



THOMAS WEATHERSTON

STATE REPRESENTATIVE • 62ND ASSEMBLY DISTRICT

Testimony on AB 93 before the Assembly Committee on Urban and Local Affairs, April 21, 2015

Mr. Chairman and members of the committee, thank you for holding this hearing on AB 93.

This bill seeks to address concerns about the Southeast Wisconsin Professional Baseball Park District, also known as the Miller Park Stadium District. My district is in Racine County, and as you may know, residents of Racine have never been happy with the stadium tax or how it was created. But increasingly, residents of the other surrounding counties have been asking why the sales tax has not yet ended. With the end of the sales tax for the Packers' stadium in Green Bay and the proposed new arena for the Bucks, the Miller Park issue is again in the spotlight.

First authorized in 1995, the .1% sales tax to pay for the construction of the Miller Park baseball stadium is collected in Milwaukee County as well as its four neighboring counties: Racine, Waukesha, Ozaukee, and Washington. Initial estimates at the time predicted that the tax would end in 2014, but the end date continually has been pushed back, with it now forecasted to finish by 2020. The Stadium District has now collected over \$453 million in taxes since 1996. The District collected over \$28 million in taxes last year, and may now continue to receive those taxes for up to six years longer than originally projected, which would be \$150 million more in taxes by the time the tax concludes.

The construction of Miller Park was sold to the public as costing approximately \$250 million, and that number was included in the enabling legislation, 1995 Wisconsin Act 56. When construction was completed and an LAB audit was performed in 2002, the total construction and infrastructure costs of the stadium were found to be about \$400 million. The current lease with the Brewers lasts until December 31, 2030, but with possible extensions it could last until 2040.

This bill would put into place several changes to make sure that the Stadium district cannot extend the tax, while making sure that it also focuses on paying off its debt. First, the district must spend 75% of its revenue on paying off the debt. The district can refinance its bonds, but it may not increase the amount of debt or negotiate a longer term of repayment.

To prevent the use of taxpayer dollars on unneeded new facilities, the bill requires that any new project at the stadium that would cost over \$500,000 would need approval of the State Building Commission. This provides an outside control on previously unlimited spending authority. Maintenance is also defined in the bill so as to stop the use of repair funds on new upgrades and remodeling that they are not already required to do by contract.

The district responded to the introduction of the bill by sending out a memo with their concerns. The amendment was drafted to address those areas where the bill would have conflicted with an existing contract. Specifically, the amendment returns to the board the power to determine when the tax will end, but now requires the district to report to the legislature how much tax revenue is needed to meet its



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remaining obligations. We will be able to see for ourselves when the district has collected enough taxes, rather than rely on estimates. The amendment also clarifies that certain provisions are not retroactive to avoid impairment of contracts already entered into.

The district objected to some other sections of the bill because they claim to already be meeting the standards required in the bill, or that the bill would prevent them from taking actions that they do not intend to take. While that may be true, the fact remains that they do currently have the authority to extend the sales tax if they desired to do so. If they do not plan to take these actions then they should not have an issue with the provisions in the bill.

A final objection was based on the concern that changes to what the district could spend its funds on would impair its contract with the Brewers. That issue had already been addressed in the original bill, by defining routine maintenance as both the repair or replacement of existing equipment, and any other action the district is contractually obligated to perform. So there is no conflict with their current contract with the Brewers.

This bill will provide assurances to the taxpayers that their money is being used responsibly, and will also allow the stadium district to fulfil its existing contracts. While we cannot set an end date for the tax, we can guarantee that it will not last any longer than it needs to.

Thank you again for holding this hearing, and please let me know if you have any questions.



STATE REPRESENTATIVE
CORY MASON

WISCONSIN STATE ASSEMBLY
66TH ASSEMBLY DISTRICT
REPRESENTING THE RACINE COMMUNITY

To: Members, Assembly Committee on Urban and Local Affairs
From: Representative Cory Mason
Date: April 21, 2015
Re: Assembly Bill 93, bonding, spending, and taxation authority and auditing of local professional baseball park districts.

