

Local Government Revenue Options

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Introduction

Wisconsin's local general purpose government system consists of municipalities (towns, villages, and cities) and counties. These local governments may levy only those taxes that are authorized by the Legislature. In addition to the property tax (and several in lieu of property tax revenues), the Legislature has authorized three optional local taxes for general local governments: (1) a county sales and use tax of 0.5%; (2) a municipal and/or county registration fee for certain motor vehicles (the "wheel" tax); and (3) a municipal tax on establishments providing short-term lodging to the public (the "room" tax). Although the property tax accounts for the vast majority of all local tax revenue, use of these other local taxes has increased as local governments seek to reduce their reliance on the property tax.

The structure of local government in Wisconsin extends beyond the general units of municipalities and counties. Wisconsin law allows the formation of special purpose districts that possess taxing authority. As with general units of government, these special purpose districts can levy only those taxes that are authorized by the Legislature, and for the most part, taxing authority is restricted to the property tax and related taxes. Five exceptions to this restriction exist: (1) a local exposition center district, which, if it meets certain requirements, is allowed to impose a room tax, a food and beverage sales tax, and a car rental tax; (2) a local professional baseball park district for the construction and operation of a new baseball stadium for the Milwaukee Brewers, which is allowed to impose 0.1% sales and use taxes to pay the debt service costs on District-issued revenue bonds and facility operation expenses; (3) a local professional football stadium district for the construction and maintenance of a renovated

football stadium for the Green Bay Packers, which is allowed to impose 0.5% sales and use taxes to pay the debt service on District-issued revenue bonds and to pay specific District administrative and facility maintenance expenses; (4) a premier resort area, which can impose a 0.5% sales tax on sales by tourism-related retailers within the area; and (5) a regional transit authority, which can impose a \$2 vehicle rental fee on rental transactions in the region.

For each of these taxes, this paper discusses the tax, the process for local adoption, and the revenue it generates. This paper first discusses the nonproperty taxes that can be levied by general units of government and then discusses the nonproperty taxes that can be levied by local exposition districts, the local professional baseball park district, the local professional football stadium district, premier resort areas, and the regional transit authority.

County Sales and Use Tax

Wisconsin counties may adopt a 0.5% sales tax imposed on the same goods and services that are subject to the state sales tax. The tax is "piggybacked" onto the state sales tax in that the county rate is added to the state rate and the county tax is administered, enforced, and collected by the state. The 0.5% tax applies to items purchased within the county and to some items purchased in a county without a tax, if they are customarily kept in a county with a tax (this is the "use" tax). The use tax applies to most registered vehicles and certain construction materials purchased by contractors. It also applies to items purchased out-of-state and brought to a county with the tax.

Since 1969, Wisconsin counties have had the authority to enact a countywide sales tax, but it was not until 1985 that one was adopted. Until 1985, a county adopting the tax had to distribute all tax collections to its underlying municipalities. The 1985-87 state budget gave a county the option of retaining the sales tax revenues for its own use or distributing all or a portion of the revenues to the towns, villages, cities, and school districts in the county. The method for distributing tax proceeds is left for the county to determine.

Further revisions to the tax were made by 1985 Wisconsin Acts 41 and 120. Several of these changes were needed in order to improve the administration and enforcement of the tax. The use tax component was added at this time to decrease the incentive to make major purchases outside of a county to avoid paying the county sales tax. In addition, Act 41 specified that the county sales and use taxes may be imposed only for the purpose of directly reducing the property tax levy.

These changes are generally viewed as having made the taxes a more attractive option for a county to consider, especially the change that allows the county to retain the tax proceeds.

Local Adoption of the Taxes

The legal requirement for establishment of county sales and use taxes is that the county board adopt an ordinance imposing them. The taxes can be effective at the start of any calendar quarter, provided a certified copy of the ordinance is received by the Department of Revenue (DOR) 120 days in advance. An ordinance adopted by the county board is also required to repeal the taxes. The repeal is effective on December 31. DOR must be notified 60 days in advance of this date.

In 1986, Barron and Dunn counties became the first counties to impose the taxes. Currently, the

taxes are in place in 61 counties including Clark County (effective January 1, 2009). Table 1 identifies the 60 counties with sales and use taxes for 2007.

Revenue from the Taxes

DOR retains 1.75% of the county sales and use taxes to cover the administrative costs of collecting the taxes. At the end of each fiscal year, any unencumbered balance in DOR's appropriation account for administration of the taxes is lapsed to the general fund. In addition, retailers are permitted to retain 0.5% of the taxes collected to cover their administrative costs. Thus, 97.75% of county tax collections are paid to the county. Table 1 identifies the annual amounts received by each county since 2001.

Under current law, DOR must distribute tax revenue to the county by the end of the calendar quarter following the quarter when collected. However, DOR began making monthly distributions in 1988 after discovering that it could reimburse counties on a more timely basis.

Table 2 compares the county share of 2007 county sales and use tax collections with the 2006(07) gross county property tax levy for the 60 counties with a tax in effect for 2007. On average, the county share was equivalent to 22.1% of the county levy. The county share of the property tax levy varied from a low of 6.3% in Florence County to a high of 41.2% in Eau Claire County.

State sales tax collections totaled \$4,268 million in 2007-08, out of \$4,289.4 million in sales taxes imposed on consumers (the difference is the estimated retailers' discount). Therefore, if all counties enacted the county sales tax, the estimated yield would be \$419.3 million annually (after the retailers' discount of \$2.1 million and \$7.5 million for state administrative costs). This equals 23.3% of the \$1,800.8 million 2007(08) gross county property tax levy.

