debt service reserve fund will be less than the special debt

1 service reserve fund requirement under sub. (5) for the special debt service reserve
2 fund.

3 (5) **SPECIAL DEBT SERVICE RESERVE FUND REQUIREMENT.** The special debt service
4 reserve fund requirement for a special debt service reserve fund, as of any particular
5 date of computation, is equal to an amount of money, as provided in the bond
6 resolution authorizing the bonds with respect to which the special debt service
7 reserve fund is established, that may not exceed the maximum annual debt service
8 on the bonds of the district for the fiscal year in which the computation is made or
9 any future fiscal year of the district secured in whole or in part by that special debt
10 service reserve fund. In computing the annual debt service for any fiscal year, bonds
11 deemed to have been paid in accordance with the defeasance provisions of the bond
12 resolution authorizing the issuance of the bonds shall not be included in bonds
13 outstanding on the date of computation. The annual debt service for any fiscal year
14 is the amount of money equal to the aggregate of all of the following calculated on the
15 assumption that the bonds will, after the date of computation, cease to be
16 outstanding by reason, but only by reason, of the payment of bonds when due, and
17 the payment when due, and application in accordance with the bond resolution
18 authorizing those bonds, of all of the sinking fund payments payable at or after the
19 date of computation:

~~***NOTE: Please review the changes made in this subsection.~~

20 (a) All interest payable during the fiscal year on all bonds that are secured in
21 whole or in part by the special debt service reserve fund and that are outstanding on
22 the date of computation.

1 (b) The principal amount of all of the bonds that are secured in whole or in part
2 by the special debt service reserve fund, are outstanding on the date of computation
3 and mature during the fiscal year.

4 (c) All amounts specified in bond resolutions of the district authorizing any of
5 the bonds that are secured in whole or in part by the special debt service reserve fund
6 to be payable during the fiscal year as a sinking fund payment with respect to any
7 of the bonds that mature after the fiscal year.

8 (6) **VALUATION OF SECURITIES.** In computing the amount of a special debt service
9 reserve fund for the purposes of this section, securities in which all or a portion of the
10 special debt service reserve fund is invested shall be valued at par, or, if purchased
11 at less than par, at their cost to the district.

12 (7) **STATE MORAL OBLIGATION PLEDGE.** If at any time of valuation the special debt
13 service reserve fund requirement under sub. (5) for a special debt service reserve
14 fund exceeds the amount of moneys in the special debt service reserve fund, the
15 district board shall certify to the secretary of administration, the governor, the joint
16 committee on finance and the governing body of the county in the district the amount
17 necessary to restore the special debt service reserve fund to an amount equal to the
18 special debt service reserve fund requirement under sub. (5) for the special debt
19 service reserve fund. If this certification is received by the secretary of
20 administration in an even-numbered year prior to the completion of the budget
21 compilation under s. 16.43, the secretary shall include the certified amount in the
22 budget compilation. In any case, the joint committee on finance shall introduce in
23 either house, in bill form, an appropriation of the amount so certified to the
24 appropriate special debt service reserve fund of the district. Recognizing its moral

1 obligation to do so, the legislature hereby expresses its expectation and aspiration
2 that, if ever called upon to do so, it shall make this appropriation.

~~****NOTE: Your original language provided that the district board must make the certification to *each county in the district*; we changed this to *the county in the district*, because the district will comprise only one county.~~

3 (8) INFORMATION TO JOINT COMMITTEE ON FINANCE. The district shall provide to
4 the cochairpersons of the joint committee on finance information concerning the
5 district's projected cashflows and security features underlying each issuance of
6 bonds under this subchapter.

7 **229.831 Bonds not public debt. (1)** The state and the county and
8 municipalities located wholly or partly within the district's jurisdiction are not liable
9 on bonds and the bonds are not a debt of the state or the county or any municipality
10 located wholly or partly within the district. All bonds shall contain a statement to
11 this effect on the face of the bond. A bond issue does not, directly or indirectly or
12 contingently, obligate the state or a political subdivision of the state to levy **any tax**
13 or make any appropriation for payment of the bonds.

~~****NOTE: Your original language referred to *each county*; we changed this to *the county*, because the district will comprise only one county. Also, please review the changes regarding "wholly or partly within the district's jurisdiction."~~

14 (2) Nothing in this subchapter authorizes a district to create a debt of the state
15 or the county or any municipality located wholly or partly within the district's
16 jurisdiction, and all bonds issued by a district are payable, and shall state that they
17 are payable, solely from the funds pledged for their payment in accordance with the
18 bond resolution authorizing their issuance or in any trust indenture or mortgage or
19 deed of trust executed as security for the bonds. Neither the state nor the county or
20 any such municipality is liable for the payment of the principal of or interest on a
21 bond or for the performance of any pledge, mortgage, obligation or agreement that

1 may be undertaken by a district. The breach of any pledge, mortgage, obligation or
2 agreement undertaken by a district does not impose pecuniary liability upon the
3 state or the county or any such municipality in the district's jurisdiction or a charge
4 upon its general credit or against its taxing power.

****NOTE: Please review the changes made in this subsection.

5 (3) Bonds issued by the district may be secured only by the district's interest
6 in any football stadium facilities, by income from these facilities, by proceeds of bonds
7 issued by the district and by other amounts placed in a special redemption fund and
8 investment earnings on such amounts, including any taxes imposed by the district
9 under **subch. V** of ch. 77. The district may not pledge its full faith and credit on the
10 bonds and the bonds are not a general obligation liability of the district.

11 **229.832 State pledge.** The state pledges to and agrees with the bondholders,
12 and persons that enter into contracts with a district under this subchapter, that the
13 state will not limit or alter the rights and powers vested in a district by this
14 subchapter, including the rights and powers under s. 229.824 (15), before the district
15 has fully met and discharged the bonds, and any interest due on the bonds, and has
16 fully performed its contracts, unless adequate provision is made by law for the
17 protection of the bondholders or those entering into contracts with a district.

18 **229.833 Trust funds.** All moneys received under this subchapter, whether as
19 proceeds from the sale of bonds or from any other source, are trust funds to be held
20 and applied solely as provided in this subchapter. Any officer with whom, or any
21 bank or trust company with which, those moneys are deposited shall act as trustee
22 of those moneys and shall hold and apply the moneys for the purposes of this
23 subchapter, subject to this subchapter and the bond resolution authorizing issuance
24 of the bonds.

1 **229.834 Budgets; rates and charges; audit.** A district shall adopt a
2 calendar year as its fiscal year for accounting purposes. The district board shall
3 annually prepare a budget for the district. Rates and other charges received by the
4 district shall be used for the general expenses and capital expenditures of the district
5 and to pay interest, amortization, and retirement charges on bonds. A district shall
6 maintain an accounting system in accordance with generally accepted accounting
7 principles and shall have its financial statements and debt covenants audited
8 annually by an independent certified public accountant.

9 ~~**SECTION 37.** 704.31 (3) of the statutes is renumbered 704.31 (3) (intro.) and
10 amended to read:~~

11 ~~704.31 (3) (intro.) This section does not apply to a lease to which a local
12 professional baseball park district created under subch. III of ch. 229 any of the
13 following is a party, :~~

14 ~~**SECTION 38.** 704.31 (3) (a) of the statutes is created to read:~~

15 ~~704.31 (3) (a) A professional baseball park district created under subch. III of
16 ch. 229.~~

17 ~~**SECTION 39.** 704.31 (3) (b) of the statutes is created to read:~~

18 ~~704.31 (3) (b) A professional football stadium district created under subch. IV
19 of ch. 229.~~

~~****NOTE: Although s. 704.31 (3) was not treated in your draft, are we correct in
assuming that you want to treat this statute as we've done?~~

20 **SECTION 40.** 779.14 (1m) (d) 2. b. of the statutes is amended to read:

21 779.14 (1m) (d) 2. b. T-he Except as provided in sub. (4). the contract shall
22 require the prime contractor to provide a payment and performance bond meeting
23 the requirements of par. (e), unless the public body authorized to enter into the

1 contract allows the prime contractor to substitute a different payment assurance for
 2 the payment and performance bond. The public body may allow a prime contractor
 3 to substitute a different payment and performance assurance for the payment and
 4 performance bond only if the substituted payment and performance assurance is for
 5 an amount at least equal to the contract price and is in the form of a bond, an
 6 irrevocable letter of credit or an escrow account acceptable to the public body. The
 7 public body shall establish written standards under this subd. 2. b. governing when
 8 a different payment and performance assurance may be substituted for a payment
 9 and performance bond under par. (e).

10 **SECTION 41.** 779.14 (1m) (d) 3. of the statutes is amended to read:

11 779.14 (1m) (d) 3. ~~In~~ Except as provided in sub. (4), in the case of a contract with
 12 a contract price exceeding \$100,000, as indexed under sub. (Is), the contract shall
 13 require the prime contractor to obtain a payment and performance bond meeting the
 14 requirements under par. (e).

15 **SECTION 42.** 779.14 (4) of the statutes is created to read:

16 779.14 (4) **BONDING EXEMPTION.** A contract with a local professional football
 17 stadium district under subch. IV of ch. 229 is not required under sub. (1m) (d) 2. b.
 18 or 3. to include a provision requiring the prime contractor to provide or obtain a
 19 payment and performance bond or other payment assurance.

~~***NOTE: This provision exempts the local professional football stadium district
 from the bonding requirements that apply to local government public improvement
 contracts. Other provisions relating to public improvement contracts still apply. Please
 let us know if you intend a broader exemption. Fine as done~~

20 **SECTION 43. Initial applicability.**

21 (1) The treatment of sections 71.05 (1) (c) 5., 71.26 (1) (bm) and (1m) (g), 71.36
 22 (1m) and 71.45 (It) (g) of the statutes first applies to taxable years beginning on
 23 January 1, 2000.

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

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ANL-6

All caps, (2) HEAD

Transportation Aids

The bill authorizes the department of transportation (DOT) to make aid payments to a local professional football stadium district for the development, construction, reconstruction or improvement of bridges, highways, parking lots, garages, transportation facilities or other functionally related or auxiliary facilities or structures associated with any home stadium of a professional football team, and creates a continuing appropriation in the segregated transportation fund for this purpose. The bill does not appropriate any money for the purpose of DOT making such aid payments. Continuing appropriations are expendable until fully depleted or repealed by subsequent action of the legislature.

