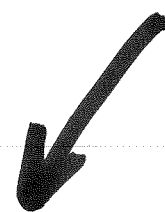




# State of Wisconsin

LEGISLATIVE REFERENCE BUREAU



## Appendix A ... segment II

### LRB BILL HISTORY RESEARCH APPENDIX

 The drafting file for 2015 LRB-1330/P4 (For: DOA - Budget)

has been copied/added to the drafting file for


**2015 LRB-1502** (For: DOA - Budget)

 Are These "Companion Bills" ?? ... No



**RESEARCH APPENDIX -**  
**PLEASE KEEP WITH THE DRAFTING FILE**

Date Transfer Requested: 01/28/2015 (Per: MES)

 The attached draft was incorporated into the new draft listed above. For research purposes the attached materials were added, as a appendix, to the new drafting file. If introduced this section will be scanned and added, as a separate appendix, to the digital drafting file.



State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-1330/P1  
MES&RAC:kjf

DOA:.....Wimmer, BB0462 - Create a sports and entertainment special purpose district for a professional basketball home arena; fold in Bradley Center

**FOR 2015-2017 BUDGET - NOT READY FOR INTRODUCTION**

Due  
1/25

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FN 1/24  
wanted  
8:00 am  
1/26

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

This bill creates a sports and entertainment district (district) with powers and duties to facilitate the construction of a basketball arena, as well as other sports and entertainment facilities, in a county with a population of more than 500,000 that has a first class city (collectively, local units) in which a professional basketball team's home arena is currently located. Generally, the district is governed by a board of nine members nominated by the governor, and with the advice and consent of the senate appointed, for staggered seven-year terms. Also under the bill, the county executive and mayor of a local unit may each appoint one additional member to the board if the local unit provides funding to the district.

Board members must be Wisconsin residents, have executive and managerial experience, and may not be elective office holders or candidates for elective office. The district may not incur debt or impose taxes and may operate and manage the basketball arena and other facilities. The bill permits the district to exercise eminent domain authority, and also permits the Bradley Center Sports and Entertainment Corporation, which currently owns the Bradley Center, to transfer ownership of the Bradley Center to the district, along with all outstanding debt on the Bradley Center.

The bill authorizes the state to issue or contract \$220,000,000 in public debt or appropriation obligations for a combination thereof to be used as a grant to assist



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a district in the construction of sports and entertainment facilities, including the acquisition or lease of property. Under the bill, the state may only provide such a grant if the district has secured additional funding from nonstate sources for the project in an amount at least equal to \$300,000,000.

(A)

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. 13.48 (45) of the statutes is created to read:

2 13.48 (45) SPORTS AND ENTERTAINMENT DISTRICT. (a) The legislature finds and  
3 determines that sports and entertainment facilities encourage economic  
4 development and tourism in this state by reducing unemployment and by bringing  
5 needed capital into the state for the benefit and welfare of people throughout the  
6 state. It is therefore in the public interest, and it is the public policy of this state, to  
7 assist a sports and entertainment district in the construction of sports and  
8 entertainment facilities under subch. VI of ch. 229.

9 (b) Subject to par. (c), the building commission may authorize up to  
10 \$220,000,000 in general fund supported borrowing to assist a sports and  
11 entertainment district in the construction of sports and entertainment facilities  
12 under subch. VI of ch. 229, including the acquisition or lease of property. The state  
13 funding commitment shall be in the form of a grant to a sports and entertainment  
14 district. Before approving any state funding commitment under this paragraph, the  
15 building commission shall determine that the sports and entertainment district has  
16 secured additional funding from nonstate sources for the project in an amount at  
17 least equal to \$300,000,000.

1 ~~(c) The amount of general fund supported borrowing authorized under par. (b)~~  
 2 ~~shall be reduced by the amount of any appropriation obligations contracted under s.~~  
 3 ~~16.527 (3) (d).~~

4 ~~(d) If the building commission authorizes a grant to a sports and entertainment~~  
 5 ~~district under par. (b) and if, for any reason, the facility that is constructed with funds~~  
 6 ~~from the grant is not used principally for professional basketball, the state shall~~  
 7 ~~retain an ownership interest in the facility equal to the amount of the state's grant.~~

Insert 3-8

8 SECTION 2. 16.527 (3) (d) of the statutes is created to read:

9 16.527 (3) (d) 1. Subject to the limitations under subds. 2. to 4., the department  
 10 may contract appropriation obligations of the state under this section for the purpose  
 11 of assisting a sports and entertainment district under subch. VI of ch. 229 in the  
 12 construction of sports and entertainment facilities, including the acquisition or lease  
 13 of property. The assistance shall be in the form of a grant to the sports and  
 14 entertainment district.

15 2. The sum of appropriation obligations issued under this section for the  
 16 purpose under subd. 1. may not exceed \$220,000,000, ~~less the amount of any grant~~  
 17 ~~awarded under s. 13.48 (45).~~

18 3. No appropriation obligations may be issued under this section for the  
 19 purpose under subd. 1. unless the ~~building commission~~ <sup>department</sup> determines that the sports  
 20 and entertainment district has secured additional funding ~~from nonstate sources~~ for  
 21 the project in an amount at least equal to \$300,000,000.

22 4. If the department issues appropriation obligations under this section for the  
 23 purpose under subd. 1. and if, for any reason, the facility that is constructed with  
 24 funds from the grant is not used principally for professional basketball, the state

1 shall retain an ownership interest in the facility equal to the amount of the state's  
2 grant.

3 SECTION 3. 20.505 (1) (bv) of the statutes is created to read:

4 20.505 (1) (bv) *Appropriation obligations repayment; sports and entertainment*  
5 *facilities.* The amounts in the schedule to pay debt service costs due in the current  
6 fiscal year on appropriation obligations issued under s. 16.527 (3) (d), to make  
7 payments of the state under agreements and ancillary arrangements entered into  
8 under s. 16.527 (4) (e), <sup>to make deposits into reserve funds,</sup> and to pay related issuance or administrative expenses.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

9 SECTION 4. 20.505 (1) (in) of the statutes is created to read:

10 20.505 (1) (in) *Appropriation obligation proceeds; sports and entertainment*  
11 *facilities.* All moneys received from the sale of appropriation obligations that are  
12 issued under s. 16.527 (3) (d), and any earnings on such moneys and on any other  
13 moneys held for the purpose of this paragraph, to assist a sports and entertainment  
14 district under subch. VI of ch. 229 in the construction of sports and entertainment  
15 facilities, including the acquisition or lease of property, and to provide for reserves  
16 and for expenses of issuance and administration of the appropriation obligations,  
17 and to pay interest on the appropriation obligations, the redemption price of  
18 refunded appropriation obligations and any related obligations incurred under  
19 agreements entered into under s. 16.527 (4) (e), as determined by the department of  
20 administration. Estimated disbursements under this paragraph shall not be  
21 included in the schedule under s. 20.005.

22 SECTION 5. 20.866 (1) (u) of the statutes is amended to read. ✓

1           20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
2 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1)  
3 (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),  
4 20.255 (1) (d), 20.285 (1) (d), (je), and (gj), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7)  
5 (aa), (ac), (ad), (ag), (aq), (ar), (at), (au), (bq), (br), (cb), (cc), (cd), (cg), (cq), (cr), (cs),  
6 (ct), (ea), (eq), and (er), 20.395 (6) (af), (aq), (ar), and (au), 20.410 (1) (e), (ec), and (ko)  
7 and (3) (e), 20.435 (2) (ee), 20.465 (1) (d), 20.485 (1) (f) and (go), (3) (t) and (4) (qm),  
8 20.505 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (kc), 20.855 (8) (a), and 20.867  
9 (1) (a) and (b) and (3) (a), (b), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bi), (bj), (bL), (bm),  
10 (bn), (bp), (bq), (br), (bt), (bu), (bv), (cb), (cd), (cf), (ch), (cj), (g), (h), (i), (kd), and (q) for  
11 the payment of principal, interest, premium due, if any, and payment due, if any,  
12 under an agreement or ancillary arrangement entered into under s. 18.06 (8) (a)  
13 relating to any public debt contracted under subchs. I and IV of ch. 18.

14           **SECTION 6.** 20.866 (2) (zr) of the statutes is created to read: ✓

15           20.866 (2) (zr) *Sports and entertainment facility.* From the capital  
16 improvement fund, a sum sufficient for the building commission to provide a grant  
17 to a sports and entertainment district to aid in the construction of a facility, including  
18 the acquisition or lease of property, as described in s. 13.48 (45). The state may  
19 contract public debt in an amount not to exceed \$220,000,000 for this purpose.

20           **SECTION 7.** 20.867 (3) (bt) of the statutes is created to read: ✓

21           20.867 (3) (bt) *Principal repayment, interest and rebates; sports and*  
22 *entertainment facility.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment  
23 of principal and interest costs incurred in financing the construction of a facility,  
24 including the acquisition or lease of property, as described in s. 13.48 (45), to make  
25 the payments determined by the building commission under s. 13.488 (1) (m) that are

**SECTION 7**

1 attributable to the proceeds of obligations incurred in financing the project, and to  
2 make payments under an agreement or ancillary arrangement entered into under  
3 s. 18.06 (8) (a).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 **SECTION 8.** 32.02 (1) of the statutes is amended to read:

5 32.02 (1) Any county, town, village, city, including villages and cities  
6 incorporated under general or special acts, a local sports and entertainment district  
7 created under subch. VI of ch. 229, school district, the department of health services,  
8 the department of corrections, the board of regents of the University of Wisconsin  
9 System, the building commission, a commission created by contract under s. 66.0301,  
10 with the approval of the municipality in which condemnation is proposed, a  
11 commission created by contract under s. 66.0303 that is acting under s. 66.0304, if  
12 the condemnation occurs within the boundaries of a member of the commission, or  
13 any public board or commission, for any lawful purpose, but in the case of city and  
14 village boards or commissions approval of that action is required to be granted by the  
15 governing body. A mosquito control commission, created under s. 59.70 (12), and a  
16 local professional football stadium district board, created under subch. IV of ch. 229,  
17 may not acquire property by condemnation.

