

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : 3/22/2018

TO : Supervisor Theodore Lipscomb Sr., Chair, County Board of Supervisors

FROM : Joseph Lamers, Director, Office of Performance, Strategy, and Budget

SUBJECT : Stadium District Sales Tax Sunset

Background – Brown County

In November of 2000 Brown County voters approved a 0.5% sales tax through referendum to finance improvements to Lambeau Field in Green Bay, Wisconsin. On March 31st, 2015 the Brown County Professional Football Stadium District certified to the Wisconsin Department of Revenue (DOR) that they had collected enough revenue to satisfy the debt incurred for the improvements. The Wisconsin Department of Revenue permits collection of sales taxes up to the last day of the calendar quarter which is at least 120 days from the certification to the Department of Revenue. Wisconsin DOR records indicate that distributions were made up to seven months after the Brown County Professional Football Stadium District made their certification.

Legislation – Brown County

In 2015, the Wisconsin Legislature passed Wisconsin Act 114 which prescribed how any excess funds collected from the Brown County Professional Football Stadium District sales tax from April 1, 2015 through September 31, 2015 would be allocated. The legislation allocated 25% of the funding to Brown County to use only for the purpose of redeveloping the Brown County arena and land on which the arena is located. The remaining 75% was allocated to the municipalities of Brown County in proportion to the population percentage of the county for use in providing property tax relief, tax levy supported debt relief, or economic development. The legislation required any additional funds collected beyond September 30, 2015 be distributed annually through the same methodology in October.¹ According to data from the Wisconsin Department of Revenue \$15.4 million dollars was collected between April and October of 2015.² An additional \$1.3 million was collected in the years of 2016-2018 and distributed by the department of Revenue in the manner prescribed in Act 114.

Southeastern Wisconsin Professional Baseball Park District Application

Since 1996, the Southeastern Wisconsin Professional Baseball Park District (SEWPBD) has collected a 0.1% sales tax from five counties in southeastern Wisconsin (Racine, Milwaukee, Waukesha, Washington & Ozaukee) to pay for the construction of a professional baseball stadium in Milwaukee County for the Milwaukee Brewers. Recent published reports have indicated that the SEWPBD will have sufficient revenue to cover committed expenses by February of 2020 with planned certification to the Wisconsin Department of Revenue in March of 2020.³ The SEWPBD functions under the same sunset parameters as those that occurred for the Brown County Professional Football Stadium District. It is anticipated that collections will occur for an additional four to six months beyond the certification date. Assuming a 2% growth in sales tax collections, the SEWPBD sales tax would collect between \$16.2 and \$16.9 million dollars depending upon the certification date to the Wisconsin DOR. In 2018, Milwaukee County

1 <http://docs.legis.wisconsin.gov/2015/related/acts/114>

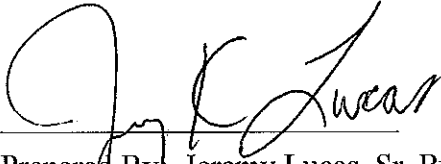
2 <https://www.revenue.wi.gov/DORReports/stadtx.pdf>

3 <https://www.bizjournals.com/milwaukee/news/2019/02/22/stadium-board-ready-to-confirm-sales-tax-sunset.html>

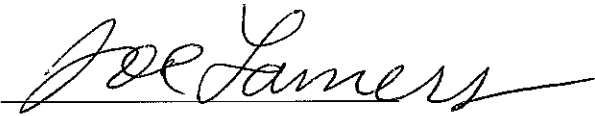
contributed 49% of the .01% sales tax collected by the SEWPBPD. Milwaukee County's portion of forecasted excess collections is between \$7.9 and \$8.2 million. There is currently no legislation to determine the distribution of excess collections from the current tax.

Recommendation

This report is informational only.



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