(END OF INSERT)

1999

LRB-4242, PY

File With. Statute **20.005 (3)** Schedule

ME/JTE/RAC/JK : _____

\$\$\$ SCHEDULE

In the component bar:

For the action phrase, execute: create → action: → ch20

For the table layout, execute: create → <Table> → \$sched

SECTION #. 20.005(3) (schedule) of the statutes: at the appropriate place,

insert the following amounts for the purposes indicated:

FNS
8-19

1999-00

2000-01

20. 395 .. Transportation, Department of

(1) .. AIDS.

(9V) Transportation aids to
professional football

stadium districts

SEG C

-0-

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~~NOTE~~ NOTE: This draft appropriates no money for this purpose.

20.

(CS)

~~() ..
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(END OF INSERT)



FNS, a-b

Sec. # CR; 20.395 (1) (gv)

(b)

(f)

(c)

20.395 (1) (gv) Transportation aids to professional football stadium districts. AS a continuing app. obligation,

(I)

the amounts in the schedule for transportation aids to professional football stadium districts - under s. 85.62.

85.62

(END OF INSERT)

FW 510-17

Section #. 66.04 (2) (a) (intro.) of the statutes is amended to read:

66.04 (2) (a) (intro.) Any county, city, village, town, school district, drainage district, technical college district or other governing board as defined by s. 34.01 (1) may invest any of its funds riot immediately needed in any of the following:

→ other than a professional football stadium district board created under subch. IV of ch. 229

~~History: 1971 c. 24 s. 12; 1971 c. 154, 211; 1975 c. 164, 180, 422; 1977 c. 29, 182; 1977 c. 187 s. 135; 1977 c. 245, 272, 367, 447; 1979 c. 221, 293, 355; 1981 c. 187; 1983 a. 189 s. 329 (21); 1983 a. 192 s. 304; 1983 a. 368; 1987 a. 27, 399; 1989 a. 307; 1991 a. 39; 1993 a. 203, 263, 399; 1995 a. 27, 56, 336; 1997 a. 27, 318; 1999 a. 9.~~

*add
scored
commas*

(END OF INSERT)

Insert 15 - 9

1 **SECTION 1.** 77.707 of the statutes is renumbered 77.707 (1).

2 **SECTION 2.** 77.707[✓] (2) of the statutes is created to read:

3 77.707 (2) Retailers and the department of revenue may-not collect a tax under
4 s. 77.706 for any local professional football stadium district created under subch. IV
5 of ch. 229 after the calendar quarter during which the local professional football
6 stadium district board[✓] makes a certification-to the department of revenue under s.
7 229.825[✓] (2), except that the department of revenue may collect from retailers taxes
8 that accrued before that calendar quarter and fees, interest and penalties that relate
9 to those taxes.

(END OF INSERT)

2m for a local ordinance in conformity therewith or
) or 6), 940.09 (1) or 940.25.
part shall administer the pretrial intoxicated
ntion grant program. The program shall award
ble applicants to administer a local pretrial intoxi-
intervention program that, prior to the sentencing of
r operating while intoxicated, does all of the follow-
es the defendant and notifies him or her of the avail-
it of the program and that, if the defendant is con-
will consider the defendant's participation in the
imposing a sentence.
rs the defendant's use of intoxicants to reduce the
use.
he defendant's abuse of intoxicants to reduce the
use.
to the court on the defendant's participation in the
s program participants to pay a reasonable fee to
ie program. Such a fee may not exceed 20% of the
ta cost of the program.
nder this section shall be paid from the appropria-
.395 (5) (j). The amount of a grant may not exceed
unt expended by an eligible applicant for services
rogram. The total amount of grants awarded under
y not exceed \$500,000.

shall, not later than December 31 of the year for which the grant
was made, submit a report to the speaker of the assembly and to
the president of the senate in the manner described in s. 13.172 (3)
summarizing the results of the pretrial intoxicated driver interven-
tion program administered by the eligible applicant and providing
any additional information required by the department.
(5) Consent to participate in a local pretrial intoxicated driver
intervention program funded under this section is not an admis-
sion of guilt and the consent may not be admitted in evidence in
a trial for operating while intoxicated. No statement relating to
operating while intoxicated, made by the defendant in connection
with any discussions concerning the program or to any person
involved in the program, is admissible in a trial for operating while
intoxicated.

History: 1997 a. 27.
~~§ 22.60~~ Aid to professional ~~baseball~~ districts. The
department may make aid payments from the appropriation under
s. 20.395 (1) ~~(a)~~ to a local professional ~~baseball~~ district
created under subch. ~~III~~ of ch. 229 for ~~the purpose of~~ ~~the~~
development, construction, reconstruction or improvement of
bridges, highways, parking lots, garages, transportation facilities
or other functionally related or auxiliary facilities or structures
associated with the construction of a new stadium to be used as a
home ~~field~~ by a ~~major league~~ professional ~~baseball~~ team in the dis-
trict.

NOTE: This section is repealed eff. 7-1-99 by 1997 Wis. Act 27.
History: 1997 a. 27.

Section #, CR; 85.62
85.62

(9v)

IV

Stadium

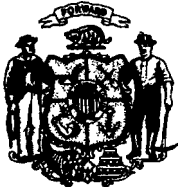
Football

Football stadium

INS
19-19

home stadium used by a professional
football team described in s. 229.823
at the time the district is created
or, if no home stadium exists at the
time the district is created, with the

(END OF INSERT)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-4242&&j

MES/JTK/RAC/JK:cmh/AV^I

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

FMA

repen NOW

1 **AN ACT to renumber** ~~66.066 (5)~~ **and 77.707; to amend** 13.94 (4) (a) 1., 13.94 (10),
2 16.70 (14), 18.03 (5s), 19.42(13)(a), 19.59(1)(a), 19.59(1)(g) 1. a., 25.50 (1) (d),
3 66.04 (2) (a) (intro.), 66.066 (1) (a), 66.066 (1) (c), **66.067, 66.30** (1) (a), 71.26 (1)
4 (bm), 71.26 (lm) (g), 71.36 (lm), 71.45 (1t) (g), 77.705 (title), **77.71, 77.76 (3m),**
5 **77.76 (4), 779.14 (lm) (d) 2. b. and 779.14 (lm) (d) 3.;** and **to create** 20.395(1)
6 (gv), 20.566 (1) (ge), 20.835 (4) (ge), 20.867 (5), **24.61 (2) (a) 8., 25.17 (3) (b) ll.,**
7 **66.04 (2) (a) 3q., 66.066 (5) (b), 71.05 (1) (c) 5., 77.54 (45), 77.706, 77.707 (2),**
8 **77.76 (3p), 85.62, 219.09 (1) (d),** subchapter IV of chapter 229 [precedes
9 229.8201 and 779.14 (4) of the statutes; **relating to:** creating a local
10 professional football stadium district; giving a local professional football
11 stadium district the authority to issue bonds and granting income tax
12 exemptions for interest income on bonds issued by the district; making a state
13 moral obligation pledge with respect to bonds issued by a local professional
14 football stadium district; giving a local professional football stadium district
15 the authority to impose a sales tax and a use tax; creating an income and

*state aid for transportation facilities associated with
a professional football team's home stadium;*
 1 franchise tax exemption for a local professional football stadium district; and
 2 making appropriations.

**Analysis by the Legislative Reference Bureau
 CREATION AND DISSOLUTION OF A DISTRICT**

principal

This bill creates a professional football stadium district, which is a special purpose district, in each county with a population of more than 150,000 that includes the site of an existing or to be constructed league-approved home stadium for a professional football team that is a member of a league of teams that have home stadiums in at least ten states and a collective average attendance for all league members of at least 40,000 per game over the five years immediately preceding the year in which a district is created. A district is a local unit of government that is a body corporate and politic and that is separate and distinct from, and independent of, the state and the political subdivisions within its jurisdiction. Under the bill, a district's jurisdiction remains fixed even if population or attendance figures subsequently decline below the minimums described. A district does not have jurisdiction over any relocated stadium, whether or not the stadium is approved by the league.

In connection with football stadium facilities, the powers of a district include the construction, maintenance, management and acquisition of the football stadium and facilities; the issuance of bonds and imposition of a sales tax and a use tax to finance the stadium and facilities; and the authority to enter into partnerships, joint ventures, common ownership or other arrangements with other persons to further the district's purposes. Before the taxes imposed by a district may take effect, however, the district's action must be approved in a referendum. A district may also set standards governing the use of, and the conduct within, the stadium and facilities, and may set and collect fees for the use of the facilities or for the right to purchase admission to events at the stadium. Unless it is not feasible to do so, the bill requires a district to enter into a contract with a professional football team, or a subsidiary of the team, that requires the team or its subsidiary to acquire and construct football stadium facilities that are part of any facilities that the district leases to the team or its subsidiary, whether or not the football stadium facilities are financed by a district.

or affiliate

The district is governed by a board that consists of two persons appointed by the governor, two persons appointed by the chief elected official of the most populous city within the district's jurisdiction, two persons appointed by the chief elected official of the county in which the football stadium is located and, if such a situation exists, one person appointed by the chief elected official of each city, village or town (municipality) within the district's jurisdiction, other than the most populous city within the district's jurisdiction, that has a boundary at the time of the district's creation that is contiguous to a boundary of the site of the football stadium.

A district may dissolve by action of the district board, subject to payment of the district's bonds and fulfillment of its other contractual obligations. If a district is

dissolved, its property must be transferred to the municipalities and county in the district's jurisdiction in proportions determined by the secretary of administration, based on the contributions of each municipality and county to the development or improvement of the football stadium facilities.

Under the bill, a municipality or county within the district's jurisdiction may make grants or loans, or lease or transfer property, to a district; expend public funds to subsidize a district; or borrow money to fund grants, loans or subsidies to a district. With the consent of a district, such a municipality or county may also establish and collect fees or other charges applicable only to a football stadium for the right to purchase admission to events at the stadium.

BONDING

This bill grants a district the power to issue revenue bonds for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating or managing a local professional football stadium district. Under the bill, the bonds issued by the district may be secured by the district's interest in any football stadium facilities, by income from these facilities, by proceeds of bonds issued by the district and by other amounts placed in a special redemption fund and investment earnings on such amounts, including any taxes that the district is authorized to impose. The bill specifically provides that the district may not pledge its full faith and credit on the bonds and that the bonds are not a general obligation liability of the district.