Table 1: County Sales and Use Tax Revenue Distributions

County	2001	2002	2003	2004	2005	2006	2007
Adams	\$841,861	\$872,495	\$892,280	\$982,910	\$1,032,327	\$1,107,089	\$1,259,615
Ashland	952,458	964,056	957,853	1,020,052	994,480	1,137,712	1,154,628
Barron	2,858,850	3,124,672	3,268,915	3,456,553	3,412,122	3,488,885	3,330,602
Bayfield	758,112	785,390	743,632	827,872	817,922	878,120	895,207
Buffalo	506,725	508,791	513,278	571,389	537,771	602,893	598,090
Burnett	729,294	770,806	719,296	862,015	830,979	830,623	825,939
Chippewa	3,173,716	3,150,682	3,302,372	3,358,768	3,488,462	3,621,460	3,616,310
Columbia	2,843,870	3,020,796	3,160,318	3,385,448	3,472,069	3,408,443	3,446,084
Crawford	1,143,923	1,235,485	1,177,514	1,270,325	1,259,565	1,392,221	1,275,967
Dane	36,087,757	37,032,071	38,364,437	41,141,077	41,340,379	42,461,739	43,021,992
Dodge	4,067,754	3,968,721	4,111,431	4,585,383	4,782,522	4,932,817	4,866,845
Door	2,734,905	2,776,248	2,748,771	2,971,221	2,968,901	3,004,400	3,108,418
Douglas	2,518,519	2,519,143	2,572,925	2,956,289	2,764,560	3,040,821	3,367,699
Dunn	1,914,047	2,000,380	2,079,768	2,184,646	2,212,411	2,369,455	2,187,090
Eau Claire	6,984,820	7,226,874	7,315,483	7,905,427	7,655,312	7,993,448	7,993,786
Florence	0	0	0	0	0	73,871	208,568
Forest	339,628	341,421	361,195	376,941	373,790	409,508	437,898
Grant	0	1,104,083	1,975,285	2,274,119	2,221,797	2,359,428	2,407,314
Green	0	0	1,374,806	1,866,494	1,913,672	1,987,734	1,975,086
Green Lake	988,634	1,046,480	953,524	1,134,238	1,085,752	1,081,484	1,051,024
Iowa	1,262,752	1,299,342	1,389,785	1,660,373	1,550,226	1,442,784	1,449,966
Iron	386,497	375,307	343,691	386,778	387,661	422,060	433,701
Jackson	908,168	927,481	948,184	1,004,313	960,278	1,065,581	1,160,946
Jefferson	4,186,755	4,388,190	4,485,478	4,773,729	4,959,324	4,900,879	5,046,900
Juneau	1,166,997	1,119,742	1,123,875	1,259,679	1,265,682	1,284,565	1,320,604
Kenosha	8,078,088	8,767,898	8,701,170	9,514,183	9,269,127	9,824,763	9,991,029
La Crosse	8,425,170	8,364,247	8,519,246	9,311,371	9,146,798	9,603,153	9,562,276
Lafayette	247,133	465,956	481,310	604,434	541,005	632,617	648,152
Langlade	1,163,918	1,228,394	1,207,156	1,256,905	1,284,142	1,380,977	1,312,015
Lincoln	1,453,174	1,486,770	1,483,289	1,535,860	1,541,098	1,502,848	1,514,389
Marathon	9,371,837	9,742,890	9,759,001	10,595,278	11,061,668	11,028,189	10,646,319
Marinette	144,228	2,336,256	2,569,826	2,799,484	2,907,257	2,808,763	2,694,223
Marquette	805,976	699,366	646,450	687,631	705,873	770,505	753,971
Milwaukee	58,734,309	58,324,285	58,808,732	61,556,248	61,971,367	62,910,927	64,448,566
Monroe	2,043,804	2,124,865	2,220,072	2,479,972	2,512,525	2,592,939	2,555,868
Oconto	1,397,450	1,418,158	1,468,608	1,556,084	1,534,883	1,575,879	1,502,513
Oneida	3,163,021	3,349,784	3,505,124	3,753,174	3,733,644	3,781,260	3,649,333
Ozaukee	5,426,718	5,584,401	5,723,350	6,110,050	6,030,268	6,110,017	6,045,166
Pepin	360,906	349,577	331,400	352,125	338,247	375,938	370,726
Pierce	1,281,656	1,295,838	1,288,945	1,510,868	1,350,855	1,522,625	1,533,697
Polk	1,895,765	2,019,578	2,011,543	2,248,208	2,190,035	2,343,645	2,327,040
Portage	4,124,083	4,192,887	4,375,025	4,568,420	4,635,330	4,957,326	4,958,596
Price	773,984	787,459	779,248	834,870	815,951	785,069	787,981
Richland	856,016	880,873	873,090	921,917	954,112	931,177	898,370
Rock	0	0	0	0	0	0	6,030,193
Rusk	680,697	660,738	685,629	700,100	700,031	682,981	1,102,006
St. Croix	4,238,196	4,459,011	4,548,085	5,282,319	4,970,212	5,408,637	5,095,251
Sauk	4,981,258	5,498,409	5,670,513	6,538,711	6,701,515	6,894,951	7,000,303
Sawyer	1,301,198	1,282,143	1,340,228	1,445,196	1,432,315	1,479,025	1,538,946
Shawano	1,781,760	1,874,914	1,876,220	2,016,332	1,988,919	1,983,348	2,177,224
Taylor	897,618	879,432	887,598	930,877	905,123	927,087	944,208
Trempealeau	1,101,169	1,141,945	1,159,800	1,256,783	1,269,034	1,467,833	1,370,667
Vernon	1,032,800	1,081,155	1,075,641	1,162,134	1,169,672	1,231,376	1,254,346
Vilas	1,789,375	1,810,308	1,877,297	2,024,931	1,988,448	1,976,851	2,025,780
Walworth	6,093,017	6,316,159	6,521,873	7,272,968	7,144,520	7,596,592	7,561,568
Washburn	885,459	890,056	911,745	1,001,458	977,973	1,006,195	1,242,703
Washington	6,948,925	7,162,141	7,467,696	7,979,394	8,358,662	8,718,189	9,007,091
Waupaca	2,689,369	2,775,384	2,790,393	2,948,215	2,976,122	2,788,675	2,811,154
Waushara	1,007,568	967,183	926,852	1,038,494	997,308	1,019,254	1,040,013
Wood	0	0	0	3,642,920	4,617,955	4,492,282	5,014,805
Total	\$222,531,687	\$230,777,116	\$237,376,251	\$259,653,953	\$261,009,958	\$268,409,912	\$277,856,771

Table 2: 2007 County Sales and Use Tax Revenue Distributions and Property Tax Levies