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6-17

18 **SECTION 9.** Subchapter VI (title) of chapter 229 [precedes 229.857] of the  
19 statutes is created to read:

**CHAPTER 229**

**SUBCHAPTER VI**

**LOCAL SPORTS AND**

**ENTERTAINMENT DISTRICTS**

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~~LOCAL SPORTS AND  
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SECTION 10. 229.857 of the statutes is created to read:

**229.857 Legislative declaration.** (1) The legislature determines that the provision of assistance by state agencies to a district under this subchapter and any appropriation of funds to a district under this subchapter serve a statewide public purpose by assisting the development of sports and entertainment 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.

(2) The legislature determines that a district serves a public purpose in political subdivisions in which it is located 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.

SECTION 11. 229.858 of the statutes is created to read:

**229.858 Definitions.** In this subchapter:

(1) "Basketball arena" means an arena that is an arena that is principally used as the home arena of a professional basketball team, described in s. 229.860, at the time that a district is created.

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

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

(4) "Local unit" means a county or city that is described in s. 229.860.

(5) "Sports and entertainment facilities" means property, tangible or intangible, owned in whole or in substantial part, operated, or leased by a district



1 that is principally used for professional basketball, including spectator seating,  
2 practice facilities, parking lots and structures, garages, restaurants, concession  
3 facilities, entertainment facilities, facilities for the display or sale of memorabilia,  
4 transportation facilities, and other functionally related or auxiliary facilities or  
5 structures.

6 SECTION 12. 229.859 of the statutes is created to read:

7 229.859 Creation and organization. (1) There is created, for each  
8 jurisdiction under s. 229.860, a special<sup>purpose</sup> district that is a local governmental unit, that  
9 is a body corporate and politic, that is separate and distinct from, and independent  
10 of, the state, that has the powers under s. 229.861 and the name of which includes  
11 “Sports and Entertainment District”.

\*\*\*\*NOTE: Would you like this subsection to also state that the district is “separate and distinct from and independent of the local units within its jurisdiction”?

\*\*\*\*NOTE: If you have questions about this or any other embedded note, or about anything other than bonding, please contact Marc Shovers. If you have any questions related to the bonding provisions, please contact Rick Champagne.

12 (2) (a) A district is governed by its district board. Subject to pars. (g) and (h),  
13 the district board shall consist of 9 members appointed by the governor. A person  
14 appointed under this paragraph may take his or her seat immediately upon  
15 appointment and qualification, subject to confirmation or rejection by the senate.  
16 Persons appointed and confirmed under this paragraph shall serve staggered 7-year  
17 terms. The governor shall designate one member as chairperson of the district board.

18 (b) Members of the district board shall be Wisconsin residents and shall have  
19 executive and managerial experience. No member may hold elective public office or  
20 be a candidate for elective public office.

1 (c) A member of the district board who is appointed by the governor shall hold  
2 his or her position on the board until the member's successor is appointed by the  
3 governor. *and confirmed by the senate*

*\*\*\*\*NOTE: Do you mean until appointed by the governor and confirmed by the senate?*

4 (d) A majority of the current membership of the district board constitutes a  
5 quorum to do business. The district may take action based on the affirmative vote  
6 of a majority of those members of the district board who are present at a meeting of  
7 the district board.

8 (e) No member of the district board may receive compensation for performing  
9 his or her duties. A member of the district board shall be reimbursed for his or her  
10 actual and necessary expenses incurred in the performance of his or her duties.

11 (f) 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 (g) The county executive of a county described in s. 229.860 which provides  
15 funding to construct, equip, or improve sports and entertainment facilities under s.  
16 229.863 shall appoint a member to the district board, subject to confirmation or  
17 rejection by a majority of the members-elect of the county board. A person appointed  
18 and confirmed under this paragraph shall serve a 7-year term, except that the initial  
19 term of the first member appointed under this paragraph shall be 5 years.

20 (h) The mayor of a city described in s. 229.860 which provides funding to  
21 construct, equip, or improve sports and entertainment facilities under s. 229.863  
22 shall appoint a member to the district board, subject to confirmation or rejection by  
23 a majority of the members-elect of the common council. A person appointed and

1 confirmed under this paragraph shall serve a 7-year term, except that the initial  
2 term of the first member appointed under this paragraph shall be 6 years.

\*\*\*\*NOTE: I put the initial term of members appointed under pars. (g) and (h) in text instead of in the nonstats because it's uncertain when and if appointments will be made under these paragraphs. Also, I limited the years of an initial appointment to be consistent with what you requested in your sample draft. Is this consistent with your intent?

3 (i) A member appointed under par. (g) or (h) is subject to the requirements  
4 under par. (b). Upon appointment and confirmation of such a member, the  
5 appointing authority shall certify the member to the secretary of administration.

\*\*\*\*NOTE: Are members appointed under par. (g) or (h) subject to par. (e)?

6 (3) The district board shall name the district, and the name shall include  
7 "Sports and Entertainment District".

8 SECTION 13. 229.860 of the statutes is created to read:

9 **229.860 Jurisdiction.** A district's jurisdiction is any county with a population  
10 of more than 500,000 and a 1st class city that is located wholly or predominantly in  
11 that county, provided that the city includes the principal site of a basketball arena  
12 that is home to a professional basketball team, that is a member of a league of  
13 professional basketball teams that have home arenas in at least 10 states, and that  
14 is approved by that league for use as a home arena for that basketball team. Once  
15 created, the district's jurisdiction remains fixed even if population figures for the  
16 county decline below the minimum described in this section.

\*\*\*\*NOTE: Is the change I've made to this section consistent with your intent? By not linking the jurisdiction to the creation date of the budget, which would be the bill's effective date and would in effect close the class, there is much less likelihood that this provision would be subject to a private and-local challenge under article IV, section 18, of the Wisconsin Constitution.

17 SECTION 14. 229.861 of the statutes is created to read:

18 **229.861 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, except that

1 it may not issue bonds or levy or impose a tax. In addition to all other powers granted  
2 by this subchapter, a district may do all of the following:

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

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

5 (3) Maintain an office.

6 (4) In connection with sports and entertainment facilities:

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

10 (b) Acquire; lease, as lessor or lessee; use; transfer; or accept transfers of  
11 property, and assume debt payments and outstanding obligations for the property  
12 *acquired or*  
*accepted.*

13 (c) Improve, maintain, and repair property.

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

19 (e) Sell or otherwise dispose of unneeded or unwanted property.

20 (5) Employ personnel, and fix and regulate their compensation; and provide,  
21 either directly or subject to an agreement under s. 66.0301 as a participant in a  
22 benefit plan of another governmental entity, any employee benefits, including an  
23 employee pension plan.

*The rest of this text is on the next page 12*

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(6) Purchase insurance, establish and administer a plan of self-insurance or, subject to an agreement with another governmental entity under s. 66.0301, participate in a governmental plan of insurance or self-insurance.

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

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

(9) Promote, advertise, and publicize its sports and entertainment facilities and related activities.

(10) Set standards governing the use of, and the conduct within, its sports and entertainment facilities in order to promote public safety and convenience and to maintain order.

(11) Accept gifts, loans, and other aid.

(12) Adopt and alter an official seal.

SECTION 15. 229.862 of the statutes is created to read:

**229.862 Special fund revenues.** (1) The district board shall maintain a special fund into which it deposits all funds received under ss. 13.48 (45) and 16.527 (3) (d).

(2) The district may not deposit any other moneys into the special fund, except that the district shall credit all earnings on the revenues in the special fund to the special fund.

(3) No money in the special fund may be expended for the purpose of operating or maintaining sports and entertainment facilities or a basketball arena.

SECTION 16. 229.863 of the statutes is created to read:

**229.863 Powers granted to local units.** (1) In addition to any powers that it may otherwise have, a local unit may do any of the following:

*Don't really delete - see next page*

**SECTION 14**

1           (8) Maintain funds and invest the funds in any investment that the district  
2 board considers appropriate.

3           (9) Promote, advertise, and publicize its sports and entertainment facilities  
4 and related activities.

5           (10) Set standards governing the use of, and the conduct within, its sports and  
6 entertainment facilities in order to promote public safety and convenience and to  
7 maintain order.

8           (11) Accept gifts, loans, and other aid.

9           (12) Adopt and alter an official seal.

10           **SECTION 15.** 229.862 of the statutes is created to read:

11           **229.862 Special fund revenues.** (1) The district board shall maintain a  
12 special fund into which it deposits all funds received under (ss. 13.48 (45) and 16.527

12  
13

(3) (d). FNS 12-13 (NO #)

14           (2) The district may not deposit any other moneys into the special fund, except  
15 that the district shall credit all earnings on the revenues in the special fund to the  
16 special fund.

17           (3) No money in the special fund may be expended for the purpose of operating  
18 or maintaining sports and entertainment facilities or a basketball arena.