The bill authorizes a district to establish a special debt service reserve fund, subject to certain findings of the secretary of administration. The special debt service reserve fund is significant, because if there are insufficient moneys in the special debt service reserve fund to meet the special debt service reserve fund requirement established in the bill, the legislature expresses its expectation and aspiration that, if certain conditions are met, the legislature would appropriate state moneys to the district in the amount necessary to restore the moneys in the fund to an amount equal to its special debt service reserve fund requirement. This expression of legislative expectation and aspiration has been referred to as a "state moral obligation pledge". The special debt service requirement is determined in the bond resolution authorizing the issuance of bonds.

In order to create a special debt service reserve fund backed up by the state moral obligation pledge, however, the secretary of administration must find that the bond proceeds will be used for purposes related to the football stadium facilities; that there is a reasonable likelihood that the bonds will be repaid without the necessity of drawing on funds in the special debt service reserve fund; that the amount of all bonds that would be secured by all special debt service reserve funds of the district will not exceed \$160,000,000; and that the bonds, other than refunding bonds, will be issued no later than December 31, 2004.

In addition to creating a state moral obligation pledge to appropriate to the district the funds necessary to restore the special debt service reserve fund to an amount equal to its special debt service reserve fund requirement, the bill provides that the state pledges that it will not limit or alter the rights vested in a district under

the bill before the district has fully performed its contracts and has fully met and discharged its bonds.

Finally, the bill contains provisions authorizing certain state and local government funds and certain regulated financial institutions to invest in bonds issued by the district; provides that all moneys received by a district, including proceeds from the sale of bonds, are trust funds to be held and applied solely for the purposes provided in the bill; and limits the personal liability of members of a district's board of directors with respect to the issuance of bonds.

PROVISION OF FINANCIAL SERVICES

This bill permits the building commission, upon request of a district, to serve as a financial consultant to the district for the purpose of assisting with and coordinating the issuance of bonds by the district.

FINANCE

This bill permits the legislative audit bureau to audit the records of a district. Under the bill, the joint legislative audit committee may review a district's performance.

E T H I C S

Members of a district board are subject to the statutory code of ethics for local public officials. In addition, board members are subject to other standards of conduct that apply to state public officials. However, like other local public officials, district board members are not subject to periodic reporting requirements.

APPLICABILITY OF OTHER LAWS

Numerous laws that apply to special purpose districts and local units of government apply to a local professional football district, including, among others:

1. The district is subject to laws requiring, with certain exceptions, public notice of and access to meetings of the district board and public access to the district's records.
2. The district is subject to worker's compensation, unemployment insurance, state minimum wage and hour and family and medical leave laws.
3. The district is subject to the law requiring the payment of prevailing wages on local government public works projects.
4. The district is governed by laws regulating municipal administrative procedures and rights.
5. The district is subject to laws restricting employers from testing employees and prospective employees for human immunodeficiency virus (HIV) or an antibody to HIV.
6. The district is subject to the tort and antitrust liability limitation that currently applies to actions brought against local governmental units of \$50,000 per occurrence, and persons attempting to sue the district are subject to a requirement to file notice of their claims within 120 days of their occurrence.
7. The district's ownership interest in ~~any~~ professional football stadium, ~~or~~ related facilities ~~is~~ exempt from the property tax. ~~Currently, a professional football stadium and related facilities are exempt from the property tax.~~ *and*
8. The district is subject to laws regulating buildings and safety.

of the district are

9. The district may exercise eminent domain powers for public purposes, upon a showing of necessity.

10. Purchases made by the district, other than purchases of building materials, are subject to the sales tax and use tax and the property of the district is subject to special assessment levies.

Under the bill, the district may participate in ^{①: 1. The} ~~any~~ state public employe retirement plan and state-administered plans for deferred compensation, health care benefits and disability and survivor benefits. ^{②: The local government property insurance fund.}

The bill provides that the district is not subject to laws regulating generally the ways in which funds of local governments may be invested.

The bill also provides that the district may:

1. Contract with municipalities and federally recognized Indian tribes and bands in this state for the receipt or furnishing of services or the joint exercise of powers or duties.

2. Participate in the state-operated local government pooled-investment fund.

~~3. Participate in the local government property insurance fund.~~

Under the bill, the assets and liabilities of a district are not assets or liabilities of the county in which the district is located.

TAXATION

Under the bill, a local professional football stadium district may adopt a resolution to impose a sales tax and a use tax at a rate of no more than 0.5% on the sale or use of tangible personal property or services in the district subject to approval by the electors of a district at a referendum. The referendum may be held at any regularly scheduled primary or other election, or at a special election. The date of the referendum is determined by the county board of the county in which a district is located. The district tax revenue may be used only for purposes related to football stadium facilities. Under the bill, generally, the sales tax and use tax imposed by the district may not be collected after the district has retired its bonds related to the football stadium facilities and after reserve funds are adequately funded.

Under the bill, the income of a local professional football stadium district is exempt from the income tax and the franchise tax, and the income and interest from the district's obligations are exempt from the income tax and the franchise tax.

The bill creates a sales tax and a use tax exemption for parking related to professional football stadium facilities and for a license or other right to purchase admission to events at a professional football stadium.

LIENS

Current law provides certain protections to persons who provide labor and materials for a construction project. For example, a person who works on an improvement to privately owned land generally has a lien on all interests in the land (construction lien). However, under current law, a construction lien may not be filed against property owned by a public entity. Thus, in the case of a public construction project, a person who works on the project generally has a lien on money owing to the prime contractor, with certain exceptions. Furthermore, current law contains a bonding requirement, under which certain public construction contracts must include a provision requiring the prime contractor to provide or obtain a payment

and performance bond or other payment assurance. In the case of a public construction contract with a local government entity, a bonding requirement applies to any contract exceeding \$50,000.

This bill exempts a public construction contract with a district from any applicable bonding requirement.

TRANSPORTATION AIDS

The bill authorizes the department of transportation (DOT) to make aid payments to a local professional football stadium district for the development, construction, reconstruction or improvement of bridges, highways, parking lots, garages, transportation facilities or other functionally related or auxiliary facilities or structures associated with any home stadium of a professional football team, and creates a continuing appropriation in the segregated transportation fund for this purpose. The bill does not appropriate any money for the purpose of DOT making such aid payments. Continuing appropriations are expendable until fully depleted or repealed by subsequent action of the legislature.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the state and **local** fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 13.94 (4) (a) 1. of the statutes, as affected by 1999 Wisconsin Act 9,
2 is amended to read:

3 13.94 (4) (a) 1. Every state department, board, examining board, affiliated
4 credentialing board, commission, independent agency, council or office in the
5 executive branch of state government; all bodies created by the legislature in the
6 legislative or judicial branch of state government; any public body corporate and
7 politic created by the legislature including specifically a professional baseball park
8 district, a local professional football stadium district and a family care district
9 created under s. 46.2895; every Wisconsin works agency under subch. III of ch. 49;
10 every provider of medical assistance under subch. IV of ch. 49; technical college
11 district boards; development zones designated under s. 560.71; every county

1 department under s. 51.42 or 51.437; every nonprofit corporation or cooperative to
2 which moneys are specifically appropriated by state law; and every corporation,
3 institution, association or other ~~organization which~~ receives more than 50% of its
4 annual budget from appropriations made by state law, including subgrantee or
5 subcontractor recipients of such funds.

6 **SECTION 2.** 13.94 (10) of the statutes is amended to read:

7 **13.94 (10)** FINANCIAL STATUS OF ~~LOCAL CERTAIN PROFESSIONAL BASEBALL PARK~~
8 ~~SPORTS~~ DISTRICTS. As promptly as possible following the end of each state fiscal
9 biennium in which there are outstanding bonds or notes issued by a local
10 professional baseball park district created under subch. III of ch. 229 that are subject
11 to s. 229.74 (7) ~~or by a local professional football stadium district created un~~ r
12 ~~subch. IV of ch. 229~~ to s. 229.830 (7), the legislative audit bureau
13 shall submit a report to the cochairpersons of the joint committee on finance
14 concerning the financial status of that district.

15 **SECTION 3.** 16.70 (14) of the statutes is amended to read:

16 16.70 (14) "State" does not include a district created under subch. II ~~or~~ III or
17 IV of ch. 229.

18 **SECTION 4.** 18.03 (5s) of the statutes is amended to read:

19 18.03 (5s) Upon the request of a local professional baseball park district
20 created under subch. III of ch. 229 or a local professional football stadium district
21 created under subch. IV of ch. 229, the commission may serve as financial consultant
22 to assist and coordinate the issuance of the bonds of a district.

23 **SECTION 5.** 19.42 (13) (a) of the statutes is amended to read:

24 19.42 (13) (a) All positions to which individuals are regularly appointed by the
25 governor, except the position of trustee of any private higher educational institution

1 receiving state appropriations ~~and~~, the position of member of the district board of a
2 local professional baseball park district created under subch. III of ch. 229 and the
3 position of member of the district board of a local professional football stadium
4 district created under subch. IV of ch. 229.

5 **SECTION 6.** 19.59 (1) (a) of the statutes is amended to read:

6 19.59 (1) (a) No local public official may use his or her public position or office
7 to obtain financial gain or anything of substantial value for the private benefit of
8 himself or herself or his or her immediate family, or for an organization with which
9 he or she is associated. A violation of this paragraph includes the acceptance of free
10 or discounted admissions to a professional baseball or football game by a member of
11 the district board of a local professional baseball park district created under subch.
12 III of ch. 229 or a local professional football stadium district created under subch. IV
13 of ch. 229. This paragraph does not prohibit a local public official from using the title
14 or prestige of his or her office to obtain campaign contributions that are permitted
15 and reported as required by ch. 11.

16 **SECTION 7.** 19.59 (1) (g) 1. a. of the statutes is amended to read:

17 19.59 (1) (g) 1. a. "District" means a local professional baseball park district
18 created under subch. III of ch. 229 or a local professional football stadium district
19 created under subch. IV of ch. 229.