Chairman Brooks and Members of the Committee, thank you for holding this public hearing today on Assembly Bill 93, which will ensure that the Stadium Tax District is working to retire its debt and stop taxing the citizens of Racine, Waukesha, Ozaukee, and Washington Counties, as well as Milwaukee County. I am pleased to co-author this bipartisan legislation with Representatives Tom Weatherston, as well as Senator Van Wanggaard. This legislation is an important measure to ensure accountability for the Stadium Tax District, which has repeatedly pushed back the date it will stop taxing residents of the region. Originally authorized twenty years ago in 1995, and projected to end in 2014, the Stadium Tax District now says it will continue to tax residents of Racine County and other counties until at least 2020.

Residents of Racine County never wished to part of the Stadium Tax District. Racine County residents see little of any economic benefits that Miller Park provides to Milwaukee, but are required to contribute taxes to the Stadium Tax District nonetheless. While this bill would not exclude residents of Racine County from paying the stadium tax, it would impose some commonsense restrictions on how the Stadium Tax District can spend taxpayer money.

Assembly Bill 93 would require annual audits of the Stadium Tax District be submitted to the non-partisan Legislative Fiscal Bureau, to ensure that strong legislative oversight prevents misuses and abuses of taxpayer funds by the Stadium Tax District. Assembly Bill 93 would also require that no more than 4% of annual revenue can be spent on board expenses, and impose new measures to ensure that the Tax District is spending its money on retiring debt related to stadium construction. Additionally, Assembly Bill 93 provides that "routine maintenance" at Miller Park is exactly that, not new bells and whistles that should be paid for by the Milwaukee Brewers rather than taxpayers. Replacement of old equipment would still be permitted under the District's contract with the Brewers.

Assembly Bill 93 will ensure that taxpayer funds are being spent wisely by the Stadium Tax District, and ensure that the Tax District is not a slush fund for use by the Milwaukee Brewers in perpetuity. Taxpayers in Racine County have paid more than their fair share to build Miller Park; it is now the responsibility of the Stadium Tax District to end its operations as soon as possible. Thank you again for the opportunity to testify on this legislation. It is my hope that this bipartisan legislation is adopted soon.



Van H. Wanggaard

Wisconsin State Senator

April 21, 2015

Testimony in Favor of Assembly Bill 93

Thank you, Members of the Committee, for hearing my testimony on Assembly Bill 93. I authored this legislation with Representative Weatherston, and am pleased to testify in support of the bill.

Assembly Bill 93 addresses a number of concerns related to the Southeast Wisconsin Professional Baseball Park District, otherwise known as the Miller Park Stadium District. In 1995, the legislature authorized a 0.1% sales tax to pay for the construction of Miller Park in a five county region of Southeastern Wisconsin. The counties included in this taxing district were Milwaukee, Waukesha, Washington, Ozaukee, and Racine County.

Initially, the public was told that their contribution to Miller Park would total \$250 million of the overall construction cost. However, after construction completed, the overall cost ballooned to \$392 million. By the time the tax ends, taxpayers will be on the hook for up to \$530 million. Additionally, the timeline for the retirement of the sales tax has repeatedly been pushed back. The tax was first expected to end in 2014, and since has been pushed back until 2020.

At the time of its creation, the sales tax was very unpopular in Racine County and continues to be to this day. In fact, residents of the 21st State Senate District successfully recalled my predecessor Senator George Petak for his deciding vote on Miller Park. The number of delays and spending by the stadium district on luxury items such as a \$3.1 million LED ribbon and a \$5.9 million scoreboard have added to the anger of my constituents and renewed the call for greater accountability for the stadium district.

This bill adds measures of accountability that will ensure the stadium district's debt is retired at the soonest date possible taxpayers are not put on the hook for additional spending. First, the bill requires that the stadium district must spend 75% of its overall revenue on retiring debt, while still allowing the stadium district to refinance its bonds as long as it does not extend the term of repayment or increase the overall amount of debt.

The bill also addresses excessive spending on new facilities by the stadium district by redefining the term "maintenance" as it relates to the ballpark. It also requires the stadium district to get approval by the State Building Commission for any maintenance projects costing over \$500,000.

This bill is a common sense measure that will add additional accountability into law to ensure that the stadium sales tax is retired at the earliest date possible and taxpayers around Southeastern Wisconsin are no longer on the hook for Miller Park. Representative Weatherston has introduced an amendment that addresses a number of concerns raised by the Stadium District Board, while continuing to protect taxpayers.

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