19           **SECTION 16.** 229.863 of the statutes is created to read:

20           **229.863 Powers granted to local units.** (1) In addition to any powers that  
21 it may otherwise have, a local unit may do any of the following:

22           (1) Make grants or loans to a district upon terms that the local unit considers  
23 appropriate.

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

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(1) Make grants or loans to a district upon terms that the local unit considers appropriate.

(2) Expend public funds to subsidize a district.

(3) Borrow money under ss. 67.04 and 67.12 (12) for sports and entertainment facilities or to fund grants, loans, or subsidies to a district.

(4) Lease or transfer property to a district upon terms that the local unit considers appropriate.

SECTION 17. 229.864 of the statutes is created to read:

**229.864 Dissolution of a district.** A district may not dissolve and wind up its affairs unless debt issued under s. 13.48 (4) and obligations issued under s. 16.527 (3) (d) have been retired.

*lease obligations  
are (1) & (2)*

\*\*\*NOTE: Upon dissolution, do you want to provide for transfer of the district's property to the city and county that constitute its jurisdiction? See, for example, s. 229.828.

*FNS  
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SECTION 18. 229.865 of the statutes is created to read:

**229.865 Trust funds.** All moneys received under this subchapter, whether from the state, from a local unit, or from any other source, are trust funds to be held and applied solely as provided in this subchapter. Any officer with whom, or any bank or trust company with which, those moneys are deposited shall act as trustee of those moneys and shall hold and apply the moneys for the purposes of this subchapter.

SECTION 19. 229.866 of the statutes is created to read:

**229.866 Budgets; rates and charges; audit.** A district shall adopt a calendar year as its fiscal year for accounting purposes. The district board shall annually prepare a budget for the district. Rates and other charges received by the district shall be used for the general expenses and capital expenditures of the

1 district. A district shall maintain an accounting system in accordance with generally  
2 accepted accounting principles and shall have its financial statements and debt  
3 covenants <sup>starts</sup> audited annually by an independent certified public accountant.

4 SECTION 20. 232.05 (3) of the statutes is amended to read:

5 232.05 (3) The corporation may not:

6 (a) Sell, exchange, or otherwise divest itself of the Bradley center to a sports  
7 and entertainment district under subch. VI of ch. 229.

8 (b) Dissolve and wind up its affairs, ~~unless the legislature enacts a law ordering~~  
9 ~~dissolution or except as provided in s. 232.07 upon the sale, exchange, or other~~  
10 divestiture of the Bradley Center. (X)

senate of the appointments

11 SECTION 9129. Nonstatutory provisions; Local Government.

12 (1) LOCAL SPORTS AND ENTERTAINMENT DISTRICT.

13 (a) *Appointment of district board members.* Not later than <sup>90</sup> #/days after the  
14 effective date of this paragraph ... [LRB inserts date], the governor shall notify the  
15 senate of his or her initial appointments to the district board under section 229.859  
16 of the statutes, as created by this act, and not later than 30 days after the effective  
17 ~~date of this paragraph~~ <sup>the governor notifies the</sup> [LRB inserts date], the senate shall confirm or reject the  
18 governor's appointees.

19 (b) *Staggering of terms.* Notwithstanding the 7-year terms specified under  
20 section 229.859 of the statutes, as created by this act, the initial appointees of the  
21 governor under paragraph (a) shall have terms that expire as follows:

22 1. The terms of 3 members, as determined by the governor, shall expire on July  
23 1, 2020.

24 2. The terms of 3 members, as determined by the governor, shall expire on July  
25 1, 2021.







2015-2016 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1330/P2insMES  
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INS ANL

The bill also requires that any lease for the use of sports and entertainment facilities that is entered into between the district board and a professional basketball team must include a provision stating that if the team breaks or otherwise fails to fulfill its obligations under the lease, the team will pay the state an amount that is sufficient to pay off the appropriation obligations.

INS 6-17

SECTION 1. 66.0301 (1) (a) of the statutes is amended to read:

66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section "municipality" means the state or any department or agency thereof, or any city, village, town, county, school district, public library system, public inland lake protection and rehabilitation district, sanitary district, farm drainage district, metropolitan sewerage district, sewer utility district, solid waste management system created under s. 59.70 (2), local exposition district created under subch. II of ch. 229, local professional baseball park district created under subch. III of ch. 229, local professional football stadium district created under subch. IV of ch. 229, local cultural arts district created under subch. V of ch. 229, local sports and entertainment district created under subch. VI of ch. 229, long-term care district under s. 46.2895, water utility district, mosquito control district, municipal electric company, county or city transit commission, commission created by contract under this section, taxation district, regional planning commission, housing authority created under s. 66.1201, redevelopment authority created under s. 66.1333, community development authority created under s. 66.1335, or city-county health department.

**SECTION 2.** 66.0603 (1g) (a) of the statutes is <sup>✓</sup>renumbered 66.0603 (1g) (a) (intro.) and amended to read: (intro.)

~~f~~ 66.0603 (1g) (a) <sup>✓</sup>In this section, "governing board" has the meaning given under s. 34.01 (1) but does not include <sup>✓</sup>a local cultural arts district board created under ~~subch. V of ch. 229.~~ any of the following:

History: 1999 a. 9 ss. 1607, 1608; 1999 a. 65 ss. 15 to 17; 1999 a. 150 ss. 93, 95, 168; 1999 a. 167 ss. 31, 32; 1999 a. 186 ss. 43, 44; 2001 a. 30; 2003 a. 264; 2005 a. 99, 335; 2007 a. 82, 115; 2009 a. 28.

**SECTION 3.** 66.0603 (1g) (a) 1. of the statutes <sup>✓</sup>is created to read:

66.0603 (1g) (a) 1. A local cultural arts <sup>✓</sup>district board created under subch. V of ch. 229. <sup>✓</sup>

**SECTION 4.** 66.0603 (1g) (a) 2. of the statutes <sup>✓</sup>is created to read:

66.0603 (1g) (a) 2. A local sports and entertainment <sup>✓</sup>district board created under subch. VI of ch. 229. <sup>✓</sup>

**SECTION 5.** 71.05 (1) (c) 6m. of the statutes <sup>✓</sup>is created to read:

71.05 (1) (c) 6m. Debt issued by the state under s. 16.527 (3) (d) to assist a local sports and entertainment <sup>✓</sup>district created under subch. VI of ch. 229. <sup>✓</sup>

**SECTION 6.** 71.26 (1) (bm) of the statutes <sup>✓</sup>is amended to read:

~~X~~ 71.26 (1) (bm) *Certain local districts.* Income of a local exposition district created under subch. II of ch. 229, a local professional baseball park district created under subch. III of ch. 229, a local professional football stadium district created under subch. IV of ch. 229, <sup>✓</sup>or a local cultural arts district created under subch. V of ch. 229, <sup>✓</sup>or a local sports and entertainment district created under subch. VI of ch. 229. <sup>✓</sup>

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; 2007 a. 20, 96, 97, 151, 226; 2009 a. 2, 28, 161, 165, 180, 183, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 7, 10, 32, 212, 232; 2011 a. 260 s. 80; 2013 a. 20, 145; 2013 a. 165 ss. 46, 115.

**SECTION 7.** 71.26 (1m) (n) of the statutes <sup>✓</sup>is created to read:

71.26 (1m) (n) 1. Those issued by the state under s. 16.527 (3) (d) to assist a local sports and entertainment district created under subch. VI of ch. 229.

2. Those issued under one of the provisions specified in s. 229.863 (3) by a local unit, as defined in s. 229.858 (4), to assist a local sports and entertainment district created under subch. VI of ch. 229.

SECTION 8. 71.45 (1t) (n) of the statutes is created to read:

71.45 (1t) (n) 1. Those issued by the state under s. 16.527 (3) (d) to assist a local sports and entertainment district created under subch. VI of ch. 229.

2. Those issued under one of the provisions specified in s. 229.863 (3) by a local unit, as defined in s. 229.858 (4), to assist a local sports and entertainment district created under subch. VI of ch. 229.

INS 12-13

Money's

Monies in the special fund may be expended only for the construction of sports and entertainment facilities, including the acquisition or lease of property.

INS 13-12

(2) If the district board enters into a lease with a professional basketball team described in s. 229.860 for the use of sports and entertainment facilities, the lease shall include a provision that states that if the team breaks or otherwise fails to fulfill its obligations under the lease, the professional basketball team shall pay the state an amount sufficient to retire the obligations issued under s. 16.527 (3) (d).

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1330/P2dn  
MES&RAC:kjf:jf

*Date*

Robert Wimmer:

We did not add anything to the draft stating specifically that members of the district board may be removed only for cause because that is the case for such appointees under current law. See s. 17.07 (3), stats.

We did not clarify anything regarding the number of appointees to the board. Created s. 229.859 (2) (a) states that there are 9 members of the board, but this number is subject to pars. (g) and (h), and pars. (g) and (h) require additional appointees if certain conditions occur. Therefore, it is very clear that the board consists of 9 appointees of the governor and additional appointees of the Milwaukee County executive or the Mayor of Milwaukee, or both, if the conditions in pars. (g) and (h) are satisfied.

One of the comments stated that "There needs to be language for DOR to be able to transfer money collected to DOA to pay the bonds." We did not include specific language to do this because the effect of what you're requesting will occur under current law.