20 **SECTION 8.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
21 **the following amounts for the purposes indicated:**

1

1999-00

2000-01

2

20.395 Transportation, department of

3

(1) AIDS

4

(gv) Transportation aids to ^{local} profes-

5

sional football stadium districts SEG C -0- -0-

****NOTE: This draft appropriates no money for this purpose.*

6

20.566 Revenue, department of

7

(1) COLLECTION OF TAXES

8

(ge) Administration of local profes-

9

sional football stadium district

10

t a x e s PR ^(D)A -0- -0-

11

SECTION 9. 20.395 (1) (gv) of the statutes is created to read:

12

20.395 (1) (gv) Transportation aids to ^{local} professional football stadium districts.

13

As a continuing appropriation, the amounts in the schedule for transportation aids

14

to ^{local} professional football stadium districts under s. 85.62.

15

SECTION 10. 20.566 (1) (ge) of the statutes is created to read:

16

20.566 (1) (ge) Administration of local professional football stadium district

17

taxes. From the moneys transferred from the appropriation account under s. 20.835

18

(4) (ge), the amounts in the schedule for administering the special district taxes

19

imposed under s. 77.706 by a local professional football stadium district created

20

under subch. IV of ch. 229.

21

SECTION 11. 20.835 (4) (ge) of the statutes is created to read:

22

20.835 (4) (ge) Local professional football stadium district taxes. All moneys

23

received from the taxes imposed under s. 77.706, for the purpose of distribution to

1 the special districts that adopt a resolution imposing taxes under subch. V of ch. 77,
2 and for the purpose of financing a local professional football stadium district, except
3 that, of those tax revenues collected under subch. V of ch. 77, 1.5% shall be credited
4 to the appropriation account under s. 20.566 (1) (ge).

5 **SECTION 12.** 20.867 (5) of the statutes is created to read:

6 **20.867 (5) SERVICES TO NONSTATE GOVERNMENTAL UNITS. (g) *Financial consulting***
7 ***services.*** All moneys received from local professional football stadium districts for
8 financial consulting services provided under s. 18.03 (5s), to be used to provide those
9 services.

10 **SECTION 13.** 24.61 (2) (a) 8. of the statutes is created to read:

11 24.61 (2) (a) 8. Bonds issued by a local professional football stadium district
12 created under subch. IV of ch. 229.

13 **SECTION 14.** 25.17 (3) (b) 11. of the statutes is created to read:

14 25.17 (3) (b) 11. Bonds issued by a local professional football stadium district
15 created under subch. IV of ch. 229.

16 **SECTION 15.** 25.50 (1) (d) of the statutes, as affected by 1999 Wisconsin Act 9,
17 is amended to read:

18 25.50 (1) (d) "Local government" means any county, town, village, city, power
19 district, sewerage district, drainage district, town sanitary district, public inland
20 lake protection and rehabilitation district, local professional baseball park district
21 created under subch. III of ch. 229, family care district under s. 46.2895, local
22 p r o f e s s i o n a l . p u b l i c
23 library system, school district or technical college district in this state, any
24 commission, committee, board **or** officer of any governmental subdivision of this

1 state, any court of this state, other than the court of appeals or the supreme court,
2 or any authority created under s. 231.02, 233.02 or 234.02.

3 **SECTION 16.** 66.04 (2) (a) (intro.) of the statutes is amended to read:

4 66.04 (2) (a) (intro.) Any county, city, village, town, school district, drainage
5 district, technical college district or other governing board, as defined by s. 34.01 (1),
6 ~~other than a professional football stadium district board created under subch. IV of~~
7 ch. 229, may invest any of its funds not immediately needed in any of the following:

8 **SECTION 17.** 66.04 (2) (a) 3q. of the statutes is created to read:

9 66.04 (2) (a) 3q. Bonds issued by a local professional football stadium district
10 created under subch. IV of ch. 229.

11 **SECTION 18.** 66.066 (1) (a) of the statutes is amended to read:

12 66.066 (1) (a) "Municipality" means any city, village, town, county, commission
13 created by contract under s. 66.30, public inland lake protection and rehabilitation
14 district established under s. 33.23, 33.235 or 33.24, metropolitan sewerage district
15 created under ss. 66.20 to 66.26 or 66.88 to 66.918, town sanitary district under
16 subch. IX of ch. 60, a local professional baseball park district created under subch.
17 III of ch. 229, a local professional football stadium district created under subch. V
18 of ch. 229 or a municipal water district or power district under ch. 198 and any other
19 public or quasi-public corporation, officer, board or other public body empowered to
20 borrow money and issue obligations to repay the same out of revenues.
21 "Municipality" does not include the state or a local exposition district created under
22 subch. II of ch. 229.

23 **SECTION 19.** 66.066 (1) (c) of the statutes is amended to read:

24 66.066 (1) (c) "Revenue" means all moneys received from any source by a public
25 utility and all rentals and fees and, in the case of a local professional baseball park

1 district created under subch. III of ch. 229 includes tax revenues deposited into a
2 special fund under s. 229.685 and payments made into a special debt service reserve
3 fund under s. 229.74 ~~and, in the case of a local professional football stadium district~~
4 created under subch. IV of ch. 229 includes tax revenues deposited into a special fund
5 under s. 229.825 and payments made into a special debt service reserve fund under
6 s. 229.830.

7 **SECTION 20.** 66.066 (5) of the statutes is renumbered 66.066 (5) (a).

8 **SECTION 21.** 66.066 (5) (b) of the statutes is created to read:

9 66.066 (5) (b) Revenue bonds issued by a local professional football stadium
10 district created under subch. IV of ch. 229 are subject to the provisions in ss. 229.829
11 to 229.834.

12 **SECTION 22.** 66.067 of the statutes is amended to read:

13 66.067 **Public works projects.** For financing purposes, garbage
14 incinerators, toll bridges, swimming pools, tennis courts, parks, playgrounds, golf
15 links, bathing beaches, bathhouses, street lighting, city halls, village halls, town
16 halls, courthouses, jails, schools, cooperative educational service agencies, hospitals,
17 homes for the aged or indigent, child care centers, as defined in s. 231.01 (3c),
18 regional projects, waste collection and disposal operations, systems of sewerage,
19 local professional baseball park facilities, local professional football stadium
20 facilities and any and all other necessary public works projects undertaken by any
21 municipality are public utilities within the meaning of s. 66.066.

22 **SECTION 23.** 66.30 (1) (a) of the statutes, as affected by 1999 Wisconsin Act 9,
23 is amended to read:

24 66.30 (1) (a) In this section "municipality" means the state or any department
25 or agency thereof, or any city, village, town, county, school district, public library

1 system, public inland lake protection and rehabilitation district, sanitary district,
2 farm drainage district, metropolitan sewerage district, sewer utility district, **solid**
3 waste management system created under s. 59.70 (2), local exposition district
4 created under subch. II of ch. 229, local professional baseball park district created
5 under subch. III of ch. 229, ~~local professional football stadium district created under~~
6 ~~subch. IV of ch. 229.~~ family care district under s. 46.2895, water utility district,
7 mosquito control district, municipal electric company, county or city transit
8 commission, commission created by contract under this section, taxation district or
9 regional planning commission.

10 **SECTION 24.** 71.05 (1) (c) 5. of the statutes is created to read:

11 71.05 (1) (c) 5. A local professional football stadium district created under
12 subch. IV of ch. 229.

13 **SECTION 25.** 71.26 (1) (bm) of the statutes is amended to read:

14 71.26 (1) (bm) **Certain local districts.** Income of a local exposition district
15 created under subch. II of ch. 229 ~~or~~, a local professional baseball park district
16 created under subch. III of ch. 229 ~~or a professional football stadium district~~
17 ~~created under subch. III of ch. 229.~~

18 **SECTION 26.** 71.26 (lm) (g) of the statutes is amended to read:

19 71.26 (lm) (g) Those issued under s. 66.066 by a local professional baseball
20 park district or a local professional football stadium district.

21 **SECTION 27.** 71.36 (lm) of the statutes is amended to read:

22 71.36 (lm) A tax-option corporation may deduct from its net income all
23 amounts included in the Wisconsin adjusted gross income of its shareholders, the
24 capital gain deduction under s. 71.05 (6) (b) 9. and all amounts not taxable to
25 nonresident shareholders under ss. 71.04 (1) and (4) to (9) and 71.362. For purposes

1 of this subsection, interest on federal obligations, obligations issued under s. 66.066
2 by a local professional baseball park district or a local professional football stadium
3 district, obligations issued under ss. 66.40, 66.431 and 66.4325, obligations issued
4 under s. 234.65 to fund an economic development loan to finance construction,
5 renovation or development of property that would be exempt under s. 70.11 (36) and
6 obligations issued under **subch. II** of ch. 229 is not included in shareholders' income.
7 The proportionate share of the net loss of a tax-option corporation shall be attributed
8 and made available to shareholders on a Wisconsin basis but subject to the limitation
9 and carry-over rules as prescribed by section 1366 (d) of the internal revenue code.
10 Net operating losses of the corporation to the extent attributed or made available to
11 a shareholder may not be used by the corporation for further tax benefit. For
12 purposes of computing the Wisconsin adjusted gross income of shareholders,
13 tax-option items shall be reported by the shareholders and those tax-option items,
14 including capital gains and losses, shall retain the character they would have if
15 attributed to the corporation, including their character as business income. In
16 computing the tax liability of a shareholder, no credit against gross tax that would
17 be available to the tax-option corporation if it were a nontax-option corporation may
18 be claimed.

19 **SECTION 28.** 71.45 (1t) (g) of the statutes is amended to read:

20 71.45 (1t) (g) Those issued under s. 66.066 by a local professional baseball park
21 district or a local professional football stadium district.

22 **SECTION 29.** 77.54 (45) of the statutes is created to read:

23 77.54 (45) The gross receipts from the sale of, and the storage, use or other
24 consumption of, any of the following related to the use of football stadium facilities,
25 as defined in s. 229.821 (7): ,

1 (a) Parking or providing parking space for motor vehicles on property that is
2 leased from a municipality or a local professional football stadium district and leased
3 to a professional football team or a related party, as defined in s. 229.821 (12).

4 (b) Parking or providing parking space for motor vehicles on professional
5 football game days pursuant to a contract between a municipality or a local
6 professional football stadium district and the owner of the property on which there
7 is parking or parking space provided on professional football game days.

8 (c) A license or other right to purchase admission to events at a football
9 stadium, as defined in s. 229.821 (6), that is granted by a municipality; a local
10 professional football stadium district; or a professional football team or related party,
11 as defined in s. 229.821 (12).