County	2007 County Sales and Use Tax	2006(07) County Property Tax Levy	Sales and Use Tax as a % of Property Tax Levy	County	2007 County Sales and Use Tax	2006(07) County Property Tax Levy	Sales and Use Tax as a % of Property Tax Levy
Adams	\$1,259,615	\$14,322,848	8.8%	Marathon	\$10,646,319	\$46,331,341	23.0%
Ashland	1,154,628	5,781,670	20.0	Marinette	2,694,223	12,983,767	20.8
Barron	3,330,602	15,448,538	21.6	Marquette	753,971	8,558,635	8.8
Bayfield	895,207	7,934,711	11.3	Milwaukee	64,448,566	241,936,522	26.6
Buffalo	598,090	5,412,875	11.0	Monroe	2,555,868	13,292,825	19.2
Burnett	825,939	7,577,115	10.9	Oconto	1,502,513	16,468,084	9.1
Chippewa	3,616,310	13,391,600	27.0	Oneida	3,649,333	14,213,470	25.7
Columbia	3,446,084	20,353,733	16.9	Ozaukee	6,045,166	18,005,675	33.6
Crawford	1,275,967	5,839,136	21.9	Pepin	370,726	3,406,291	10.9
Dane	43,021,992	110,172,455	39.0	Pierce	1,533,697	12,875,705	11.9
Dodge	4,866,845	29,399,484	16.6	Polk	2,327,040	17,426,075	13.4
Door	3,108,418	20,465,162	15.2	Portage	4,958,596	21,694,324	22.9
Douglas	3,367,699	13,113,680	25.7	Price	787,981	7,173,322	11.0
Dunn	2,187,090	16,507,494	13.2	Richland	898,370	5,880,283	15.3
Eau Claire	7,993,786	19,387,123	41.2	Rock	6,030,193	51,833,005	11.6
Florence	208,568	3,318,371	6.3	Rusk	1,102,006	4,965,603	22.2
Forest	437,898	4,456,000	9.8	St. Croix	5,095,251	23,520,678	21.7
Grant	2,407,314	9,443,218	25.5	Sauk	7,000,303	24,802,350	28.2
Green	1,975,086	10,681,165	18.5	Sawyer	1,538,946	8,604,822	17.9
Green Lake	1,051,024	11,497,893	9.1	Shawano	2,177,224	12,738,201	17.1
Iowa	1,449,966	8,467,834	17.1	Taylor	944,208	8,393,553	11.2
Iron	433,701	3,595,444	12.1	Trempealeau	1,370,667	9,083,965	15.1
Jackson	1,160,946	8,113,424	14.3	Vernon	1,254,346	8,405,182	14.9
Jefferson	5,046,900	23,847,626	21.2	Vilas	2,025,780	12,689,074	16.0
Juneau	1,320,604	9,542,819	13.8	Walworth	7,561,568	52,240,266	14.5
Kenosha	9,991,029	51,759,187	19.3	Washburn	1,242,703	9,835,735	12.6
La Crosse	9,562,276	25,920,292	36.9	Washington	9,007,091	37,484,721	24.0
Lafayette	648,152	5,671,004	11.4	Waupaca	2,811,154	19,356,286	14.5
Langlade	1,312,015	7,709,452	17.0	Waushara	1,040,013	12,750,666	8.2
Lincoln	1,514,389	11,104,420	13.6	Wood	5,014,805	21,341,439	23.5
				Total	\$277,856,771	\$1,258,527,638	22.1%

**Local Registration Fees for Motor Vehicles
("Wheel" Tax)**

Municipalities have been allowed to impose an annual registration fee, or "wheel tax," on motor vehicles since 1967. In 1979, this authority was extended to counties. Until 1983, the fee applied only to automobiles and station wagons. The fee was limited to 50% of the state registration fee and was collected by the local government that imposed it.

Since 1983, state law has permitted any

municipality or county to adopt an ordinance that imposes a flat, annual registration fee on automobiles and trucks of not more than 8,000 pounds customarily kept within that jurisdiction. Vehicles may be subject to both a municipal and a county fee. All vehicles exempt from the state fee are also exempt from local fees. (This exempts, for example, certain trucks not operated on highways, federal vehicles, and certain vehicles registered to Indian tribes.) All vehicles subject to a state registration fee of \$5 are also exempt. (This category includes, for example, automobiles and buses owned and operated by human service agencies or school districts and vehicles owned and operated for public service by a municipality,

county, Indian tribe, or the state.) There is no limit on the amount of the fee. The fee is collected by the Department of Transportation (DOT).

Municipalities are permitted, but not required, to share any portion of the fee with the county or vice versa. Under 1997 Act 27, effective for 1998 revenues, any county or municipality that imposes an annual registration fee must use the revenues from the fee for transportation-related purposes.

Local Adoption of the Fee

An ordinance adopted by the county board or municipal governing body is required to impose a local registration fee. The local government must notify DOT at least 60 days prior to the first day of the month in which the ordinance takes effect. Repeal of the fee is also by adoption of an ordinance by majority vote of the local governing body. At least 60 days notice to DOT is also required prior to the first day of the month in which an amendment or repeal of the ordinance is effective.

The following seven governments are the only ones that have imposed a local registration fee: (1) the City of Kenosha, a \$10 fee from 1977 to 1978; (2) the City of Beloit, a \$10 fee from 1986 to the present; (3) the City of Amery (Polk County), a \$5 fee from 1987 to 1991; (4) Marathon County, a \$10 fee from 1987 to 1988; (5) the City of Sheboygan, a \$10 fee from 1990 through 2001, and a \$6 fee from 2002 until the fee's end on December 31, 2006; (6) St. Croix County, a \$5 fee, effective January 1, 2008; and (7) the City of Milwaukee, a \$20 fee, effective November 1, 2008.

Revenue from the Fee

The local fee is collected by DOT at the time the annual state registration fee is paid. DOT retains 10 cents per registration for administrative costs. The rest of the fee is remitted to the jurisdiction imposing the fee.

Table 3 compares the amount of revenue received by the City of Beloit in 2007 with the city's

Table 3: 2007 Local Registration Fee Revenue Distributions

Jurisdiction	Fee Revenue	2006(07) Local Property Tax Levy	Fee Revenue as a % of Property Tax Levy	Amount of Fee
Beloit (City)	\$279,237	\$10,415,041	2.7%	\$10

2006(07) gross municipal property tax levies.

Based on estimated vehicle registrations for 2008, if a local vehicle registration fee of \$10 was imposed statewide, \$44.3 million in annual revenues would be raised. That equals 2.0% of the 2007(08) gross municipal property tax levy and 2.5% of the gross county property tax levy for that year.

Tax on Short-Term Lodging ("Room" Tax)

Since 1967, towns, villages, and cities have been authorized to impose a tax on establishments providing rooms or short-term lodging to the public. In general, the tax applies to hotels, motels, and rooming houses for lodging furnished for less than one month. Hospitals, nursing homes, and accommodations provided by religious, charitable, or educational organizations are excluded from the tax. The tax applies only to gross receipts from furnishing sleeping accommodations; therefore, food and other items or services furnished by hotels or motels are not subject to the tax. The room tax is in addition to state and county sales taxes that apply to room charges.

Prior to June, 1994, municipalities were not restricted as to the tax rate or use of room tax collections. However, 1993 Wisconsin Act 467 imposed a maximum tax rate of 8% and required that at least 70% of any new room taxes be used for tourism promotion and development.

Tourism promotion and development was defined under 2005 Act 135 to mean any of the following: (a) marketing projects, including advertising media buys, creation and distribution of

printed or electronic promotional tourist materials, or efforts to recruit conventions, sporting events, or motorcoach groups; (b) transient tourist informational services; or (c) a tangible municipal development, including a convention center. The allowable tourism promotion and development activities must be significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment on which the room tax is imposed, that are owned by different persons. If a municipality has only one such establishment, the tourism development and promotion activity must be reasonably likely to generate paid overnight stays in that establishment.