Currently, income taxes paid by the players and sales tax revenue collected at the sports and entertainment facilities will be deposited into the general fund, and money to pay the bonds will come out of the general fund. The comment is essentially requesting that DOR track these particular income tax and sales tax revenues, take them out of the general fund for deposit into a segregated fund from which they will be immediately removed, and then have them deposited back into the general fund. This would result in a very complicated administrative procedure, and incur extra expenses, to take money out of the general fund in order to put it right back into the general fund.

You asked that ch. 24 be added in the list of statutes in created s. 229.863 (3) from which a local unit could borrow money. This seems like a very broad cross-reference as there are a number of funds from which money could be borrowed. Do you want to narrow down this cross-reference to one or more specific funds?

If you did not respond to a question raised in an embedded note in the /P1 version, we assumed the answer was "no" and that you did not want any changes to the draft with regard to that item.

You indicated that you want to create income tax exemptions under ss. 71.05 (1) (c) and 71.26 (1m) for the district, which we did. We also added similar provisions in created s. 71.45 (1t)(n). Is this consistent with your intent?

Marc E. Shovers  
Senior Legislative Attorney  
(608) 266-0129  
marc.shovers@legis.wisconsin.gov

Rick A. Champagne  
Chief and General Counsel  
(608) 266-9930  
rick.champagne@legis.wisconsin.gov

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1330/P2dn  
MES&RAC:kjf:jm

January 25, 2015

Robert Wimmer:

We did not add anything to the draft stating specifically that members of the district board may be removed only for cause because that is the case for such appointees under current law. See s. 17.07 (3), stats.

We did not clarify anything regarding the number of appointees to the board. Created s. 229.859 (2) (a) states that there are 9 members of the board, but this number is subject to pars. (g) and (h), and pars. (g) and (h) require additional appointees if certain conditions occur. Therefore, it is very clear that the board consists of 9 appointees of the governor and additional appointees of the Milwaukee County executive or the Mayor of Milwaukee, or both, if the conditions in pars. (g) and (h) are satisfied.

One of the comments stated that "There needs to be language for DOR to be able to transfer money collected to DOA to pay the bonds." We did not include specific language to do this because the effect of what you're requesting will occur under current law.

Currently, income taxes paid by the players and sales tax revenue collected at the sports and entertainment facilities will be deposited into the general fund, and money to pay the bonds will come out of the general fund. The comment is essentially requesting that DOR track these particular income tax and sales tax revenues, take them out of the general fund for deposit into a segregated fund from which they will be immediately removed, and then have them deposited back into the general fund. This would result in a very complicated administrative procedure, and incur extra expenses, to take money out of the general fund in order to put it right back into the general fund.

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You indicated that you want to create income tax exemptions under ss. 71.05 (1) (c) and 71.26 (1m) for the district, which we did. We also added similar provisions in created s. 71.45 (1t) (n). Is this consistent with your intent?

Marc E. Shovers  
Senior Legislative Attorney  
(608) 266-0129  
marc.shovers@legis.wisconsin.gov

Rick A. Champagne  
Chief and General Counsel  
(608) 266-9930  
rick.champagne@legis.wisconsin.gov

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**Champagne, Rick**

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**From:** Wimmer, Robert C - DOA <Robert.Wimmer@wisconsin.gov>  
**Sent:** Monday, January 26, 2015 7:11 PM  
**To:** Shovers, Marc; Champagne, Rick  
**Cc:** Heifetz, Michael G - DOA; Erdman, David R - DOA; Taylor, Kevin - DOA; Hurlburt, Waylon - GOV; Chandler, Richard G - DOR; Jablonski, Jack - DOR; Koskinen, John B - DOR; Ziegler, Paul - DOA; Grinde, Kirsten - DOA; Kreye, Joseph  
**Subject:** RE: Bucks Draft

It was more of a double check to make sure it would be covered. After reading the language and the cross references, I agree with you that this arena would be covered under the exemptions. Thank you for the references.

---

**From:** Shovers, Marc [mailto:Marc.Shovers@legis.wisconsin.gov]  
**Sent:** Monday, January 26, 2015 6:28 PM  
**To:** Wimmer, Robert C - DOA; Champagne, Rick - LEGIS  
**Cc:** Heifetz, Michael G - DOA; Erdman, David R - DOA; Taylor, Kevin - DOA; Hurlburt, Waylon - GOV; Chandler, Richard G - DOR; Jablonski, Jack - DOR; Koskinen, John B - DOR; Ziegler, Paul - DOA; Grinde, Kirsten - DOA; Kreye, Joseph - LEGIS  
**Subject:** RE: Bucks Draft

Hi Bob:

We do not believe that it is necessary to draft a separate sales tax exemption for construction materials to achieve your intent in item 4, below. We believe it is clear that s. 70.11 (36) applies to the district and, therefore, the sales tax exemption for building materials under s. 77.54 (41) applies to the district. Is there some reason that you believe this is not the case? Thanks.

Marc

Marc Shovers  
Senior Legislative Attorney  
Legislative Reference Bureau  
608-266-0129  
[marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov)

---

**From:** Wimmer, Robert C - DOA [mailto:Robert.Wimmer@wisconsin.gov]  
**Sent:** Monday, January 26, 2015 4:41 PM  
**To:** Champagne, Rick; Shovers, Marc  
**Cc:** Heifetz, Michael G - DOA; Erdman, David R - DOA; Taylor, Kevin - DOA; Hurlburt, Waylon - GOV; Chandler, Richard G - DOR; Jablonski, Jack - DOR; Koskinen, John B - DOR; Ziegler, Paul - DOA; Grinde, Kirsten - DOA  
**Subject:** RE: Bucks Draft

Rick and Marc,

**Shovers, Marc**

**From:** Wimmer, Robert C - DOA <Robert.Wimmer@wisconsin.gov>  
**Sent:** Monday, January 26, 2015 4:41 PM  
**To:** Champagne, Rick; Shovers, Marc  
**Cc:** Heifetz, Michael G - DOA; Erdman, David R - DOA; Taylor, Kevin - DOA; Hurlburt, Waylon - GOV; Chandler, Richard G - DOR; Jablonski, Jack - DOR; Koskinen, John B - DOR; Ziegler, Paul - DOA; Grinde, Kirsten - DOA  
**Subject:** RE: Bucks Draft

Rick and Marc,

1. Attached in the PDF are some suggested changes from Quarles and Brady. Please add in all of their recommendations. With one of their comments on the 71.36 (1m)(b), please consider adding to the language if you feel it is consistent with the language that was used for the baseball stadium.
2. Related to your first note on page 8 line 11, please use the "separate and distinct from and independent" language as you suggest.
3. Leave in "just cause" language for removing board members.
4. Add a sales tax exemption for construction materials used in building the facility. *not needed - sent email*
5. There is no desire for SEG funds to be used. We would like the language to say simply (in some fashion), "that the General Fund appropriation bonds will be payable solely from future General Fund appropriations."
  - a. For additional context, these will be structured so that their debt service is offset by the State's expected incremental income tax revenues paid by the players, but we would like no mention of the "jock tax" or anything related in the bill due to bond issues of pledging those revenue streams.
6. In regards to any other issues that arise, staying consistent with the football and baseball stadiums are our preferred course of action. *(2)*

  
State of WI  
Legislature Com...

Thank you very much for all of your hard work on this matter.

Bob

**From:** Champagne, Rick [mailto:Rick.Champagne@legis.wisconsin.gov]  
**Sent:** Monday, January 26, 2015 8:43 AM  
**To:** Wimmer, Robert C - DOA  
**Cc:** Shovers, Marc - LEGIS; Hanaman, Cathlene - LEGIS  
**Subject:** Bucks Draft

Good Morning Bob,

*p. 13 comment -  
I'm not sure I'd  
add it. What do  
you think?*

*Rick, I did van Ran  
& it's /P3 now.*

I just saw Marc's Drafter's Note and thought I would expand a little on some of the issues and offer an option on the "jock tax". Here goes:

1. Section 17.07 (3) governs the removal of "state officers" and provides for a cause standard for removal for those appointees serving a fixed term of office. The district is a local unit of government, governed by a board that consists of 9 members appointed by the governor. Although the district is a local unit of government, I feel pretty confident that the governor's board appointees are "state officers." At least that is how we treat all governor appointees regardless of the status of the entity to which they are appointed. I would hate to carve out these specific board appointees for different removal treatment on the assumption that they are not "state officers" since they are appointed in the same way as other "state officers." Anyway, that is the reasoning for saying that s. 17.07 (3) covers these appointees and provides a cause standard for removal.

2. On the ch. 24 issues, I assume that you just want to district added to the list of entities that the board of Commissioners of Public Lands can loan money to under s. 24.61 (3), like the way we local professional baseball park district. Let me know and we will take care of that.

3. If it is important to legally allocate "jock tax" moneys for repayment of the appropriation obligations under s. 16.527 (3) (d), and I understand that it may be, I thought of a way that we could identify and segregate out moneys from the "jock tax". Here are the steps:

a. Annually, before January 1, the secretary of administration, in consultation with the department of revenue, shall estimate the revenues generated from a "jock tax" in the next calendar year (We would not use the phrase "jock tax" but you would have to help us lay out clearly what tax proceeds you want identified.)

b. On January 1 of each year, the secretary shall transfer from the General Fund to a newly created Local Sports and Entertainment District Fund the amount calculated under Item a.

c. If the amount transferred from the General Fund to the Local Sports and Entertainment District Fund is not sufficient to pay debt service on the appropriation obligations, the secretary shall transfer an additional amount from the General Fund to the Local Sports and Entertainment District Fund to fully pay the debt service due in that year.

d. We would need to change the s. 20.505 (1) (bv) debt service appropriation from a GPR appropriation to a SEG appropriation. I think this would work just fine and would allow you to say that the "jock tax" revenues are identified and specifically allocated for paying the bonds.