12 **SECTION 30.** 77.705 (title) of the statutes is amended to read:

13 77.705 (title) **Adoption by resolution; baseball park district.**

14 **SECTION 31.** 77.706 of the statutes is created to read:

15 **77.706 Adoption by resolution; football stadium district.** A local
16 professional football stadium district created under subch. IV of ch. 229, by
17 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this
18 subchapter at a rate of no more than 0.5% of the gross receipts or sales price. Those
19 taxes may be imposed only in their entirety. The imposition of the taxes under this
20 section shall be effective on the first day of the first month that begins 30 days after
21 the approval of the resolution by the electors in the district's jurisdiction under s.
22 229.824 (15).

23 **SECTION 32.** 77.707 of the statutes is renumbered 77.707 (1).

24 **SECTION 33.** 77.707 (2) of the statutes is created to read:

1 77.707 (2) Retailers and the department of revenue may not collect a tax under
2 s. 77.706 for any local professional football stadium district created under subch. IV
3 of ch. 229 after the calendar quarter during which the local professional football
4 stadium district board makes a certification to the department of revenue under s.
5 229.825 (2), except that the department of revenue may collect from retailers taxes
6 that accrued before that calendar quarter and fees, interest and penalties that relate
7 to those taxes.

8 **SECTION 34.** 77.71 of the statutes is amended to read:

9 **77.71 Imposition of county and special district sales and use taxes.**

10 Whenever a county sales and use tax ordinance is adopted under s. 77.70 or a special
11 district resolution is adopted under s. 77.705 or 77.706, the following taxes are
12 imposed:

13 **(1)** For the privilege of selling, leasing or renting tangible personal property
14 and for the privilege of selling, performing or furnishing services a sales tax is
15 imposed upon retailers at the rate of 0.5% in the case of a county tax or at the rate
16 under s. 77.705 or 77.706 in the case of a special district tax of the gross receipts from
17 the sale, lease or rental of tangible personal property, except property taxed under
18 sub. (4), sold, leased or rented at retail in the county or special district or from selling,
19 performing or furnishing services described under s. 77.52 (2) in the county or special
20 district.

21 **(2)** An excise tax is imposed at the rate of 0.5% in the case of a county tax or
22 at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
23 price upon every person storing, using or otherwise consuming in the county or
24 special district tangible personal property or services if the property or service is
25 subject to the state use tax under s. 77.53, except that a receipt indicating that the

1 tax under sub. (1), (3) or (4) has been paid relieves the buyer of liability for the tax
2 under this subsection and except that if the buyer has paid a similar local tax in
3 another state on a purchase of the same property or services that tax shall be credited
4 against the tax under this subsection and except that for motor vehicles that are used
5 for a purpose in addition to retention, demonstration or display while held for sale
6 in the regular course of business by a dealer the tax under this subsection is imposed
7 not on the sales price but on the amount under s. 77.53 (lm).

8 (3) An excise tax is imposed upon a contractor engaged in construction
9 activities within the county or special district, at the rate of 0.5% in the case of a
10 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
11 of the sales price of tangible personal property that is used in constructing, altering,
12 repairing or improving real property and that becomes a component part of real
13 property in that county or special district, unless the contractor has paid the sales
14 tax of a county in the case of a county tax or of a special district in the case of a special
15 district tax in this state on that property, and except that if the buyer has paid a
16 similar local sales tax in another state on a purchase of the same property that tax
17 shall be credited against the tax under this subsection.

18 (4) An excise tax is imposed at the rate of 0.5% in the case of a county tax or
19 at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
20 price upon every person storing, using or otherwise consuming a motor vehicle, boat,
21 snowmobile, mobile home not exceeding 45 feet in length, trailer, semitrailer,
22 all-terrain vehicle or aircraft, if that property must be registered or titled with this
23 state and if that property is to be customarily kept in a county that has in effect an
24 ordinance under s. 77.70 or in a special district that has in effect a resolution under
25 s. 77.705 or 77.706, except that if the buyer has paid a similar local sales tax in

1 another state on a purchase of the same property that tax shall be credited against
2 the tax under this subsection.

3 **SECTION 35.** 77.76 (3m) of the statutes is amended to read:

4 77.76 (3m) From the appropriation under s. 20.835 (4) (gb) the department, for
5 the first 2 years of collection, shall distribute 97% of the ~~special-district~~ taxes
6 reported for each ~~special~~ local professional baseball park district that has imposed
7 taxes under this subchapter, minus the ~~special~~ district portion of the retailers'
8 discounts, to the ~~special~~ local professional baseball park district no later than the end
9 of the 3rd month following the end of the calendar quarter in which such amounts
10 were reported. From the appropriation under s. 20.835 (4) (gb) the department, after
11 the first 2 years of collection, shall distribute 98.5% of the ~~special-district~~ taxes
12 reported for each ~~special~~ local professional baseball park district that has imposed
13 taxes under this subchapter, minus the ~~special~~ district portion of the retailers'
14 discount, to the ~~special~~ local professional baseball park district no later than the end
15 of the 3rd month following the end of the calendar quarter in which such amounts
16 were reported. At the time of distribution the department shall indicate the taxes
17 reported by each taxpayer. In this subsection, the "~~special~~ district portion of the
18 retailers' discount" is the amount determined by multiplying the total 'retailers'
19 discount by a fraction the numerator of which is the gross ~~special~~ local professional
20 baseball park district sales and use taxes payable and the denominator of which is
21 the sum of the gross state and ~~special~~ local professional baseball park district sales
22 and use taxes payable. The ~~special~~ local professional baseball park district taxes
23 distributed shall be increased or decreased to reflect subsequent refunds, audit
24 adjustments and all other adjustments of the special local professional baseball park
25 district taxes previously distributed. Interest paid on refunds of ~~special~~ local

1 professional baseball park district sales and use taxes shall be paid from the
2 appropriation under s. 20.835 (4) (gb) at the rate paid by this state under s. 77.60 (1)
3 (a). Any ~~special local professional baseball park~~ district receiving a report under this
4 subsection is subject to the duties of confidentiality to which the department of
5 revenue is subject under s. 77.61 (5).

6 **SECTION 36.** 77.76 (3p) of the statutes is created to read:

7 77.76 (3p) From the appropriation under s. 20.835 (4) (ge) the department of
8 revenue shall distribute 98.5% of the taxes reported for each local professional
9 football stadium district that has imposed taxes under this subchapter, minus the
10 district portion of the retailers' discount, to the local professional football stadium
11 district no later than the end of the 3rd month following the end of the calendar
12 quarter in which such amounts were reported. At the time of distribution the
13 department of revenue shall indicate the taxes reported by each taxpayer. In this
14 subsection, the "district portion of the retailers' discount" is the amount determined
15 by multiplying the total retailers' discount by a fraction the numerator of which is
16 the gross local professional football stadium district sales and use taxes payable and
17 the denominator of which is the sum of the gross state and local professional football
18 stadium district sales and use taxes payable. The local professional football stadium
19 district taxes distributed shall be increased or decreased to reflect subsequent
20 refunds, audit adjustments and all other adjustments of the local professional
21 football stadium district taxes previously distributed. Interest paid on refunds of
22 local professional football stadium district sales and use taxes shall be paid from the
23 appropriation under s. 20.835 (4) (ge) at the rate paid by this state under s. 77.60 (1)
24 (a). Any local professional football stadium district receiving a report under this

1 subsection is subject to the duties of confidentiality to which the department of
2 revenue is subject under s. 77.61 (5).

3 SECTION 37. 77.76 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is
4 amended to read:

5 77.76 (4) There shall be retained by the state, 1.5% of the taxes collected for
6 taxes imposed by special districts under ~~s. ss.~~ ss. 77.705 and 77.706 and 1.75% of the
7 taxes collected for taxes imposed by counties under s. 77.70 to cover costs incurred
8 by the state in administering, enforcing and collecting the tax. All interest and
9 penalties collected shall be deposited and retained by this state in the general fund.

10 SECTION 38. 85.62 of the statutes is created to read:

11 **85.62 Aid to ^{local} professional football stadium districts.** The department may
12 make aid payments from the appropriation under s. 26.395 (1) (gv) to a local
13 professional football stadium district created under subch. IV of ch. 229 for the
14 development, construction, reconstruction or improvement of bridges, highways,
15 parking lots, garages, transportation facilities or other functionally related or
16 auxiliary facilities or structures associated with ^{a football} ~~the home~~ stadium used by a
17 professional football team described in s. ~~229.822~~ at the time the district is created
18 or, if no home stadium exists at the time the district is created, with the construction
19 of a new stadium to be used as a home stadium by a professional football team in the
20 district. *as defined in s. 229.821(6)*

21 SECTION 39. 219.09 (1) (d) of the statutes is created to read:

22 219.09 (1) (d) A local professional football stadium district created under
23 subch. IV of ch. 229.

24 SECTION 40. Subchapter IV of chapter 229 [precedes 229.8201 of the statutes
25 is created to read:

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CHAPTER 229

SUBCHAPTER IV

LOCAL PROFESSIONAL

FOOTBALL STADIUM DISTRICTS

229.820 Legislative declaration. (1) The legislature determines that the provision of assistance by state agencies to a district under this subchapter, any appropriation of funds to a district under this subchapter and the moral obligation pledge under s. 229.830 (7) serve a statewide public purpose by assisting the development of professional football stadium facilities in the state for providing recreation, by encouraging economic development and tourism, by reducing unemployment and by bringing needed capital into the state for the benefit and welfare of people throughout the state. The legislature determines that the taxes that may be imposed by a district under **subch. V** of ch. 77 are special taxes that are generated apart from any direct annual tax on taxable property.

(2) The legislature determines that a district serves a public purpose in the district's jurisdiction by providing recreation, by encouraging economic development and tourism, by reducing unemployment and by bringing needed capital into the district's jurisdiction for the benefit of people in the district's jurisdiction.

229.821 Definitions. In this subchapter:

(1) "Bond" means any bond, note or other obligation issued under s. 66.066 by a district.

(2) "Bond resolution" means a resolution of the district board authorizing the issuance of, or providing terms and conditions related to, bonds and includes, where appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of trust providing terms and conditions for bonds.