For room taxes enacted prior to May 13, 1994, Act 467 prohibits the municipality from retaining a greater percentage of room tax revenues than it retained prior to May 13, 1994. A municipality can exceed the 8% maximum limit and fall below the 70% tourism promotion requirement for new room tax revenues if any of the following situations apply:

1. The municipality is located in a county with a population of at least 380,000 and a convention center is being constructed or renovated within that county;
2. The municipality intends to use at least 60% of the revenue collected from its room tax in excess of 7% to fund all or part of the construction or renovation of a convention center that is located in a county with a population of at least 380,000;
3. The municipality is located in a county with a population of less than 380,000 and that county is not adjacent to a county with a population of at least 380,000, and the municipality is constructing a convention center or making improvements to an existing convention center; or
4. The municipality has any long-term debt outstanding with which it financed any part of the construction or renovation of a convention center.

Situations (1) to (4) do not excuse a municipal-

ity from the requirement that the percentage of room tax revenues that it retains is equal to, or less than, the percentage it retained prior to May 13, 1994. Currently, the City of Madison (9%) and the City of Oshkosh (10%) are the only municipalities that exceed the 8% maximum limit under these provisions.

Act 467 also created the additional governmental entity of a tourism commission to coordinate tourism promotion and development. If two or more municipalities in a tourism zone impose a room tax, those municipalities are required to enter into a contract to create a tourism commission. A tourism zone is defined as an area of two or more municipalities that those municipalities agree is a single destination as perceived by the traveling public. The municipalities in a given tourism zone must impose the same room tax rate. If there is only a single municipality that imposes a room tax in a tourism zone, the creation of a tourism commission is optional.

The tourism commission is responsible for monitoring the collection of room tax revenues and for contracting with one tourism entity, or other organization if a tourism entity does not exist, for staff, support services, and assistance in developing and implementing programs to promote and develop tourism. A tourism entity means a non-profit organization that came into existence before January 1, 1992, and provides staff, development, or promotional services for the tourism industry in a municipality.

In the case of a single municipality, the tourism commission consists of four to six members, of whom one must be a representative of the Wisconsin hotel and motel industry. Members are appointed by the principal elected official of the municipality with confirmation by a majority vote of the municipality's governing body. When there is more than one municipality in a tourism zone, the commission consists of one to three members from each municipality (depending on the amount of room tax revenues) and two additional members representing the hotel and motel industry. The

members representing the municipalities are appointed by the principal elected official of each municipality with confirmation by the governing body. The two members representing the hotel and motel industry are appointed by the chairperson of the tourism commission.

Local Adoption of the Tax

To implement a room tax, a municipal governing body must adopt an ordinance that authorizes the tax, determines the tax rate, and designates the date the tax takes effect. The last complete information regarding municipalities that levy the tax is provided by financial reports filed with DOR for 2007. According to those reports, 245 of the state's 1,851 municipalities collected the tax in 2007. DOR does not collect information on room tax rates.

Surveys of room tax rates have been conducted by the Legislative Fiscal Bureau. These surveys found that room tax rates have ranged from 1% to 10%. The survey results are shown in Table 4. The rates shown in Table 4 for 2008 are for those municipalities that had a room tax in 2007, according to DOR reports. The most common rate found in the surveys was 5%. However, room tax rates have tended to increase. In 2002, the portion of municipalities with a room tax rate greater than 5% was 39.1%. In 2008, 48.6% of these municipalities had a room tax rate greater than 5%.

Revenue from the Tax

Table 5 indicates the annual amount of room tax revenues reported to DOR on municipalities' financial reports from 1998 through 2007, on a statewide basis, and the annual percentage increase in revenues. The table also shows the growth in the number of municipalities that have adopted the tax over this period. Total room tax revenues declined by 4.6% in 2001 compared to the previous year, the only decline over the ten-year period. However, since 1998, collections have increased by 56.3% and the number of municipalities imposing the tax has increased by 53.1%.

Table 4: Room Tax Rates -- 2002, 2004, 2006, and 2008

Tax Rate	Number of Municipalities			
	2002	2004	2006	2008
1.0%	0	1	1	1
1.5	0	0	0	0
2	2	2	1	1
2.5	0	1	1	2
3	17	26	27	22
3.5	5	4	3	1
4	23	23	21	25
4.5	8	10	16	22
5	51	50	51	52
5.5	3	4	3	16
6	21	24	30	36
6.5	5	6	6	6
7	18	20	19	24
7.5	0	1	1	1
8	21	24	32	34
9	0	0	0	1
10	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	174	196	212	245

Source: Legislative Fiscal Bureau surveys

Table 5: Room Tax Revenues

Year	Amount	Percent Change	Number of Municipalities
1998	\$38,963,600		160
1999	43,669,300	12.1%	171
2000	45,012,500	3.1	173
2001	42,932,000	-4.6	176
2002	44,884,900	4.5	189
2003	46,443,200	3.5	196
2004	48,955,700	5.4	205
2005	52,344,300	6.9	212
2006	56,395,900	7.7	226
2007	60,910,700	8.0	245

Source: Department of Revenue

Table 6 shows the revenue reported by the municipalities that imposed a room tax in 2007. On average, reported room tax collections were equal to 4.0% of the corresponding municipalities' 2006(07) municipal purpose property tax levies. However, the significance of room tax collections varied considerably by municipality. For example, room tax collections for 21 municipalities totaled 20% or more of their municipal property tax levies.