Anyway, these are my thoughts. I think the draft is really going well, considering all of our time constraints. Let me know what you need.

Rick



State of Wisconsin  
2015 - 2016 LEGISLATURE

Q&B Comments

1/26/2015

LRB-1330/P2

MES&RAC:kifjm

DOA:.....Wimmer, BB0462 - Create a sports and entertainment special purpose district for a professional basketball home arena; fold in Bradley Center

**FOR 2015-2017 BUDGET - NOT READY FOR INTRODUCTION**

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

This bill creates a sports and entertainment district (district) with powers and duties to facilitate the construction of a basketball arena, as well as other sports and entertainment facilities, in a county with a population of more than 500,000 that has a first class city (collectively, local units) in which a professional basketball team's home arena is currently located. Generally, the district is governed by a board of nine members nominated by the governor, and with the advice and consent of the senate appointed, for staggered seven-year terms. Also under the bill, the county executive and mayor of a local unit may each appoint one additional member to the board if the local unit provides funding to the district.

Board members must be Wisconsin residents, have executive and managerial experience, and may not be elective office holders or candidates for elective office. The district may not incur debt or impose taxes and may operate and manage the basketball arena and other facilities. The bill permits the district to exercise eminent domain authority, and also permits the Bradley Center Sports and Entertainment Corporation, which currently owns the Bradley Center, to transfer ownership of the Bradley Center to the district, along with all outstanding debt on the Bradley Center.

The bill authorizes the state to issue or contract \$220,000,000 in appropriation obligations to be used as a grant to assist a district in the construction of sports and

entertainment facilities, including the acquisition or lease of property. Under the bill, the state may only provide such a grant if the district has secured additional funding for the project in an amount at least equal to \$300,000,000.

The bill also requires that any lease for the use of sports and entertainment facilities that is entered into between the district board and a professional basketball team must include a provision stating that if the team breaks or otherwise fails to fulfill its obligations under the lease, the team will pay the state an amount that is sufficient to pay off the appropriation obligations.

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

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

1           SECTION 1. 16.527 (1) (c) of the statutes is created to read:

2           16.527 (1) (c) The legislature finds and determines that sports and  
3           entertainment facilities encourage economic development and tourism in this state  
4           by reducing unemployment and by bringing needed capital into the state for the  
5           benefit and welfare of people throughout the state. It is therefore in the public  
6           interest and will serve a public purpose, and it is the public policy of this state, to  
7           assist a sports and entertainment district in the construction of sports and  
8           entertainment facilities under subch. VI of ch. 229.

9           SECTION 2. 16.527 (3) (d) of the statutes is created to read:

10          16.527 (3) (d) 1. Subject to the limitations under subs. 2. to 4., the department  
11          may contract appropriation obligations of the state under this section for the purpose  
12          of assisting a sports and entertainment district under subch. VI of ch. 229 in the  
13          construction of sports and entertainment facilities, including the acquisition or lease  
14          of property. The assistance shall be in the form of a grant to the sports and  
15          entertainment district.

16          2. The sum of appropriation obligations issued under this section for the  
17          purpose under subd. 1. may not exceed \$220,000,000.

, excluding any amounts representing accreted interest  
or original issue discount

1 71.05 (1) (c) 6m. ~~Debt issued by~~ the state under s. 16.527 (3) (d) to assist a local  
2 sports and entertainment district created under subch. VI of ch. 229.

← Add to s. 71.05(1)(c)  
an exemption for  
local unit bonds  
similar  
to these?

3 SECTION 11. 71.26 (1) (bm) of the statutes is amended to read:

4 71.26 (1) (bm) *Certain local districts.* Income of a local exposition district  
5 created under subch. II of ch. 229, a local professional baseball park district created  
6 under subch. III of ch. 229, a local professional football stadium district created  
7 under subch. IV of ch. 229, ~~or a local cultural arts district created under subch. V of~~  
8 ~~ch. 229, or a local sports and entertainment district created under subch. VI of ch.~~  
9 ~~229.~~

10 SECTION 12. 71.26 (1m) (n) of the statutes is created to read:

11 71.26 (1m) (n) 1. Those issued by the state under s. 16.527 (3) (d) to assist a local  
12 sports and entertainment district created under subch. VI of ch. 229.

13 2. Those issued under one of the provisions specified in s. 229.863 (3) by a local  
14 unit, as defined in s. 229.858 (4), to assist a local sports and entertainment district  
15 created under subch. VI of ch. 229.

16 SECTION 13. 71.45 (1t) (n) of the statutes is created to read:

17 71.45 (1t) (n) 1. Those issued by the state under s. 16.527 (3) (d) to assist a local  
18 sports and entertainment district created under subch. VI of ch. 229.

19 2. Those issued under one of the provisions specified in s. 229.863 (3) by a local  
20 unit, as defined in s. 229.858 (4), to assist a local sports and entertainment district  
21 created under subch. VI of ch. 229.

22 SECTION 14. Subchapter VI (title) of chapter 229 [precedes 229.857] of the  
23 statutes is created to read:

24 CHAPTER 229  
25 SUBCHAPTER VI

Consider whether s. 71.36(1m)  
(relating to income tax on (b)  
S corporations also needs  
exemptions)





1. Attached in the PDF are some suggested changes from Quarles and Brady. Please add in all of their recommendations. With one of their comments on the 71.36 (1m)(b), please consider adding to the language if you feel it is consistent with the language that was used for the baseball stadium.
2. Related to your first note on page 8 line 11, please use the "separate and distinct from and independent" language as you suggest.
3. Leave in "just cause" language for removing board members.
4. Add a sales tax exemption for construction materials used in building the facility.
5. There is no desire for SEG funds to be used. We would like the language to say simply (in some fashion), "that the General Fund appropriation bonds will be payable solely from future General Fund appropriations."
  - a. For additional context, these will be structured so that their debt service is offset by the State's expected incremental income tax revenues paid by the players, but we would like no mention of the "jock tax" or anything related in the bill due to bond issues of pledging those revenue streams.
6. In regards to any other issues that arise, staying consistent with the football and baseball stadiums are our preferred course of action.

<< File: State of WI Legislature Comments 01.26.15.pdf >>

Thank you very much for all of your hard work on this matter.

Bob

---

**From:** Champagne, Rick [<mailto:Rick.Champagne@legis.wisconsin.gov>]  
**Sent:** Monday, January 26, 2015 8:43 AM  
**To:** Wimmer, Robert C - DOA  
**Cc:** Shovers, Marc - LEGIS; Hanaman, Cathlene - LEGIS  
**Subject:** Bucks Draft

Good Morning Bob,

I just saw Marc's Drafter's Note and thought I would expand a little on some of the issues and offer an option on the "jock tax". Here goes:

1. Section 17.07 (3) governs the removal of "state officers" and provides for a cause standard for removal for those appointees serving a fixed term of office. The district is a local unit of government, governed by a board that consists of 9 members appointed by the governor. Although the district is a local unit of government, I feel pretty confident that the governor's board appointees are "state officers." At least that is how we treat all governor appointees regardless of the status of the entity to which they are appointed. I would hate to carve out these specific board appointees for different removal treatment on the assumption that they are not "state officers" since they are appointed in the same way as other "state officers." Anyway, that is the reasoning for saying that s. 17.07 (3) covers these appointees and provides a cause standard for removal.

2. On the ch. 24 issues, I assume that you just want to district added to the list of entities that the board of Commissioners of Public Lands can loan money to under s. 24.61 (3), like the way we local professional baseball park district. Let me know and we will take care of that.

3. If it is important to legally allocate "jock tax" moneys for repayment of the appropriation obligations under s. 16.527 (3) (d), and I understand that it may be, I thought of a way that we could identify and segregate out moneys from the "jock tax". Here are the steps:

a. Annually, before January 1, the secretary of administration, in consultation with the department of revenue, shall estimate the revenues generated from a "jock tax" in the next calendar year (We would not use the phrase "jock tax" but you would have to help us lay out clearly what tax proceeds you want identified.)

b. On January 1 of each year, the secretary shall transfer from the General Fund to a newly created Local Sports and Entertainment District Fund the amount calculated under Item a.

c. If the amount transferred from the General Fund to the Local Sports and Entertainment District Fund is not sufficient to pay debt service on the appropriation obligations, the secretary shall transfer an additional amount from the General Fund to the Local Sports and Entertainment District Fund to fully pay the debt service due in that year.

d. We would need to change the s. 20.505 (1) (bv) debt service appropriation from a GPR appropriation to a SEG appropriation. I think this would work just fine and would allow you to say that the "jock tax" revenues are identified and specifically allocated for paying the bonds.

Anyway, these are my thoughts. I think the draft is really going well, considering all of our time constraints. Let me know what you need.

Rick



State of Wisconsin  
2015 - 2016 LEGISLATURE

Q&B Comments  
1/26/2015

LRB-1330/P2

MES&RAC:kjfjm

DOA:.....Wimmer, BB0462 - Create a sports and entertainment special purpose district for a professional basketball home arena; fold in Bradley Center

**FOR 2015-2017 BUDGET - NOT READY FOR INTRODUCTION**

1 AN ACT ...; relating to: the budget.

---

*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

This bill creates a sports and entertainment district (district) with powers and duties to facilitate the construction of a basketball arena, as well as other sports and entertainment facilities, in a county with a population of more than 500,000 that has a first class city (collectively, local units) in which a professional basketball team's home arena is currently located. Generally, the district is governed by a board of nine members nominated by the governor, and with the advice and consent of the senate appointed, for staggered seven-year terms. Also under the bill, the county executive and mayor of a local unit may each appoint one additional member to the board if the local unit provides funding to the district.