1 (3) "Chief elected official" means the mayor of a city or, if the city is organized
2 under subch. I of ch. 64, the president of the council of that city, the village president
3 of a village, the town board chair of a town or the county executive of a county or, if
4 the county does not have a county executive, the chairperson of the county board of
5 supervisors.

****NOTE: Based on s. 229.41 (4), except for cite to president of the council for cities
organized under subch. I of ch. 64 instead of city manager; "town board chair of a town"
was added. The definition in the Foley draft applied only to counties.*

6 (4) "District" means a special purpose district created under this subchapter.
7 (5) "District board" means the governing board of a district.
8 (6) "Football stadium" means a stadium that is principally used as the home
9 stadium of a professional football team described in s. 229.823 at the time that a
10 district is created, or if no home stadium exists at the time that a district is created,
11 "football stadium" means a stadium that includes the site of a proposed home
12 stadium of such a team.

13 (7) "Football stadium facilities" means *football stadium* property, tangible or intangible, ~~as~~
14 ~~which a football stadium is composed~~ *including practice facilities, parking lots and*
15 structures, garages, restaurants, parks, concession facilities, entertainment
16 facilities, facilities for the display or sale of memorabilia, transportation facilities,
17 and other functionally related or auxiliary facilities or structures.

18 (8) "Home stadium" means a stadium approved as provided in s. 229.823.

19 (9) "Members-elect" means those members of the governing body of a
20 municipality or county, at a particular time, who have been duly elected or appointed
21 for a current regular or unexpired term and whose service has not terminated by
22 death, resignation or removal from office.

23 (10) "Municipality" means a city, village or town.

1 (11) "Political subdivision" means a city, village, town or county.

2 (12) "Related party" means a corporation or business entity that is owned,
3 controlled or operated by, or under common control with, a professional football team.

4 **229.822 Creation and organization.** (1) There is created, for each
5 jurisdiction under s. 229.823, a special district that is a local governmental unit, that
6 is a body corporate and politic, that is separate and distinct from, and independent
7 of, the state and the political subdivisions within its jurisdiction, that has the powers
8 under s. 229.824 and the name of which includes "Professional Football Stadium
9 District".

10 (2) A district is governed by its district board. Subject to sub. (3), the district
11 board shall consist of the following members:

12 (a) Two persons appointed by the governor. At least one of the persons
13 appointed by the governor shall reside within the county in' which the football
14 stadium is located. A person appointed under this paragraph may take his or her
15 seat immediately upon appointment and qualification, subject to confirmation or
16 rejection by the senate.

17 (b) Two persons appointed by the chief elected official of the most populous city
18 located wholly or partly within the jurisdiction of a district. A person appointed
19 under this paragraph may take his or her seat immediately upon appointment and
20 qualification, subject to confirmation or rejection by a majority of the members-elect
21 of the common council or council.

22 (c) Two persons appointed by the chief elected official of the county in which the
23 football stadium is located. A person appointed under this paragraph may take his
24 or her seat immediately upon appointment and qualification, subject to confirmation
25 or rejection by a majority of the members-elect of the county board.

1 (d) One person appointed by the chief elected official of any municipality
2 located wholly or partly within the jurisdiction of the district, other than the most
3 populous city located wholly or partly within the jurisdiction of the district, that has
4 a boundary at the time of creation of the district that is contiguous to a boundary of
5 the site of the football stadium. A person appointed under this paragraph may take
6 his or her seat immediately upon appointment, and qualification, subject to
7 confirmation or rejection by a majority of the members-elect of the governing body
8 of the municipality.

9 (3) Upon appointment under sub. (2), the appointing authorities shall certify
10 the appointees to the secretary of administration. The terms of office of the persons
11 appointed under sub. (2) shall be 2 years expiring on July 1, except that the initial
12 terms shall expire on July 1 of the 4th year beginning after the year of creation of a
13 district. Persons appointed under sub. (2) may be removed from the district board
14 before the expiration of their terms by the appointing authority but only for cause,
15 as defined in s. 17.16 (2). Vacancies shall be filled by the appointing authority who
16 appointed the person whose office is vacant. A person appointed to fill a vacancy
17 under sub. (2) shall serve for the remainder of the unexpired term to which he or she
18 is appointed. The appointing authorities shall confer with one another regarding
19 their appointments with a view toward achieving diversity on the district board.

20 (4) The governor shall select the chairperson of the district board, and the
21 district board shall elect from its membership a vice chairperson, a secretary and a
22 treasurer. A majority of the current membership of the district board constitutes a
23 quorum to do business. The district may take action based on the affirmative vote
24 of a majority of those members of the district board who are present at a meeting of
25 the district board.

1 (5) The members of the district board shall be reimbursed for their actual and
2 necessary expenses incurred in the performance of their duties.

3 (6) Upon the appointment and qualification of a majority of the members of a
4 district board, the district board may exercise the powers and duties of a district
5 board under this subchapter.

6 (7) The district board shall name the district, and the name shall include
7 "Professional Football Stadium District".

8 **229.823 Jurisdiction.** A district's jurisdiction is any county with a population
9 at the date of the district's creation of more than 150,000 that includes the principal
10 site of a stadium that is home to a professional football team, that is a member of a
11 league of professional football teams that have home stadiums in at least 10 states
12 and a collective average attendance for all league members of at least 40,000 persons
13 per game over the 5 years immediately preceding the year in which a district is
14 created, and that is approved by that league for use as a home stadium for that
15 professional football team. Once created, the district's jurisdiction remains fixed
16 even if population or attendance figures subsequently decline below the minimums
17 described in this section.

18 **229.824 Powers of a district,** A district has all of the powers necessary or
19 convenient to carry out the purposes and provisions of this subchapter. In addition
20 to all other powers granted by this subchapter, a district may do all of the following:

- 21 (1) Adopt bylaws to govern the district's activities, subject to this subchapter.
22 (2) Sue and be sued in its own name, plead and be impleaded.
23 (3) Maintain an office.
24 (4) In connection with football stadium facilities:

1 (a) Acquire, construct, equip, maintain, improve, operate and manage the
2 football stadium facilities as a revenue-generating enterprise, or engage other
3 persons to do these things.

4 (b) Acquire; lease, as lessor or lessee; use; transfer; or accept transfers of
5 property.

6 (c) Improve, maintain and repair property, and fund reserves for maintenance,
7 depreciation and capital improvements.

8 (d) Enter into contracts, subject to such standards as may be established by the
9 district board. The district board may award any such contract for any combination
10 or division of work it designates and may consider any factors in awarding a contract,
11 including price, time for completion of work and qualifications and past performance
12 of a contractor.

13 (e) Grant concessions.

14 (f) Sell or otherwise dispose of unneeded or unwanted property.

15 (5) Employ personnel, and ~~fix~~ and regulate their compensation; and provide,
16 either directly or subject to an agreement under s. 66.30 as a participant in a benefit
17 plan of another governmental entity, any employee benefits, including an employee
18 pension plan.

19 (6) Purchase insurance, establish and administer a plan of self-insurance or,
20 subject to an agreement with another governmental entity under s. 66.30,
21 participate in a governmental plan of insurance or self-insurance.

22 (7) Mortgage, pledge or otherwise encumber the district's property or funds.

23 (8) Issue revenue bonds under s. 66.066, subject to ss. 229.829 to 229.834, and
24 enter into agreements related to the issuance of bonds, including liquidity and credit
25 facilities, remarketing agreements, insurance policies, guaranty agreements, letter

1 of credit or reimbursement agreements, indexing agreements, interest exchange
2 agreements and currency exchange agreements.

3 (9) Maintain funds and invest the funds in any investment that the district
4 board considers appropriate.

5 (10) Promote, advertise and publicize its football stadium facilities and related
6 activities.

7 (11) Set standards governing the use of, and the conduct within, its football
8 stadium facilities in order to promote public safety and convenience and to maintain
9 order.

10 (12) Establish and collect fees or other charges for the use of its football
11 stadium facilities or for services rendered by the district.

12 (13) Establish and collect fees or other charges for the right to purchase
13 admission to events at the football stadium if the proceeds from any amount that is
14 collected under this subsection are used for purposes related to football stadium
15 facilities.

16 (14) Enter into partnerships, joint ventures, common ownership or other
17 arrangements with other persons to further the district's purposes.

18 (15) Impose, by the adoption of a resolution, the taxes under subch. V of ch. 77,
19 except that the taxes imposed by the resolution may not take effect until the
20 resolution is approved by a majority of the electors in the district's jurisdiction voting
21 on the resolution at a referendum, to be held on a date specified by the county board
22 not earlier than 45 days nor later than one year after adoption of the resolution. The
23 referendum may be held at any spring or general election or any spring or September
24 primary, or at a special election called by the county board for that purpose. A district
25 may not levy any taxes that are not expressly authorized under subch. V of ch. 77.

1 If a district board adopts a resolution that imposes taxes and the resolution is
2 approved by the electors, the district shall deliver a certified copy of the resolution
3 to the secretary of revenue at least 30 days before its effective date.

4 (16) Accept gifts, loans and other aid.

5 (17) Administer the receipt of revenues, and oversee the payment of bonds
6 issued by the district.

7 (18) Adopt and alter an official seal.

8 **229.825 Special fund tax revenues. (1)** The district board shall maintain
9 a special fund into which it deposits only the revenue received from the department
10 of revenue, that is derived from the taxes imposed under **subch. V** of ch. 77, and may
11 use this revenue only for purposes related to football stadium facilities.

12 (2) If the district board determines that the revenues in the special fund under
13 this section exceed current debt service and operating expenses for the operation of
14 **football stadium facilities, the district board shall apply the excess first to fund a**
15 reserve or reserves for maintenance costs, depreciation and capital improvements,
16 and second, when the reserve or reserves are adequately funded to meet the
17 obligations of the district, to retire bonds issued for purposes related to football
18 stadium facilities, and any bonds issued to fund or refund those bonds, prior to their
19 maturity. As soon as practicable after the retirement of all bonds issued for purposes
20 related to football stadium facilities and all bonds issued to fund or refund those
21 bonds and after funding a reserve or reserves for maintenance costs and capital
22 improvements sufficiently to meet any maintenance, depreciation or capital
23 improvement obligations between the district and any professional football team
24 using football stadium facilities constructed under this subchapter as a home

1 stadium, the district board shall make a certification to the department of revenue
2 to that effect.