Table 6: 2007 Room Tax Collections and Property Tax Levies

Municipality ⁽¹⁾	2008 Room Tax Rate ⁽²⁾	2007 Reported Tax Revenues ⁽³⁾	2006(07) Municipal Property Tax Levy	Room Tax Revenue as a % of Property Tax Levy	Municipality ⁽¹⁾	2008 Room Tax Rate ⁽²⁾	2007 Reported Tax Revenues ⁽³⁾	2006(07) Municipal Property Tax Levy	Room Tax Revenue as a % of Property Tax Levy
Adams					Fond du Lac				
Adams (T)	5.5%	\$6,042	\$60,246	10.0%	Fond du Lac (C)	7.0	\$441,793	\$17,979,938	2.5%
Dell Prairie (T)	5.0	21,407	90,705	23.6	N. Fond du Lac (V)	7.0	47	1,295,104	< 0.1
Rome (T)	8.0	21,809	2,159,967	1.0	Ripon (C)	6.0	97,755	2,632,786	3.7
Strongs Prairie (T)	5.5	22,998	78,094	29.4	Grant				
Ashland					Boscobel (C)	5.0	20,531	889,423	2.3
Ashland (C)	6.5	70,961	2,887,728	2.5	Platteville (C)	4.0	23,703	3,548,732	0.7
La Pointe (T)	6.5	93,180	1,247,608	7.5	Green				
Barron					Monroe (C)	4.0	76,276	5,522,744	1.4
Rice Lake (C)	5.0	142,875	4,501,702	3.2	New Glarus (V)	3.0	30,146	1,108,944	0.7
Turtle Lake (V)	4.0	64,350	497,744	12.9	Green Lake				
Bayfield					Berlin (C)	4.0	8,605	1,523,961	0.6
Bayfield (C)	6.5	223,612	539,693	41.4	Brooklyn (T)	5.0	30,227	383,915	7.9
Bayfield (T)	6.5	82,644	466,424	17.7	Green Lake (C)	7.0	232,457	1,060,937	21.9
Bayview (T)	6.5	14,950	129,970	11.5	Iowa				
Cable (T)	3.0	32,961	552,289	6.0	Mineral Point (C)	3.0	30,760	1,004,695	3.1
Drummond (T)	4.0	4,915	342,442	1.4	Iron				
Eileen (T)	4.5	44,143	170,000	26.0	Anderson (T)	5.0	30,901	28,048	110.2
Grand View (T)	4.0	9,910	194,976	5.1	Hurley (C)	5.0	47,505	691,355	6.9
Hughes (T)	3.0	3,181	113,454	2.8	Kimball (T)	5.0	35,582	112,360	31.7
Iron River (T)	3.0	590	667,765	0.1	Jackson				
Washburn (C)	6.5	41,350	721,138	5.7	Black River Falls (C)	7.0	49,167	1,472,882	3.3
Brown					Brockway (T)	7.0	216,652	260,044	83.3
Allouez (V)	8.0	6,094	5,538,410	0.1	Jefferson				
Ashwaubenon (V)	8.0	241,172	7,819,801	3.1	Fort Atkinson (C)	5.0	34,734	5,656,776	0.6
De Pere (C)	8.0	8,444	8,065,131	0.1	Jefferson (C)	5.0	11,534	3,067,233	0.4
Green Bay (C)	8.0	262,755	45,603,663	0.6	Johnson Creek (V)	7.0	24,880	933,597	2.7
Howard (V)	8.0	10,710	4,156,931	0.3	Watertown (C)	3.0	41,523	8,848,485	0.5
Burnett					Juneau				
Siren (V)	4.0	49,772	362,306	13.7	Lemonweir (T)	5.0	11,728	102,012	11.5
Chippewa					Mauston (C)	5.0	104,026	1,423,646	7.3
Chippewa Falls (C)	6.0	162,718	5,274,589	3.1	New Lisbon (C)	5.0	33,934	475,102	7.1
Wheaton (T)	7.0	30,731	534,296	5.8	Union Center (V)	5.0	249	61,565	0.4
Clark					Kenosha				
Thorp (C)	5.0	24,477	366,038	6.7	Bristol (T)	8.0	1,023	1,562,667	0.1
Columbia					Kenosha (C)	8.0	487,746	47,918,809	1.0
Caledonia (T)	4.0	51,992	209,001	24.9	Pleasant Prairie (V)	8.0	52,031	7,319,650	0.7
Columbus (C)	3.0	20,561	2,830,747	0.7	Wheatland (T)	8.0	1,883	499,432	0.4
Portage (C)	5.0	99,471	4,386,142	2.3	Kewaunee				
Wisconsin Dells (C)	5.0	1,399,080	2,553,334	54.8	Algoma (C)	6.0	56,982	1,373,099	4.1
Crawford					Kewaunee (C)	4.0	10,819	922,327	1.2
Prairie du Chien (C)	5.0	153,971	1,878,706	8.2	La Crosse				
Soldiers Grove (V)	3.0	6,058	20,411	29.7	Campbell (T)	5.0	38,263	857,955	4.5
Dane					Holmen (V)	5.0	13,603	1,473,144	0.9
Blooming Grove (T)	6.0	79,917	618,465	12.9	La Crosse (C)	7.0	1,172,034	30,242,003	3.9
Burke (T)	3.0	23,566	841,531	2.8	West Salem (V)	1.0	6,564	929,293	0.7
Fitchburg (C)	5.0	17,376	12,899,892	0.1	Lafayette				
Madison (C)	9.0	8,282,362	142,921,883	5.8	Belmont (T)	4.0	15,571	100,000	15.6
Madison (T)	8.0	128,848	2,451,119	5.3	Langlade				
Middleton (C)	5.0	920,273	9,714,839	9.5	Antigo (C)	6.0	68,671	3,164,323	2.2
Middleton (T)	5.0	29,374	1,637,257	1.8	Lincoln				
Monona (C)	8.0	222,379	4,621,262	4.8	Merrill (C)	4.0	4,035	4,363,345	0.1
Stoughton (C)	6.0	76,695	6,022,452	1.3	Tomahawk (C)	4.0	38,331	1,431,842	2.7
Sun Prairie (C)	4.0	50,604	17,444,519	0.3	Manitowoc				
Verona (C)	6.0	40,695	5,682,030	0.7	Manitowoc (C)	6.0	377,805	10,905,483	3.5
Vienna (T)	3.0	60,932	475,745	12.8	Mishicot (V)	6.0	60,155	460,788	13.1
Waunakee (V)	5.0	24,878	6,544,825	0.4	Two Rivers (C)	6.0	88,989	3,895,279	2.3
Windsor (T)	3.0	18,390	1,830,428	1.0	Marathon				
Dodge					Mosinee (C)	5.5	37,062	1,521,000	2.4
Beaver Dam (C)	5.0	120,460	6,394,895	1.9	Rib Mountain (T)	7.0	166,388	1,899,489	8.8
Lomira (V)	4.0	20,325	435,853	4.7	Rothschild (V)	7.5	588,946	2,001,731	29.4
Waupun (C)	5.0	24,523	2,352,046	1.0	Schofield (C)	5.5	25,218	1,144,422	2.2
Door					Wausau (C)	8.0	708,866	18,718,940	3.8
Baileys Harbor (T)	5.5	57,913	1,170,033	4.9	Weston (V)	7.0	132,794	3,885,706	3.4
Egg Harbor (T)	5.5	64,750	443,544	14.6	Marinette				
Egg Harbor (V)	5.5	80,230	709,044	11.3	Marinette (C)	2.0	64,925	3,734,319	1.7
Ephraim (V)	5.5	116,095	911,990	12.7	Marquette				
Gibraltar (T)	5.5	135,011	789,608	17.1	Harris (T)	4.5	2,217	106,450	2.1
Jacksonport (T)	5.5	12,084	384,946	3.1	Mecan (T)	4.5	10,101	81,599	12.4
Liberty Grove (T)	5.5	56,846	1,472,401	3.9	Montello (C)	4.5	1,064	485,182	0.2
Nasawaupee (T)	5.5	10,613	459,338	2.3	Montello (T)	4.5	13,474	101,144	13.3
Sevastopol (T)	5.5	54,752	515,699	10.6	Neshkoro (V)	4.5	86	128,219	0.1
Sister Bay (V)	5.5	117,864	1,435,196	8.2	Packwaukee (T)	4.5	3,871	226,120	1.7
Sturgeon Bay (C)	4.0	342,419	4,805,929	7.1	Westfield (V)	4.5	14,267	373,464	3.8
Douglas					Milwaukee				
Superior (C)	6.0	507,984	10,500,459	4.8	Brown Deer (V)	7.0	560,072	7,175,270	7.8
Dunn					Franklin (C)	6.0	50,328	18,501,000	0.3
Menomonie (C)	6.0	240,729	4,922,587	4.9	Glendale (C)	7.0	921,426	10,784,655	8.5
Eau Claire					Greenfield (C)	7.0	21,111	18,663,556	0.1
Altoona (C)	7.0	10,562	1,859,312	0.6	Milwaukee (C)	7.0	8,777,100	196,799,693	4.5
Eau Claire (C)	7.0	1,048,892	27,072,944	3.9	Oak Creek (C)	6.0	444,977	17,990,778	2.5
Union (T)	7.0	30,887	450,829	6.9	Wauwatosa (C)	7.0	720,050	34,066,799	2.1
					West Allis (C)	6.0	36,659	34,876,287	0.1
					West Milwaukee (V)	7.0	65,509	3,551,705	1.8