Board members must be Wisconsin residents, have executive and managerial experience, and may not be elective office holders or candidates for elective office. The district may not incur debt or impose taxes and may operate and manage the basketball arena and other facilities. The bill permits the district to exercise eminent domain authority, and also permits the Bradley Center Sports and Entertainment Corporation, which currently owns the Bradley Center, to transfer ownership of the Bradley Center to the district, along with all outstanding debt on the Bradley Center.

The bill authorizes the state to issue or contract \$220,000,000 in appropriation obligations to be used as a grant to assist a district in the construction of sports and



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-1330/P2  
MES&RAC:kjf:jm

13

TUES A.M.

DOA:.....Wimmer, BB0462 - Create a sports and entertainment special purpose district for a professional basketball home arena; fold in Bradley Center

**FOR 2015-2017 BUDGET — NOT READY FOR INTRODUCTION**

X  
do not gen

1 AN ACT ..., relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

This bill creates a sports and entertainment district (district) with powers and duties to facilitate the construction of a basketball arena, as well as other sports and entertainment facilities, in a county with a population of more than 500,000 that has a first class city (collectively, local units) in which a professional basketball team's home arena is currently located. Generally, the district is governed by a board of nine members nominated by the governor, and with the advice and consent of the senate appointed, for staggered seven-year terms. Also under the bill, the county executive and mayor of a local unit may each appoint one additional member to the board if the local unit provides funding to the district.

Board members must be Wisconsin residents, have executive and managerial experience, and may not be elective office holders or candidates for elective office. The district may not incur debt or impose taxes and may operate and manage the basketball arena and other facilities. The bill permits the district to exercise eminent domain authority, and also permits the Bradley Center Sports and Entertainment Corporation, which currently owns the Bradley Center, to transfer ownership of the Bradley Center to the district, along with all outstanding debt on the Bradley Center.

The bill authorizes the state to issue or contract \$220,000,000 in appropriation obligations to be used as a grant to assist a district in the construction of sports and

entertainment facilities, including the acquisition or lease of property. Under the bill, the state may only provide such a grant if the district has secured additional funding for the project in an amount at least equal to \$300,000,000.

The bill also requires that any lease for the use of sports and entertainment facilities that is entered into between the district board and a professional basketball team must include a provision stating that, if the team breaks or otherwise fails to fulfill its obligations under the lease, the team will pay the state an amount that is sufficient to pay off the appropriation obligations. \*

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. 16.527 (1) (c) of the statutes is created to read:

2 16.527 (1) (c) The legislature finds and determines that sports and  
3 entertainment facilities encourage economic development and tourism in this state  
4 by reducing unemployment and by bringing needed capital into the state for the  
5 benefit and welfare of people throughout the state. It is therefore in the public  
6 interest and will serve a public purpose, and it is the public policy of this state, to  
7 assist a sports and entertainment district in the construction of sports and  
8 entertainment facilities under subch. VI of ch. 229.

9 SECTION 2. 16.527 (3) (d) of the statutes is created to read:

10 16.527 (3) (d) 1. Subject to the limitations under subds. 2. to <sup>5</sup> ~~4~~, the department  
11 may contract appropriation obligations of the state under this section for the purpose  
12 of assisting a sports and entertainment district under subch. VI of ch. 229 in the  
13 construction of sports and entertainment facilities, including the acquisition or lease  
14 of property. The assistance shall be in the form of a grant to the sports and  
15 entertainment district.

16 2. The sum of appropriation obligations issued under this section for the  
17 purpose under subd. 1. may not exceed \$220,000,000.

excluding any amounts representing accreted interest  
or original issue discount

5. Appropriation obligations issued under this section for the purpose under subd. 1. shall be paid from appropriations from the general fund.

1 3. No appropriation obligations may be issued under this section for the  
2 purpose under subd. 1. unless the department determines that the sports and  
3 entertainment district has secured additional funding for the project in an amount  
4 at least equal to \$300,000,000.

5 4. If the department issues appropriation obligations under this section for the  
6 purpose under subd. 1. and if, for any reason, the facility that is constructed with  
7 funds from the grant is not used principally for professional basketball, the state  
8 shall retain an ownership interest in the facility equal to the amount of the state's  
9 grant.

10 **SECTION 3.** 20.505 (1) (bv) of the statutes is created to read:

11 20.505 (1) (bv) *Appropriation obligations repayment; sports and entertainment*  
12 *facilities.* The amounts in the schedule to pay debt service costs due in the current  
13 fiscal year on appropriation obligations issued under s. 16.527 (3) (d), to make  
14 payments of the state under agreements and ancillary arrangements entered into  
15 under s. 16.527 (4) (e), to make deposits into reserve funds, and to pay related  
16 issuance or administrative expenses.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

17 **SECTION 4.** 20.505 (1) (in) of the statutes is created to read:

18 20.505 (1) (in) *Appropriation obligation proceeds; sports and entertainment*  
19 *facilities.* All moneys received from the sale of appropriation obligations that are  
20 issued under s. 16.527 (3) (d), and any earnings on such moneys and on any other  
21 moneys held for the purpose of this paragraph, to assist a sports and entertainment  
22 district under subch. VI of ch. 229 in the construction of sports and entertainment  
23 facilities, including the acquisition or lease of property, and to provide for reserves

**SECTION 4**

1 and for expenses of issuance and administration of the appropriation obligations,  
2 and to pay interest on the appropriation obligations, the redemption price of  
3 refunded appropriation obligations and any related obligations incurred under  
4 agreements entered into under s. 16.527 (4) (e), as determined by the department of  
5 administration. Estimated disbursements under this paragraph shall not be  
6 included in the schedule under s. 20.005.

7 **SECTION 5.** 32.02 (1) of the statutes is amended to read:

8 32.02 (1) Any county, town, village, city, including villages and cities  
9 incorporated under general or special acts, a local sports and entertainment district  
10 created under subch. VI of ch. 229, school district, the department of health services,  
11 the department of corrections, the board of regents of the University of Wisconsin  
12 System, the building commission, a commission created by contract under s. 66.0301,  
13 with the approval of the municipality in which condemnation is proposed, a  
14 commission created by contract under s. 66.0303 that is acting under s. 66.0304, if  
15 the condemnation occurs within the boundaries of a member of the commission, or  
16 any public board or commission, for any lawful purpose, but in the case of city and  
17 village boards or commissions approval of that action is required to be granted by the  
18 governing body. A mosquito control commission, created under s. 59.70 (12), and a  
19 local professional football stadium district board, created under subch. IV of ch. 229,  
20 may not acquire property by condemnation.

21 **SECTION 6.** 66.0301 (1) (a) of the statutes is amended to read:

22 66.0301 (1) (a) Except as provided in pars. (b) and (c), in this section  
23 “municipality” means the state or any department or agency thereof, or any city,  
24 village, town, county, school district, public library system, public inland lake  
25 protection and rehabilitation district, sanitary district, farm drainage district,

1 metropolitan sewerage district, sewer utility district, solid waste management  
2 system created under s. 59.70 (2), local exposition district created under subch. II of  
3 ch. 229, local professional baseball park district created under subch. III of ch. 229,  
4 local professional football stadium district created under subch. IV of ch. 229, local  
5 cultural arts district created under subch. V of ch. 229, local sports and  
6 entertainment district created under subch. VI of ch. 229, long-term care district  
7 under s. 46.2895, water utility district, mosquito control district, municipal electric  
8 company, county or city transit commission, commission created by contract under  
9 this section, taxation district, regional planning commission, housing authority  
10 created under s. 66.1201, redevelopment authority created under s. 66.1333,  
11 community development authority created under s. 66.1335, or city-county health  
12 department.

13 **SECTION 7.** 66.0603 (1g) (a) of the statutes is renumbered 66.0603 (1g) (a)  
14 (intro.) and amended to read:

15 66.0603 (1g) (a) (intro.) In this section, “governing board” has the meaning  
16 given under s. 34.01 (1) but does not include ~~a local cultural arts district board~~  
17 ~~created under subch. V of ch. 229.~~ any of the following:

18 **SECTION 8.** 66.0603 (1g) (a) 1. of the statutes is created to read:

19 66.0603 (1g) (a) 1. A local cultural arts district board created under subch. V  
20 of ch. 229.

21 **SECTION 9.** 66.0603 (1g) (a) 2. of the statutes is created to read:

22 66.0603 (1g) (a) 2. A local sports and entertainment district board created  
23 under subch. VI of ch. 229.

24 **SECTION 10.** 71.05 (1) (c) 6m. of the statutes is created to read:



5 ac #; CR; 71.05 (1) (c) bp,  
71.05 (1) (c) bp, A local unit under one of the provisions specified  
in P. 229.863 (3) ✓  
71.05 (1) (c) 6m. ~~Do not issue by~~ the state under s. 16.527 (3) (d) to assist a local

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sports and entertainment district created under subch. VI of ch. 229.

SECTION 11. 71.26 (1) (bm) of the statutes is amended to read:

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71.26 (1) (bm) *Certain local districts.* Income of a local exposition district created under subch. II of ch. 229, a local professional baseball park district created under subch. III of ch. 229, a local professional football stadium district created under subch. IV of ch. 229, ~~or~~ a local cultural arts district created under subch. V of ch. 229, or a local sports and entertainment district created under subch. VI of ch. 229.