3 **229.826 Powers granted to a municipality or** county. In addition to any
4 powers that it may otherwise have, a county or municipality located wholly or partly
5 within a district's jurisdiction may do any of the following:

6 (1) Make grants or loans to a district upon terms that the county or
7 municipality considers appropriate.

8 (2) Expend public funds to subsidize a district.

9 (3) Borrow money under ss. 67.04 and 67.12 (12) for football stadium facilities
10 or to fund grants, loans or subsidies to a district.

11 (4) Lease or transfer property to a district upon terms that the county or
12 municipality considers appropriate.

13 (5) With the consent of a district, establish and collect fees or other charges
14 applicable only to a football stadium for the right to purchase admission to events at
15 the stadium, if the proceeds from any amount that is collected under this subsection
16 are used for purposes related to football stadium facilities.

17 **229.827 Contracting.** Unless a district board determines that it is not
18 feasible to do so, the district shall enter into a contract with a professional football
19 team, as described in s. 229.823, or a related party, that requires the team or related
20 party to acquire and construct football stadium facilities that are part of any facilities
21 that are leased by the district to the team or to a related party, without regard to
22 whether the football stadium facilities are financed by the district.

23 **229.828 Dissolution of a district.** Subject to providing for the payment of
24 its bonds, including interest on the bonds, and the performance of its other
25 contractual obligations, a district may be dissolved by the action of the district board.

1 If the district is dissolved, the property of the district shall be transferred to the
2 political subdivisions that compose the district's jurisdiction in such proportions as
3 the secretary of administration determines fairly and reasonably represent the
4 contributions of each political subdivision to the development or improvement of the
5 football stadium facilities.

6 **229.829 Issuance and negotiability of bonds.** (1) **NEGOTIABILITY.** All bonds
7 are negotiable for all purposes, notwithstanding their payment from a limited
8 source.

9 (2) **EMPLOYMENT OF FINANCIAL CONSULTANT.** A district may retain the building
10 commission or any other person as its financial consultant to assist with and
11 coordinate the issuance of bonds.

12 (3) **NO PERSONAL LIABILITY.** Neither the members of the district board nor any
13 person executing the bonds is liable personally on the bonds or subject to any
14 personal liability or accountability by reason of the issuance of the bonds, unless the
15 personal liability or accountability is the result of wilful misconduct.

16 **229.830 Special debt service reserve funds for moral obligation pledge.**
17 (1) **DESIGNATION OF SPECIAL DEBT SERVICE RESERVE FUNDS.** A district may designate one
18 or more accounts in funds created under s. 66.066 (2) (e) as special debt service
19 reserve funds, if, prior to each issuance of bonds to be secured by each special debt
20 service reserve fund, the secretary of administration determines that all of the
21 following conditions are met with respect to the bonds:

22 (a) **Purpose.** The proceeds of the bonds, other than refunding bonds, will be
23 used for purposes related to football stadium facilities.

24 (b) **Feasibility.** The proceeds of bonds, other than refunding bonds, will be used
25 for feasible projects and there is a reasonable likelihood that the bonds will be repaid

1 without the necessity of drawing on funds in the special debt service reserve fund
2 that secures the bonds. The secretary of administration may make the
3 determinations required under this paragraph only after considering all of the
4 following:

5 1. Whether a pledge of the tax revenues of the district is made under the bond
6 resolution.

7 2. How the tax revenues of the district are pledged to the payment of the bonds.

8 3. Revenue projections for the project to be financed by the bonds, including tax
9 revenues, and the reasonableness of the assumptions on which these revenue
10 projections are based.

11 4. The proposed interest rates of the bonds and the resulting cash-flow
12 requirements.

13 5. The projected ratio of annual tax revenues to annual debt service of the
14 district, taking into account capitalized interest.

15 6. Whether an understanding exists providing for repayment by the district to
16 the state of all amounts appropriated to the special debt service reserve fund
17 pursuant to sub. (7).

18 7. Whether the district has agreed that the department of administration will
19 have direct and immediate access, at any time and without notice, to all records of
20 the district.

21 (c) **Limit on bonds issued backed by moral obligation pledge.** The principal
22 amount of all bonds, other than refunding bonds, that would be secured by all special
23 debt service reserve funds of the district under this section will not exceed
24 \$160,000,000 at any one time outstanding.

1 (d) *Date of issuance.* The bonds, other than refunding bonds, will be issued no
2 later than December 31, 2004.

3 (e) *Refunding bonds.* All refunding bonds to be secured by the special debt
4 service reserve fund meet all of the following conditions:

5 1. The refunding bonds are to be issued to fund, refund or advance refund bonds
6 secured by a special debt service reserve fund.

7 2. The refunding of bonds by the refunding bonds will not adversely affect the
8 risk that the state will be called on to make a payment under sub. (7).

9 (f) *Approval of outstanding debt.* All outstanding debt of the district has been
10 reviewed and approved by the secretary of administration. In determining whether
11 to approve outstanding debt under this paragraph, the secretary may consider any
12 factor which the secretary determines to have a bearing on whether the state moral
13 obligation pledge under sub. (7) should be granted with respect to an issuance of
14 bonds.

15 (g) *Financial reports.* The district has agreed to provide to the department of
16 administration, the legislative fiscal bureau and the legislative audit bureau all
17 financial reports of the district and all regular monthly statements of any trustee of
18 the bonds on a direct and ongoing basis.

19 (2) PAYMENTOFFUNDSINTOASPECIALDEBTSERVICERESERVEJWND. Adistrictshall
20 pay into any special debt service reserve fund of the district any moneys appropriated
21 and made available by the state for the purposes of the special debt service reserve
22 fund, any proceeds of a sale of bonds to the extent provided in the bond resolution
23 authorizing the issuance of the bonds and any other moneys that are made available
24 to the district for the purpose of the special debt service reserve fund from any other
25 source.

1 (3) **USE OF MONEYS IN THE SPECIAL DEBT SERVICE RESERVE FUND.** Allmoneysheld
2 in any special debt service reserve fund of a district, except as otherwise specifically
3 provided, shall be used, as required, solely for the payment of the principal of bonds
4 secured in whole or in part by the special debt service reserve fund, the making of
5 sinking fund payments with respect to these bonds, the purchase or redemption of
6 these bonds, the payment of interest on these bonds or the payment of any
7 redemption premium required to be paid when these bonds are redeemed prior to
8 maturity. If moneys in a special debt service reserve **fund** at any time are less than
9 the special debt service reserve fund requirement under sub. (5) for the special debt
10 service reserve fund, the district may not use these moneys for any optional purchase
11 or optional redemption of the bonds. Any income or interest earned by, or increment
12 to, any special debt 'service reserve fund due to the investment of moneys in the
13 special debt service reserve fund may be transferred by the district to other funds or
14 accounts of the district to the extent that the transfer does not reduce the amount of
15 the special debt service reserve fund below the special debt service reserve fund
16 requirement under sub. (5) for the special debt service reserve fund.

17 (4) **LIMITATION ON BONDS SECURED BY A SPECIAL DEBT SERVICE RESERVE FUND.** A
18 district shall accumulate in each special debt service reserve fund an amount equal
19 to the special debt service reserve fund requirement under sub. (5) for the special
20 debt service reserve fund. A district may not at any time issue bonds secured in whole
21 or in part by a special debt service reserve fund if upon the issuance of these bonds
22 the amount in the special debt service reserve fund will be less than the special debt
23 service reserve fund requirement under sub. (5) for the **special debt** service reserve
24 fund.

1 (5) **SPECIAL DEBT SERVICE RESERVE FUND REQUIREMENT.** The special debt service
2 reserve fund requirement for a special debt service reserve fund, as of any particular
3 date of computation, is equal to an amount of money, as provided in the bond
4 resolution authorizing the bonds with respect to which the special debt service
5 reserve fund is established, that may not exceed the maximum annual debt service
6 **on** the bonds of the district for the fiscal year in which the computation is made or
7 any future fiscal year of the district secured in whole or in part by that special debt
8 service reserve fund. In computing the annual debt service for any fiscal year, bonds
9 deemed to have been paid in accordance with the defeasance provisions of the bond
10 resolution authorizing the issuance of the bonds shall not be included in bonds
11 outstanding on the date of computation. The annual debt service for any fiscal year
12 is the amount of money equal to the aggregate of all of the following calculated on the
13 assumption that the bonds will, after the date of computation, cease to be
14 outstanding by reason, but only by reason, of the payment of bonds when due, and
15 the payment when due, and application in accordance with the bond resolution
16 authorizing those bonds, of all of the sinking fund payments payable at or after the
17 date of computation:

18 (a) All interest payable during the fiscal year on all bonds that are secured in
19 whole or in part by the special debt service reserve fund and that are outstanding on
20 the date of computation.

21 (b) The principal amount of all of the bonds that are secured in whole or in part
22 by the special debt service reserve fund, are outstanding on the date of computation
23 and mature during the fiscal year.

24 (c) All amounts specified in bond resolutions of the district authorizing any of
25 the bonds that are secured in whole or in part by the special debt service reserve fund

1 to be payable during the fiscal year as a sinking fund payment with respect to any
2 of the bonds that mature after the fiscal year.

3 (6) VALUATION OF SECURITIES. In computing the amount of a special debt service
4 reserve fund for the purposes of this section, securities in which all or a portion of the
5 special debt service reserve fund is invested shall be valued at par, or, if purchased
6 at less than par, at their cost to the district.

7 (7) STATE MORAL OBLIGATION PLEDGE. If at any time of valuation the special debt
8 service reserve fund requirement under sub. (5) for a special debt service reserve
9 fund exceeds the amount of moneys in the special debt service reserve fund, the
10 district board shall certify to the secretary of administration, the governor, the joint
11 committee on finance and the governing body of the county in the district the amount
12 necessary to restore the special debt service reserve fund to an amount equal to the
13 special debt service reserve fund requirement under sub. (5) for the special debt
14 service reserve fund. If this certification is received by the secretary of
15 administration in an even-numbered year prior to the completion of the budget
16 compilation under s. 16.43, the secretary shall include the certified amount in the
17 budget compilation. In any case, the joint committee on finance shall introduce in
18 either house, in bill form, an appropriation of the amount so certified to the
19 appropriate special debt service reserve fund of the district. Recognizing its moral
20 obligation to do so, the legislature hereby expresses its expectation and aspiration
21 that, if ever called upon to do so, it shall make this appropriation.