Table 6: 2007 Room Tax Collections and Property Tax Levies

Municipality ⁽¹⁾	2008 Room Tax Rate ⁽²⁾	2007 Reported Tax Revenues ⁽³⁾	2006(07) Municipal Property Tax Levy	Room Tax Revenue as a % of Property Tax Levy	Municipality ⁽¹⁾	2008 Room Tax Rate ⁽²⁾	2007 Reported Tax Revenues ⁽³⁾	2006(07) Municipal Property Tax Levy	Room Tax Revenue as a % of Property Tax Levy
Monroe					Sheboygan				
Sparta (C)	5.0%	\$104,311	\$2,902,284	3.6%	Elkhart Lake (V)	5.0%	\$356,597	\$850,349	41.9%
Tomah (C)	5.0	289,476	3,320,389	8.7	Kohler (V)	5.0	1,057,308	1,679,164	63.0
Oneida					Plymouth (C)	4.0	83,998	3,282,630	2.6
Minocqua (T)	4.0	\$349,757	3,414,127	10.2	Sheboygan (C)	8.0	1,216,633	20,639,158	5.9
Pelican (T)	3.5	54,974	399,386	13.8	Sheboygan (T)	6.0	66,977	1,243,643	5.4
Rhineland (C)	5.5	193,109	4,484,291	4.3	Sheboygan Falls (T)	5.0	22,048	0	N.A.
Three Lakes (T)	4.5	36,914	1,711,903	2.2	Taylor				
Woodruff (T)	4.0	6,808	1,201,066	0.6	Medford (C)	4.0	44,991	1,359,895	3.3
Outagamie					Rib Lake (V)	5.0	3,265	175,812	1.9
Appleton (C)	6.0	319,414	31,237,505	1.0	Trempealeau				
Grand Chute (T)	6.0	973,433	7,928,575	12.3	Trempealeau (V)	2.5	8,386	387,140	2.2
Kaukauna (C)	5.0	1,226	6,463,037	< 0.1	Vernon				
Kimberly (V)	3.0	9,583	2,724,791	0.4	Hillsboro (C)	5.0	15,008	383,316	3.9
Little Chute (V)	6.0	15,634	3,472,725	0.5	Viroqua (C)	3.0	21,011	1,327,122	1.6
Ozaukee					Vilas				
Belgium (V)	7.0	9,712	634,961	1.5	Arbor Vitae (T)	4.0	62,446	629,147	9.9
Cedarburg (C)	5.0	53,861	7,066,758	0.8	Boulder Junction (T)	4.5	104,401	673,433	15.5
Grafton (V)	7.0	62,568	6,259,191	1.0	Eagle River (C)	4.5	180,262	991,712	18.2
Port Washington (C)	7.0	213,987	4,449,168	4.8	Lincoln (T)	4.5	7,918	376,282	2.1
Saukville (V)	7.0	47,401	2,423,392	2.0	Manitowish Waters (T)	4.5	50,750	699,695	7.3
Polk					Presque Isle (T)	4.5	6,308	897,758	0.7
Amery (C)	5.0	11,605	1,384,131	0.8	Saint Germain (T)	4.5	178,222	624,432	28.5
St. Croix Falls (C)	3.0	48,992	813,916	6.0	Washington (T)	4.5	150,470	546,589	27.5
Portage					Walworth				
Plover (T)	8.0	27,309	478,265	5.7	Delavan (C)	8.0	537,199	4,941,849	10.9
Plover (V)	8.0	142,193	4,755,000	3.0	Delavan (T)	8.0	82,495	2,311,924	3.6
Stevens Point (C)	8.0	683,727	11,598,215	5.9	East Troy (V)	5.0	12,303	1,665,917	0.7
Price					Elkhorn (C)	4.0	26,793	2,937,727	0.9
Eisenstein (T)	4.5	1,191	23,154	5.1	Fontana (V)	5.0	363,767	2,491,833	14.6
Park Falls (C)	4.5	23,387	867,000	2.7	Geneva (T)	6.0	116,103	1,529,081	7.6
Phillips (C)	3.0	19,115	663,424	2.9	La Fayette (T)	6.0	30,983	328,635	9.4
Racine					Lake Geneva (C)	5.0	542,923	5,147,943	10.5
Burlington (C)	3.0	28,819	4,579,730	0.6	Lyons (T)	3.0	598,183	323,212	185.1
Caledonia (V)	5.0	687	11,832,469	< 0.1	Whitewater (C)	5.0	53,473	2,602,153	2.1
Mount Pleasant (V)	8.0	235,672	13,639,253	1.7	Williams Bay (V)	5.0	9,320	1,619,221	0.6
Racine (C)	8.0	256,618	40,649,569	0.6	Washburn				
Waterford (V)	6.0	34,178	2,430,183	1.4	Beaver Brook (T)	5.0	6,794	38,116	17.8
Yorkville (T)	8.0	3,116	932,641	0.3	Spooner (C)	5.5	4,422	997,298	0.4
Richland					Washington				
Richland Center (C)	2.5	33,621	1,431,586	2.3	Germantown (V)	6.0	311,623	9,282,724	3.4
Rock					Hartford (C)	6.0	32,158	5,608,397	0.6
Beloit (C)	8.0	53,859	10,415,041	0.5	Jackson (V)	5.0	46,042	2,331,362	2.0
Evansville (C)	8.0	5,220	1,933,639	0.3	West Bend (C)	5.0	141,430	17,762,038	0.8
Janesville (C)	8.0	804,087	25,405,228	3.2	Waukesha				
Rusk					Brookfield (C)	8.0	2,512,406	31,924,122	7.9
Ladysmith (C)	4.0	46,910	886,647	5.3	Brookfield (T)	8.0	685,854	3,532,079	19.4
St. Croix					Delafield (C)	8.0	408,892	4,577,142	8.9
Baldwin (V)	5.0	55,166	1,876,592	2.9	Menomonee Falls (V)	5.0	955	19,387,113	< 0.1
Hudson (C)	3.0	153,039	5,293,306	2.9	Mukwonago (V)	6.0	9,223	4,319,207	0.2
New Richmond (C)	5.0	54,296	4,299,509	1.3	New Berlin (C)	8.0	315,296	21,353,026	1.5
Somerset (V)	5.0	2,993	1,122,098	0.3	Oconomowoc (C)	6.0	232,510	7,481,808	3.1
Sauk					Pewaukee (C)	6.0	771,327	6,594,759	11.7
Baraboo (C)	6.0	4,711	6,195,379	0.1	Waukesha (C)	8.0	683,082	44,245,009	1.5
Delton (T)	5.0	144,733	258,424	56.0	Waupaca				
Lake Delton (V)	5.0	6,658,524	2,278,556	292.2	Fremont (V)	6.0	8,682	269,248	3.2
Merrimac (T)	7.0	47,843	194,232	24.6	New London (C)	6.0	14,382	2,228,476	0.6
Reedsburg (C)	4.5	13,578	3,972,536	0.3	Waupaca (C)	8.0	160,487	2,887,248	5.6
West Baraboo (V)	6.0	174,278	751,267	23.2	Waushara				
Sawyer					Dakota (T)	6.0	18,416	158,000	11.7
Hayward (C)	4.0	106,257	1,118,403	9.5	Marion (T)	6.0	4,838	455,924	1.1
Hayward (T)	4.0	81,882	580,038	14.1	Mount Morris (T)	8.0	955	197,497	0.5
Lenroot (T)	4.0	15,222	257,013	5.9	Wautoma (T)	6.0	22,550	139,650	16.1
Shawano					Wild Rose (V)	8.0	2,974	219,431	1.4
Belle Plaine (T)	3.0	29,208	355,980	8.2	Winnebago				
Cecil (V)	3.0	360	184,686	0.2	Menasha (T)	6.0	743	6,564,127	< 0.1
Shawano (C)	4.5	4,587	3,765,616	0.1	Neenah (C)	5.0	97,202	13,561,047	0.7
Washington (T)	3.0	998	426,044	0.2	Neenah (T)	5.0	11	299,803	< 0.1
Wescott (T)	4.5	15,839	1,064,549	1.5	Oshkosh (C)	10.0	986,874	25,609,705	3.9
Wittenberg (T)	3.0	20,577	116,800	17.6	Wolf River (T)	4.5	4,543	225,563	2.0
					Wood				
					Marshfield (C)	6.0	298,206	11,073,699	2.7
					Wisconsin Rapids (C)	8.0	375,887	9,856,915	3.8
Total/Average							\$60,910,713	\$1,514,906,577	4.0%