SECTION 12. 71.26 (1m) (n) of the statutes is created to read:

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71.26 (1m) (n) 1. Those issued by the state under s. 16.527 (3) (d) to assist a local sports and entertainment district created under subch. VI of ch. 229.  
2. Those issued under one of the provisions specified in s. 229.863 (3) by a local unit, as defined in s. 229.858 (4), to assist a local sports and entertainment district created under subch. VI of ch. 229.

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SECTION 13. 71.45 (1t) (n) of the statutes is created to read:

71.45 (1t) (n) 1. Those issued by the state under s. 16.527 (3) (d) to assist a local sports and entertainment district created under subch. VI of ch. 229.  
2. Those issued under one of the provisions specified in s. 229.863 (3) by a local unit, as defined in s. 229.858 (4), to assist a local sports and entertainment district created under subch. VI of ch. 229.

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SECTION 14. Subchapter VI (title) of chapter 229 [precedes 229.857] of the statutes is created to read:

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**CHAPTER 229**

**SUBCHAPTER VI**

1 LOCAL SPORTS AND  
2 ENTERTAINMENT DISTRICTS

3 SECTION 15. 229.857 of the statutes is created to read:

4 **229.857 Legislative declaration.** (1) The legislature determines that the  
5 provision of assistance by state agencies to a district under this subchapter and any  
6 appropriation of funds to a district under this subchapter serve a statewide public  
7 purpose by assisting the development of sports and entertainment facilities in the  
8 state for providing recreation, by encouraging economic development and tourism,  
9 by reducing unemployment, and by bringing needed capital into the state for the  
10 benefit and welfare of people throughout the state.

11 (2) The legislature determines that a district serves a public purpose in  
12 political subdivisions in which it is located by providing recreation, by encouraging  
13 economic development and tourism, by reducing unemployment, and by bringing  
14 needed capital into the district's jurisdiction for the benefit of people in the district's  
15 jurisdiction.

16 SECTION 16. 229.858 of the statutes is created to read:

17 **229.858 Definitions.** In this subchapter:

18 (1) "Basketball arena" means an arena that is an arena that is principally used  
19 as the home arena of a professional basketball team, described in s. 229.860, at the  
20 time that a district is created.

21 (2) "District" means a special purpose district created under this subchapter.

22 (3) "District board" means the governing board of a district.

23 (4) "Local unit" means a county or city that is described in s. 229.860.

24 (5) "Sports and entertainment facilities" means property, tangible or  
25 intangible, owned in whole or in substantial part, operated, or leased by a district

1 that is principally used for professional basketball, including spectator seating,  
2 practice facilities, parking lots and structures, garages, restaurants, concession  
3 facilities, entertainment facilities, facilities for the display or sale of memorabilia,  
4 transportation facilities, and other functionally related or auxiliary facilities or  
5 structures.

6 SECTION 17. 229.859 of the statutes is created to read:

7 **229.859 Creation and organization.** (1) There is created, for each  
8 jurisdiction under s. 229.860, a special purpose district that is a local governmental  
9 unit, that is a body corporate and politic, that is separate and distinct from, and  
10 independent of, the state, <sup>and</sup> that has the powers under s. 229.861 and the name of  
11 which includes "Sports and Entertainment District".

\*\*\*NOTE: Would you like this subsection to also state that the district is separate and distinct from, and independent of the local units within its jurisdiction?

\*\*\*NOTE: If you have questions about this or any other embedded note, or about anything other than bonding, please contact Marc Shovers. If you have any questions related to the bonding provisions, please contact Rick Champagne.

12 (2) (a) A district is governed by its district board. Subject to pars. (g) and (h),  
13 the district board shall consist of 9 members appointed by the governor. A person  
14 appointed under this paragraph may take his or her seat immediately upon  
15 appointment and qualification, subject to confirmation or rejection by the senate.  
16 Persons appointed and confirmed under this paragraph shall serve staggered 7-year  
17 terms. The governor shall designate one member as chairperson of the district board.

18 (b) Members of the district board shall be Wisconsin residents and shall have  
19 executive and managerial experience. No member may hold elective public office or  
20 be a candidate for elective public office.

1 (c) A member of the district board who is appointed by the governor shall hold  
2 his or her position on the board until the member's successor is appointed by the  
3 governor and confirmed by the senate.

4 (d) A majority of the current membership of the district board constitutes a  
5 quorum to do business. The district may take action based on the affirmative vote  
6 of a majority of those members of the district board who are present at a meeting of  
7 the district board.

8 (e) No member of the district board may receive compensation for performing  
9 his or her duties. A member of the district board shall be reimbursed for his or her  
10 actual and necessary expenses incurred in the performance of his or her duties.

11 (f) 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 (g) The county executive of a county described in s. 229.860 which provides  
15 funding to construct, equip, or improve sports and entertainment facilities under s.  
16 229.863 shall appoint a member to the district board, subject to confirmation or  
17 rejection by a majority of the members-elect of the county board. A person appointed  
18 and confirmed under this paragraph shall serve a 7-year term, except that the initial  
19 term of the first member appointed under this paragraph shall be 5 years.

20 (h) The mayor of a city described in s. 229.860 which provides funding to  
21 construct, equip, or improve sports and entertainment facilities under s. 229.863  
22 shall appoint a member to the district board, subject to confirmation or rejection by  
23 a majority of the members-elect of the common council. A person appointed and  
24 confirmed under this paragraph shall serve a 7-year term, except that the initial  
25 term of the first member appointed under this paragraph shall be 6 years.

1 (i) A member appointed under par. (g) or (h) is subject to the requirements  
2 under par. (b). Upon appointment and confirmation of such a member, the  
3 appointing authority shall certify the member to the secretary of administration.

4 (3) The district board shall name the district, and the name shall include  
5 “Sports and Entertainment District”.

6 **SECTION 18.** 229.860 of the statutes is created to read:

7 **229.860 Jurisdiction.** A district’s jurisdiction is any county with a population  
8 of more than 500,000 and a 1st class city that is located wholly or predominantly in  
9 that county, provided that the city includes the principal site of a basketball arena  
10 that is home to a professional basketball team, that is a member of a league of  
11 professional basketball teams that have home arenas in at least 10 states, and that  
12 is approved by that league for use as a home arena for that basketball team. Once  
13 created, the district’s jurisdiction remains fixed even if population figures for the  
14 county decline below the minimum described in this section.

15 **SECTION 19.** 229.861 of the statutes is created to read:

16 **229.861 Powers of a district.** A district has all of the powers necessary or  
17 convenient to carry out the purposes and provisions of this subchapter, except that  
18 it may not issue bonds or levy or impose a tax. In addition to all other powers granted  
19 by this subchapter, a district may do all of the following:

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

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

22 (3) Maintain an office.

23 (4) In connection with sports and entertainment facilities:

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

4           (b) Acquire; lease, as lessor or lessee; use; transfer; or accept transfers of  
5 property, and assume debt payments and outstanding obligations for the property  
6 acquired or accepted.

7           (c) Improve, maintain, and repair property.

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) Sell or otherwise dispose of unneeded or unwanted property.

14           (5) Employ personnel, and fix and regulate their compensation; and provide,  
15 either directly or subject to an agreement under s. 66.0301 as a participant in a  
16 benefit plan of another governmental entity, any employee benefits, including an  
17 employee pension plan.

18           (6) Purchase insurance, establish and administer a plan of self-insurance or,  
19 subject to an agreement with another governmental entity under s. 66.0301,  
20 participate in a governmental plan of insurance or self-insurance.

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

22           (8) Maintain funds and invest the funds in any investment that the district  
23 board considers appropriate.

24           (9) Promote, advertise, and publicize its sports and entertainment facilities  
25 and related activities.

1           (10) Set standards governing the use of, and the conduct within, its sports and  
2 entertainment facilities in order to promote public safety and convenience and to  
3 maintain order.

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

5           (12) Adopt and alter an official seal.

6           **SECTION 20.** 229.862 of the statutes is created to read:

7           **229.862 Special fund revenues.** (1) The district board shall maintain a  
8 special fund into which it deposits all funds received under s. 16.527 (3) (d). Moneys  
9 in the special fund may be expended only for the construction of sports and  
10 entertainment facilities, including the acquisition or lease of property.

11           (2) The district may not deposit any other moneys into the special fund, except  
12 that the district shall credit all earnings on the revenues in the special fund to the  
13 special fund.

14           (3) No money in the special fund may be expended for the purpose of operating  
15 or maintaining sports and entertainment facilities or a basketball arena.

16           **SECTION 21.** 229.863 of the statutes is created to read:

17           **229.863 Powers granted to local units.** (1) In addition to any powers that  
18 it may otherwise have, a local unit may do any of the following:

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

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

22           (3) Borrow money under ch. 24 and ss. 66.0621, 67.04, and 67.12 (12) for sports  
23 and entertainment facilities or to fund grants, loans, or subsidies to a district.

24           (4) Lease or transfer property to a district upon terms that the local unit  
25 considers appropriate.

1           **SECTION 22.** 229.864 of the statutes is created to read:

2           **229.864 Dissolution of a district, lease obligations.** (1) A district may not  
3 dissolve and wind up its affairs unless ~~debt~~ obligations<sup>✓</sup> issued under s. 16.527 (3) (d)  
4 have been retired.