22 (8) INFORMATION TO JOINT COMMITTEE ON FINANCE. The district shall provide to
23 the cochairpersons of the joint committee on finance information concerning the
24 district's projected cashflows and security features underlying each issuance of
25 bonds under this subchapter.

1 **229.831 Bonds not public debt. (1)** The state and the county and
2 municipalities located wholly or partly within the district's jurisdiction are not liable
3 on bonds and the bonds are not a debt of the state or the county or any municipality
4 located wholly or partly within the district. All bonds shall contain a statement to
5 this effect on the face of the bond. A bond issue does not, directly or indirectly or
6 contingently, obligate the state or a political subdivision of the state to levy any tax
7 or make any appropriation for payment of the bonds.

8 (2) Nothing in this subchapter authorizes a district to create a debt of the state
9 or the county or any municipality located wholly or partly within the district's
10 jurisdiction, and all bonds issued by a district are payable, and shall state that they
11 are payable, solely from the funds pledged for their payment in accordance with the
12 bond resolution authorizing their issuance or in any trust indenture or mortgage or
13 deed of trust executed as security for the bonds. Neither the state nor the county or
14 any such municipality is liable for the payment of the principal of or interest on a
15 bond or for the performance of any pledge, mortgage, obligation or agreement that
16 may be undertaken by a district. The breach of any pledge, mortgage, obligation or
17 agreement undertaken by a district does not impose pecuniary liability upon the
18 state or the county or any such municipality in the district's jurisdiction or a charge
19 upon its general credit or against its taxing power.

~~***NOTE: Please review the changes made in this subsection.~~

20 (3) Bonds issued by the district may be secured only by the district's interest
21 in any football stadium facilities, by income from these facilities, by proceeds of bonds
22 issued by the district and by other amounts placed in a special redemption fund and
23 investment earnings on such amounts, including any taxes imposed by the district

1 under subch. V of ch. 77. The district may not pledge its full faith and credit on the
2 bonds and the bonds are not a general obligation liability of the district.

3 **229.832 State pledge.** The state pledges to and agrees with the bondholders,
4 and persons that enter into contracts with a district under this subchapter, that the
5 state will not limit or alter the rights and powers vested in a district by this
6 subchapter, including the rights and powers under s. 229.824 (15), before the district
7 has fully met and discharged the bonds, and any interest due on the bonds, and has
8 fully performed its contracts, unless adequate provision is made by law for the
9 protection of the bondholders or those entering into contracts with a district.

10 **229.833 Trust funds.** All moneys received under this subchapter, whether as
11 proceeds from the sale of bonds or from any other source, are trust funds to be held
12 and applied solely as provided in this subchapter. Any officer with whom, or any
13 bank or trust company with which, those moneys are deposited shall act as trustee
14 of those moneys and shall hold and apply the moneys for the purposes of this
15 subchapter, subject to this subchapter and the bond resolution authorizing issuance
16 of the bonds.

17 **229.834 Budgets; rates and charges; audit.** . A district shall adopt a
18 calendar year as its fiscal year for accounting purposes. The district board shall
19 annually prepare a budget for the district. Rates and other charges received by the
20 district shall be used for the general expenses and capital expenditures of the district
21 and to pay interest, amortization, and retirement charges on bonds. A district shall
22 maintain an accounting system in accordance with generally accepted accounting
23 principles and shall have its financial statements and debt covenants audited
24 annually by an independent certified public accountant.

25 **SECTION 41.** 779.14 (lm) (d) 2. b. of the statutes is amended to read:

1 779.14 **(lm)** (d) 2. b. ~~The Except as provided in sub. (4).~~ the contract shall
2 require the prime contractor to provide a payment and performance bond meeting
3 the requirements of par. (e), unless the public body authorized to enter into the
4 contract allows the prime contractor to substitute a different payment assurance for
5 the payment and performance bond. The public body may allow a prime contractor
6 to substitute a different payment and performance assurance for the payment and
7 performance bond only if the substituted payment and performance assurance is for
8 an amount at least equal to the contract price and is in the form of a bond, an
9 irrevocable letter of credit or an escrow account acceptable to the public body. The
10 public body shall establish written standards under this subd. 2. b. governing when
11 a different payment and performance assurance may be substituted for a payment
12 and performance bond under par. (e).

13 **SECTION 42.** 779.14 (lm) (d) 3. of the statutes is amended to read:

14 779.14 **(lm)** (d) 3. ~~In Except as provided in sub. (4).~~ in the case of a contract with
15 a contract price exceeding \$100,000, as indexed under sub. (Is), the contract shall
16 require the prime contractor to obtain a payment and performance bond meeting the
17 requirements under par. (e).

18 **SECTION 43.** 779.14 (4) of the statutes is created to read:

19 779.14 (4) **BONDING EXEMPTION.** A contract with a local professional football
20 stadium district under subch. IV of ch. 229 is not required under sub. (lm) (d) 2. b.
21 or 3. to include a provision requiring the prime contractor to provide or obtain a
22 payment and performance bond or other payment assurance.

23 **SECTION 44. Initial applicability.**

1 (1) The treatment of sections 71.05 (1) (c) **5.**, **71.26** (1) (bm) and (lm) (g), 71.36
2 **(1m)** and 71.45 (It) (g) of the statutes first applies to taxable years beginning on
3 January **1, 2000.**

4 **SECTION 45. Effective dates.** This act takes effect on the day after publication,
5 except as follows:

6 (1) The treatment of section 77.54 (45) of the statutes takes effect on the first
7 day of the 2nd month beginning after publication.

8 (END)



The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 02/02/2000

To: Representative Gard

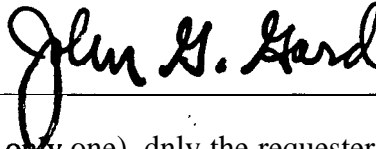
Relating to LRB drafting number: LRB-4242

Topic

Creation of special purpose district for professional football stadiums

Subject(s)

Counties, Munis - miscellaneous



1. **JACKET** the draft for introduction _____

in the **Senate** or the **Assembly** (check only one). Only the requester under whose name the drafting request is entered in the **LRB's** drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT**. See the changes indicated or attached _____

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Marc E. Shovers, Senior Legislative Attorney
Telephone: (608) 266-0129

not. it may



STEPHEN R. MILLER
CHIEF

State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-8522

REFERENCE SECTION: (608) 266-0341
REFERENCE FAX: (608) 266-5648

February 22, 2000

MEMORANDUM

To: The drafting file

From: Joseph T. Kreye; Legislative Attorney

Subject: Error in the analysis of 1999 Assembly Bill 730 and 1999 Senate Bill 384

1999 Assembly Bill 730 and its companion, 1999 Senate Bill 384, create a local professional football stadium district. Page five of the analysis of both bills indicates that the income and interest from the district's obligations are exempt from the income tax and the franchise tax. However, under both 1999 Assembly Bill 730 and 1999 Senate Bill 384 **the income and interest from the district's obligations are exempt from the income tax but not exempt from the franchise tax.**



MES/SSR/RAC/3R

CORRECTIONS IN: **CCC** (LRB-4242/1)

1999 ASSEMBLY BILL 730

0

Prepared by the Legislative Reference Bureau
(Date)

1. Page 28, line 16: delete "second" and substitute "2nd".

KMG:



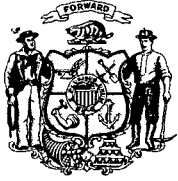
State of Wisconsin
1999-2000 LEGISLATURE

CORRECTIONS **IN:**

1999 ASSEMBLY BILL 730

Prepared by the Legislative Reference Bureau
(March 8, 2000)

1. Page 28, line 16: delete "second" and substitute "2nd".



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

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LEGAL SECTION (608) 266-3561
REFERENCE SECTION (608) 266-0341
FAX (608) 266-5648

STEPHEN R MILLER
CHIEF

February 29, 2000



MEMORANDUM

To: Representative Gard

From: Joseph T. Kreye, Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **1999 AB 730** (LRB 99-4242/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

February 252000

TO: Joseph T. Kreye and Marc E. Shovers,
Legislative Reference Bureau

FROM: Yeang-Eng Braun *yEB by DC*
Department of Revenue

SUBJECT: Technical Memorandum on AB 730 - Creating a Local Professional Football Stadium District

Analysis by the Legislative Reference Bureau to this bill states that interest from obligations issued by a local professional football stadium district would be exempt from income and franchise tax. However, the bill exempts the interest only from the income tax.

The Department of Revenue has several suggestions to the provisions in AB 730 that would provide a sales and use tax exemption for parking and the sales of seat licenses for season ticket holders. First, the language in Section 29 of the bill, creating s. 77.54 (45)(a), and the associated definition of "related party" in s. 229.821 (12) should be more specifically defined. As currently written, the Department is concerned that any business that leases property from the City of Green Bay could exempt its parking receipts from the sales tax as long as the business has a minimal relationship to a professional football team, such as an investor or shareholder relationship. The Department suggests clearer statutory language in defining "related party" in s. 229.821(12).

As currently written, the Department also feels that the parking exemption provided in s. 77.54 (45)(c) could also apply to non-stadium related parking facilities in Green Bay. Further, "game day" is not adequately defined; as such, parking during scrimmage games, practice games and others may become exempt in addition to parking during league sanctioned professional games. In order to limit the exemption to stadium parking only, the Department suggests deleting s. 77.54 (45)(c).

The Department is also concerned that the exemption for the seat license fee in s. 77.54 (45)(c) could unintentionally expand the exemption for fees to all events held at the stadium. As written, a seller of tickets could structure their ticket sales so that only a nominal portion was the taxable admission and the balance was the exempt "right to purchase" fee. In order to limit this possibility, the Department suggests amending the exemption language and limiting it to the one-time fee for football games played by a professional football team and include a sunset provision.

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	FTE
one-time	s. 20.566 (1) (a)	\$324,500	
annual	s. 20.566 (1) (a)	\$201,400	2.5

If you have questions regarding this technical memorandum, please contact John Stott at 266-9706; for administrative costs, contact Jackie Wipperfurth at 266-9513.

YEB:JS:JC:skr
t:\fsn99-00\jc\lab730.tec