

1997 SENATE BILL 105

March 4, 1997 – Introduced by Senators WINEKE, PLACHE, CLAUSING, WIRCH, SHIBILSKI, DECKER and MOEN, cosponsored by Representatives REYNOLDS, RYBA, R. POTTER, BALDWIN, LA FAVE, GRONEMUS, TRAVIS, VANDER LOOP, HANSON, R. YOUNG and TURNER. Referred to Committee on Economic Development, Housing and Government Operations.

1 AN ACT to renumber and amend 229.685 (1); and to create 229.685 (1) (a), (b) 2 and (c) of the statutes; relating to: use of taxes levied by a local professional 3 baseball park district.

Analysis by the Legislative Reference Bureau

Under current law, a local professional baseball park district (district) may impose a sales tax and a use tax at a rate of no more than 0.1% of the gross receipts or sales price. The district board is required to maintain a special fund for these tax revenues and may use these tax revenues only for purposes related to baseball park facilities. If the district board determines that the revenues in the special fund exceed current operating expenses for the operation of baseball park facilities, the district board must apply the excess to fund a capital improvements and maintenance fund or to retire bonds issued by the district ahead of schedule.

This bill creates some additional restrictions on the use of tax revenues by a district. Under the bill, tax revenues can be used only to pay debt service on \$160,000,000 in bonds, to pay other current operating expenses and to fund a capital improvements and maintenance fund. The \$160,000,000 limit on district bonding funded with tax revenue includes the full proceeds of each bond issuance, other than refunding bonds, made by the district, even if, at the time that the calculation is made, the principal on the bonds has been fully or partially paid or the bonds have been refunded. In general terms, refunding bonds are bonds issued to fund the early retirement of bonds issued at a higher interest rate. The bill also provides that the district may not use tax revenues for lease payments on long-term leases of baseball park facilities.

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For further information see the *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. 229.685 (1) of the statutes is renumbered 229.685 (1) (intro.) and 2 amended to read:

229.685 (1) (intro.) The district board shall maintain a special fund into which
it deposits only the revenue received from the department of revenue, that is derived
from the taxes imposed under subch. V of ch. 77, and may use this revenue only for
<u>the following purposes related to baseball park facilities.</u>:

7 SECTION 2. 229.685 (1) (a), (b) and (c) of the statutes are created to read:

8 229.685 (1) (a) Payment of debt service on no more than \$160,000,000 in bonds. 9 In determining compliance with the \$160,000,000 limitation, the district shall 10 include the full proceeds of each bond issuance made by the district, even if, at the 11 time that the calculation is made, the principal on the bonds has been fully or 12 partially paid or the bonds have been refunded. The district need not include the 13 proceeds of bonds issued to refund other bonds of the district in determining 14 compliance with the limitation under this paragraph.

(b) Payment of current operating expenses not covered under par. (a). The
district may not count lease payments on long-term leases of baseball park facilities
as a current operating expense under this paragraph.

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(c) Payments into a fund for maintenance costs and capital improvements.