⁽¹⁾ T=Town, V=Village, C=City

⁽²⁾ Rate effective on January 1, 2008, for those municipalities that had a tax in effect for 2007, according to DOR reports.

⁽³⁾ Totals equal amounts reported on municipal financial report forms submitted to DOR and some totals are unaudited.

Sources: Department of Revenue and Legislative Fiscal Bureau

Local Exposition District Taxes

Effective April 26, 1994, 1993 Wisconsin Act 263 authorized cities, villages, and counties to individually or jointly create a local exposition district that is separate and distinct from the municipality, county, and state. Such a district has the power to build and operate an exposition center, own and lease property, enter into contracts, employ personnel, issue bonds, and, under certain conditions, impose three different local taxes (room tax, food and beverage tax, and car rental tax). The composition of the board of directors presiding over the district depends on the type and number of sponsors. If the district is sponsored by a city of the first class, the board is composed of 15 individuals from both the public and private sectors, and appointment powers are spread between city, county, and state officials.

Requirements to Levy Taxes

The requirements for a local exposition district to levy one or more of the three local taxes are very restrictive and probably only allow a district created by the City of Milwaukee to impose such taxes. The specific requirements that an exposition district must meet are as follows:

1. The municipality adopts a resolution certifying that the planned exposition center would be of substantial statewide public purpose. This requires an exposition center that: (a) includes an exhibition hall of at least 100,000 square feet; (b) is projected to support at least 2,000 full-time equivalent jobs; (c) is projected to stimulate at least \$6.5 billion in total spending in the state over a 30-year period; (d) is projected to attract at least 50,000 out-of-state visitors annually; and (e) is projected to generate at least \$150 million of incremental state income, franchise, and sales tax revenues over the 30-year period.

2. The district's sponsoring municipality

agrees to stop imposing and collecting its room tax.

3. The district adopts a resolution to impose the tax(es), and a copy of the resolution is sent to the Secretary of the Department of Revenue at least 120 days before its effective date.

Restrictions on Taxes

State statutes limit the amount, duration, and use of the three local taxes. First, the revenues of each of the district-wide local taxes must be used only for the district's debt service on its bond obligations. Once the district's bonds (those required to be issued by April 1, 1999, and those issued to refund that debt) are retired, the collection of these taxes must cease. Collection of the taxes must also terminate if bonds are not issued within two years of imposition of the tax, but whatever has been collected can be used for any lawful purpose.

State statutes impose a maximum limit on the tax rate for each of the three taxes, as follows: (1) a 0.25% (0.50% with a majority vote of the board) districtwide sales tax on certain food and beverage sales; (2) a 3% (4% with a majority vote of the board) districtwide sales tax on the rental of passenger cars without drivers; (3) a basic room tax of up to 3% of total districtwide room charges; and (4) if the sponsoring municipality is a city of the first class, the Act allows the city to dedicate its existing room tax to the district.

The Department of Revenue is responsible for administering any of the local taxes imposed by a local exposition district. The state distributes 97.45% of the taxes collected to the exposition district by the end of the month following the end of the calendar quarter in which the amounts were collected. The remaining 2.55% of collections are retained by the state to cover administrative costs. Any unencumbered balance in DOR's appropriation account for the administration of the tax that exceeds 10% of expenditures from the appropriation during the fiscal year is also distributed back

to the district.

Milwaukee's Exposition District

The City of Milwaukee has created a local exposition district called the Wisconsin Center Tax District for the purpose of acquiring and managing its exposition center facilities. The District is comprised of cities and villages wholly or partially in Milwaukee County. The taxes imposed by the District were first effective on January 1, 1995.

Table 7 shows the tax rate and the amount of revenue collected for each of the taxes imposed by the Wisconsin Center District for calendar year 2007. As shown in Table 7, the basic room tax is currently imposed at 2% of total room charges and the additional room tax imposed by the City of Milwaukee is 7% of total room charges (this figure is also included in Table 6). The additional room tax imposed by the City accounted for 48.4% of the District's collections in 2007.

