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# Wisconsin Legislative Council

## ACT MEMO

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### **2023 Wisconsin Act 41** [2023 Assembly Bill 439]

### **Funding for Improvement of Baseball Park Facilities and Administration of County and Municipal Sales Tax**

2023 Wisconsin Act 41 (Act 41) appropriates state funds authorized by a complementary measure, 2023 Wisconsin Act 40 (Act 40), and makes assorted other changes to state law regarding local sales and use taxes.

Act 40 makes numerous changes to state law regarding local professional baseball park districts and authorizes long-term funding to assist those districts in the development, construction, improvement, repair, and maintenance of baseball park facilities.<sup>1</sup>

There is currently one district in existence, which is known as the Southeast Wisconsin Professional Baseball Park District (District). The District was created to acquire, construct, equip, maintain, improve, operate, and manage the baseball park facility now known as American Family Field (stadium), which is the home of the Milwaukee Brewers Baseball Club (Brewers).

## **2023 WISCONSIN ACT 41**

### **Appropriations to the Department of Administration**

2023 Wisconsin Act 41 appropriates funds to the Department of Administration (DOA) for making the grants and issuing the loans to the District that are authorized by 2023 Wisconsin Act 40. Act 41 appropriates the following sums to DOA to provide grants to the District to assist in the development, construction, improvement, repair, and maintenance of baseball park facilities:

- In fiscal year 2023-24, \$60.8 million.
- In fiscal year 2024-25, \$13.4 million.
- In fiscal year 2025-26, \$13.9 million.
- In fiscal year 2026-27, \$14.5 million.
- In fiscal year 2027-28, \$15.1 million.
- In fiscal year 2028-29, \$15.7 million.
- In fiscal year 2029-30, \$16.3 million.
- In fiscal year 2030-31, \$17 million.
- In fiscal year 2031-32, \$17.6 million.
- In fiscal year 2032-33, \$18.3 million.

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<sup>1</sup> For more information on 2023 Wisconsin Act 40, see Legislative Council, 2023 Wisconsin Act 40, Act Memo.

- In fiscal year 2033-34, \$19.1 million.
- In each fiscal year from 2034-35 to 2040-41, \$20 million.
- In fiscal year 2041-42, \$10 million.
- In fiscal year 2042-43, \$10 million.
- In fiscal year 2043-44, \$5 million.<sup>2</sup>

Act 41 also appropriates to DOA up to \$35 million for loans to the District to assist in the development, construction, improvement, repair, and maintenance of baseball park facilities.<sup>3</sup>

## County and Municipal Sales and Use Tax

Act 41 also includes provisions related to the sales and use tax authorized to be imposed by the City of Milwaukee and the sales and use tax authorized to be imposed by all counties.

Under prior law, unaffected by Act 41, all counties in Wisconsin may enact a 0.5 percent sales and use tax. Under 2023 Wisconsin Act 12, the City of Milwaukee may impose a two percent sales and use tax for a limited time. The Department of Revenue (DOR) administers these taxes.

Under prior law, DOR retained an administrative fee of 1.75 percent of the revenue collected by each such tax to cover the agency's expenses in administering the tax. For the tax imposed by the city, any part of the fee that was not used for DOR's administrative expenses accumulated as an unencumbered balance. For the tax imposed by counties, any part of the fee that was not used for DOR's administrative expenses lapsed to the state's general fund.

Act 41 reduces DOR's administrative fee for collecting the county and city taxes and directs that a portion of the fee for collecting the city's tax be deposited in a fund maintained by the District.

For the tax imposed by counties, Act 41 reduces from 1.75 percent to 0.75 percent the administrative fee that DOR collects on each county's tax revenue.

For the tax imposed by the City of Milwaukee, Act 41 requires DOR to annually deposit the unencumbered balance in a segregated fund maintained by the District. When the amount deposited by DOR equals a cumulative total of \$67.5 million, then: (1) the administrative fee that DOR collects on the city's tax revenue is reduced from 1.75 percent to 0.75 percent; and (2) any future unencumbered balance from the collection of that fee annually lapses to the state general fund.

Act 41 also increases the appropriation to DOR for the administration of sales and use taxes. Under 2023 Wisconsin Act 19 (the 2023-25 biennial budget), DOR was appropriated \$0 in each of fiscal years 2023-24 and 2024-25 for administering the City of Milwaukee's tax. Act 41 increases this appropriation for fiscal year 2023-24 by \$375,000 and increases the appropriation for fiscal year 2024-25 by \$1.1 million.

**Effective date:** The act generally takes effect on December 7, 2023. The reduction in DOR's administrative fee for each county's sales and use tax takes effect on July 1, 2024. The reduction in DOR's administrative fee for the City of Milwaukee's sales and use tax takes effect on the July 1

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<sup>2</sup> Beginning with fiscal year 2043-44 and working backward, Act 40 reduces the grants to the District by the amount collected by a ticket surcharge on non-team events required to be imposed by Act 40.

<sup>3</sup> Under Act 40, the District may expend the loan proceeds only for major capital repairs, retractable roof maintenance and repairs, and necessary improvements to the baseball park facilities.

following the date on which DOR provides notice that the deposits into the District's segregated fund equal a cumulative total of \$67.5 million.

For a full history of the bill, visit the Legislature's [bill history page](#).

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