5           (2) If the district board enters into a lease with a professional basketball team  
6 described in s. 229.860 for the use of sports and entertainment facilities, the lease  
7 shall include a provision that states that if the team breaks or otherwise fails to fulfill  
8 its obligations under the lease, the professional basketball team shall pay the state  
9 an amount sufficient to retire the obligations issued under s. 16.527 (3) (d).

10           **SECTION 23.** 229.865 of the statutes is created to read:

11           **229.865 Trust funds.** All moneys received under this subchapter, whether  
12 from the state, from a local unit, or from any other source, are trust funds to be held  
13 and applied solely as provided in this subchapter. Any officer with whom, or any  
14 bank or trust company with which, those moneys are deposited shall act as trustee  
15 of those moneys and shall hold and apply the moneys for the purposes of this  
16 subchapter.

17           **SECTION 24.** 229.866 of the statutes is created to read:

18           **229.866 Budgets; rates and charges; audit.** A district shall adopt a  
19 calendar year as its fiscal year for accounting purposes. The district board shall  
20 annually prepare a budget for the district. Rates and other charges received by the  
21 district shall be used for the general expenses and capital expenditures of the  
22 district. A district shall maintain an accounting system in accordance with generally  
23 accepted accounting principles and shall have its financial statements audited  
24 annually by an independent certified public accountant.

25           **SECTION 25.** 232.05 (3) of the statutes is amended to read:



1           232.05 (3) The corporation may ~~not~~:

2           (a) Sell, exchange, or otherwise divest itself of the Bradley center to a sports  
3 and entertainment district under subch. VI of ch. 229.

4           (b) Dissolve and wind up its affairs, ~~unless the legislature enacts a law ordering~~  
5 ~~dissolution or except as provided in s. 232.07~~ upon the sale, exchange, or other  
6 divestiture of the Bradley center.

7           **SECTION 9129. Nonstatutory provisions; Local Government.**

8           (1) LOCAL SPORTS AND ENTERTAINMENT DISTRICT.

9           (a) *Appointment of district board members.* Not later than 90 days after the  
10 effective date of this paragraph ... [LRB inserts date], the governor shall notify the  
11 senate of his or her initial appointments to the district board under section 229.859  
12 of the statutes, as created by this act, and not later than 30 days after the governor  
13 notifies the senate of the appointments, the senate shall confirm or reject the  
14 governor's appointees.

15           (b) *Staggering of terms.* Notwithstanding the 7-year terms specified under  
16 section 229.859 of the statutes, as created by this act, the initial appointees of the  
17 governor under paragraph (a) shall have terms that expire as follows:

18           1. The terms of 3 members, as determined by the governor, shall expire on July  
19 1, 2020.

20           2. The terms of 3 members, as determined by the governor, shall expire on July  
21 1, 2021.

22           3. The terms of 3 members, as determined by the governor, shall expire on July  
23 1, 2022.

24

(END)

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

INS 6-15

MES

Sec. # CR; 71.36 (1m) (b) 7. ✓

71.36 (1m) (b) 7. Interest issued on obligations under D. 16.527 (3) (d). ✓

Sec. # CR; 71.36 (1m) (b) 8. ✓

71.36 (1m) (b) 8. Interest on debt issued by a local unit under one of the provisions specified in A. 229.863 (3). ✓

(end ins 6-15)

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**Champagne, Rick**

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**From:** Wimmer, Robert C - DOA <Robert.Wimmer@wisconsin.gov>  
**Sent:** Tuesday, January 27, 2015 3:48 PM  
**To:** Champagne, Rick; Shovers, Marc  
**Cc:** Taylor, Kevin - DOA; Heifetz, Michael G - DOA; Hurlburt, Waylon - GOV; Erdman, David R - DOA; Ziegler, Paul - DOA  
**Subject:** Bucks Draft  
**Attachments:** State of WI Legislature Comments 01.27.15.pdf

Rick and Marc,

Here is hopefully the last edit to the draft. Please incorporate the suggested changes from the PDF and then I think we have a good chance of being done. Attached below is a more detailed explanation from our bond consulting firm. Thanks again for your help.

Comment:

The only substantive comment relates to deleting the new language on page 3, which provides that the obligations "shall be paid" from appropriations from the general fund. This new language is problematic from a debt perspective since it appears to mandate payment from future appropriations and therefore calls into question the discretionary nature of future appropriations, which is critical to the analysis allowing the conclusion that these obligations are not debt. In the existing language of Section 16.527(10), the State has expressed its expectation and aspiration that appropriations would be made from the general fund to pay debt service on all appropriation obligations, so the expected source of the appropriations is already identified in existing statutes. Deleting this language would also be consistent with the approach taken on the State's previous appropriation obligations, which do not have comparable language.

**Bob Wimmer**

Executive Policy & Budget Analyst

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Department of Administration | State of Wisconsin  
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State of Wisconsin  
2015 - 2016 LEGISLATURE

Q&B Comments

1/27/15

LRB-1330/P3  
MES&RAC:kjfrs

DOA:.....Wimmer, BB0462 - Create a sports and entertainment special purpose district for a professional basketball home arena; fold in Bradley Center

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1 AN ACT ...; relating to: the budget.

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**LOCAL GOVERNMENT**

This bill creates a sports and entertainment district (district) with powers and duties to facilitate the construction of a basketball arena, as well as other sports and entertainment facilities, in a county with a population of more than 500,000 that has a first class city (collectively, local units) in which a professional basketball team's home arena is currently located. Generally, the district is governed by a board of nine members nominated by the governor, and with the advice and consent of the senate appointed, for staggered seven-year terms. Also under the bill, the county executive and mayor of a local unit may each appoint one additional member to the board if the local unit provides funding to the district.

Board members must be Wisconsin residents, have executive and managerial experience, and may not be elective office holders or candidates for elective office. The district may not incur debt or impose taxes and may operate and manage the basketball arena and other facilities. The bill permits the district to exercise eminent domain authority, and also permits the Bradley Center Sports and Entertainment Corporation, which currently owns the Bradley Center, to transfer ownership of the Bradley Center to the district, along with all outstanding debt on the Bradley Center.

The bill authorizes the state to issue or contract \$220,000,000 in appropriation obligations to be used as a grant to assist a district in the construction of sports and

1           2. The sum of appropriation obligations issued under this section for the  
2           purpose under subd. 1. may not exceed \$220,000,000, excluding any amounts  
3           representing accreted interest or original issue discount.

4           3. No appropriation obligations may be issued under this section for the  
5           purpose under subd. 1. unless the department determines that the sports and  
6           entertainment district has secured additional funding for the project in an amount  
7           at least equal to \$300,000,000.

8           4. If the department issues appropriation obligations under this section for the  
9           purpose under subd. 1. and if, for any reason, the facility that is constructed with  
10          funds from the grant is not used principally for professional basketball, the state  
11          shall retain an ownership interest in the facility equal to the amount of the state's  
12          grant.

13          ~~5. Appropriation obligations issued under this section for the purpose under~~  
14          ~~subd. 1. shall be paid from appropriations from the general fund.~~

15                **SECTION 3.** 20.505 (1) (bv) of the statutes is created to read:

16                20.505 (1) (bv) *Appropriation obligations repayment; sports and entertainment*  
17                *facilities.* The amounts in the schedule to pay debt service costs due in the current  
18                fiscal year on appropriation obligations issued under s. 16.527 (3) (d), to make  
19                payments of the state under agreements and ancillary arrangements entered into  
20                under s. 16.527 (4) (e), to make deposits into reserve funds, and to pay related  
21                issuance or administrative expenses.

                  \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
                  reflected in the revised schedule in s. 20.005, stats.

22                **SECTION 4.** 20.505 (1) (in) of the statutes is created to read:

Please delete: this language could be read to undercut  
discretionary nature of future appropriations (other  
approp. obligations under s. 16.527 (3) do not have  
comparable provision) - this intention is  
already expressed in 16.527(10)



1 71.36 (1m) (b) 7. Interest issued on obligations under s. 16.527 (3) (d).

2 SECTION 15. 71.36 (1m) (b) 8. of the statutes is created to read:

3 71.36 (1m) (b) 8. Interest on ~~debt~~ issued <sup>by</sup> a local unit under one of the  
4 provisions specified in s. 229.863 (3) obligations

5 SECTION 16. 71.45 (1t) (n) of the statutes is created to read:

6 71.45 (1t) (n) 1. Those issued by the state under s. 16.527 (3) (d) to assist a local  
7 sports and entertainment district created under subch. VI of ch. 229.

8 2. Those issued under one of the provisions specified in s. 229.863 (3) by a local  
9 unit, as defined in s. 229.858 (4), to assist a local sports and entertainment district  
10 created under subch. VI of ch. 229.

11 SECTION 17. Subchapter VI (title) of chapter 229 [precedes 229.857] of the  
12 statutes is created to read:

13 CHAPTER 229

14 SUBCHAPTER VI

15 LOCAL SPORTS AND

16 ENTERTAINMENT DISTRICTS

17 SECTION 18. 229.857 of the statutes is created to read:

18 229.857 Legislative declaration. (1) The legislature determines that the  
19 provision of assistance by state agencies to a district under this subchapter and any  
20 appropriation of funds to a district under this subchapter serve a statewide public  
21 purpose by assisting the development of sports and entertainment facilities in the  
22 state for providing recreation, by encouraging economic development and tourism,  
23 by reducing unemployment, and by bringing needed capital into the state for the  
24 benefit and welfare of people throughout the state.

to assist a local sports and entertainment district created under subch. VI of ch. 229