Table 7: Wisconsin Center District Collections (2007)

	Tax Rate	Revenues
Basic Room Tax	2.0%	\$3,346,100
Additional Room Tax	7.0	8,777,100
Food and Beverage Tax	0.25	3,940,500
Car Rental Tax	3.0	<u>2,068,000</u>
Total		\$18,131,700

Source: Department of Revenue

In 2007 a total of \$18,131,700 was collected by DOR from the District taxes. However, after 2.55% of revenues were deducted to pay for DOR administration of the taxes, actual distributions to the District for 2007 were \$17,669,400.

Local Professional Baseball Park District Taxes

A local professional baseball park district for the construction and operation of a new baseball stadium for the Milwaukee Brewers was created by 1995 Act 56. The District is made up of five counties: Milwaukee, Ozaukee, Racine, Washington, and Waukesha. The District is governed by a 13-member board, appointed as follows: six persons appointed by the Governor; one person appointed by the Mayor of the City of Milwaukee; two people appointed by the Milwaukee County executive; one person appointed by the Racine County executive; one person appointed by the Waukesha County executive; one person appointed by the chairperson of the Ozaukee County Board of Supervisors; and one person appointed by the chairperson of the Washington County Board of Supervisors.

Use of Sales and Use Tax Revenue

The District Board has the authority to enact a 0.1% sales and use tax in the five-county area. Based on the Board's actions, the taxes were first imposed in January, 1996.

Stadium Construction. At the time Act 56 was passed by the Legislature, it was anticipated that stadium construction would cost \$250 million, of which \$160 million would come from the issuance of revenue bonds by the District. The District's initial \$160 million contribution established its 64% ownership share of the stadium. From 1996 through 1999, the District issued revenue bond for the construction of the stadium and infrastructure improvements near the stadium totaling \$202 million. In addition, the District has entered into \$45 million in lease certificates of participation, which were used to fund the acquisition of leased capital equipment in the stadium (the scoreboard, drive mechanism for the retractable roof, seating, and food service equipment). Subsequently, in order to take advantage of lower interest rates, the

District refinanced a portion of these debt obligations. These refunding debt issues also added \$12.1 in principal debt, which results in \$259.1 million in total principal borrowed for the stadium construction and related equipment. The debt service (the payment of principal and interest) on these debt instruments is paid from the 0.1% sales and use taxes imposed in the five-county District. In addition, District sales and use tax revenues, or interest earnings on those revenues, were applied to the stadium construction, infrastructure improvements, and the initial year of operation of the facility.

According to District projections, it had \$132.3 million in principal outstanding on its debt issues at the end of 2008.

Stadium Maintenance and District Expenses. In addition to funding the construction of the stadium, the 0.1% sales and use taxes will be used to contribute towards the maintenance and repair of the stadium over the 30-year anticipated life of the stadium. A memorandum of understanding (MOU) signed by representatives from the State of Wisconsin, Milwaukee County, the City of Milwaukee, and the Brewers indicates that the District's annual contribution will be the lesser of 64% (District's initial ownership share) of actual, annual maintenance costs or \$3.85 million. However, subsequent to the MOU, the Stadium District agreed to take on \$41.2 million of the Brewers' debt associated with the team's contribution toward the stadium construction. In exchange, the District's annual facility maintenance payment was reduced to \$2.16 million until 2008, at which time the Brewers assumed full responsibility for maintenance at Miller Park.

The District will also be responsible for major capital repairs and necessary improvements. Under an amendment to the MOU in 2004, the District will contribute \$2,200,000 per year to a segregated reserve fund for this purpose and the Brewers will contribute \$300,000 per year. Finally,

revenues from the stadium sales and use taxes are used to fund other operations of the District, including the District's staff and other administrative costs.

Early Retirement of Bonds and Reserves. Act 56 specifies that if, at any time, the District's tax revenues exceed current operating expenses, the excess amount will be placed in a fund for future maintenance and capital improvement costs or to retire the bonds early. Once sufficient funds are available to meet the obligations of the District, the 0.1% taxes will end. In a review of the District's costs released by the Legislative Audit Bureau in the spring of 2002, one year after the facility opened, it was estimated that it would be necessary to collect the taxes through 2014. However, due to lower than expected growth in sales and use tax revenues, the District indicates that the taxes will likely have to be collected through at least 2016.

DOR administers the sales and use taxes on behalf of the District. On a quarterly basis, the Department initially distributed 97% of the taxes collected to the District, retaining 3% of collections for administrative expenses. However, the distribution percentage increased to 98.5% in 1998. Any unencumbered balance in DOR's appropriation account for the administration of the tax at the end of each fiscal year is also distributed back to the District.

In calendar year 2007, the taxes generated revenues of \$25.9 million, net of the 1.5% fee retained by DOR for administering the taxes. Distributions of sales and use tax revenues to the District have totaled \$290.3 million through November, 2008.

**Local Professional Football
Stadium District Taxes**

A local professional football stadium district for

the construction and maintenance of a renovated football stadium for the Green Bay Packers was created by 1999 Act 167. The Green Bay-Brown County Professional Football Stadium District is contiguous with Brown County and is governed by a seven-member board, appointed as follows: three persons appointed by the Mayor of Green Bay, three persons appointed by the Brown County Executive, and one person appointed by the Ashwaubenon Village President.

The District board has several powers and duties related to the renovation and management of the professional football stadium facilities. Specifically, the District is provided authority, if approved by the electors of the District at referendum, to impose 0.5% sales and use taxes for purposes related to football stadium facilities. On September 12, 2000, the voters of Brown County approved the District resolution imposing the 0.5% sales and use taxes.

The District also has authority to issue up to \$160 million in revenue bonds, excluding reserves and issuance costs, or take out up to a \$160 million loan from Brown County, using proceeds from a loan to the county from the state Board of Commissioners of Public Lands, to acquire, construct, or renovate its professional football stadium facilities. In April, 2001, the District issued three series of revenue bonds totaling \$174.8 million. Of this amount, \$160 million in bond proceeds were provided to the stadium project and the remaining \$14.8 million were used to fund required reserves and cover the issuance costs of the bonds. As of December, 2008, the District had \$53 million in outstanding principal remaining on these bonds. The District also had \$11 million in a debt service reserve fund.

The Act requires the District board to establish a facility maintenance and operating fund to which the following annual revenues must be deposited: (a) the amounts derived from the Packers football stadium donation state income tax checkoff; (b) the revenue received from the sale of engraved tiles or

bricks; (c) the revenue received from DOT associated with the issuance of professional football team license plates; and (d) \$500,000 annually from a District fee or charge imposed on the right to purchase admission to events at the stadium facility, pursuant to an agreement with a professional football team. These annual revenues to the fund are to be used to reduce the annual District sales and use tax proceeds needed for annual maintenance and operating expenses. In 2007-08, \$438,172 associated with the sale of license plates was deposited to the fund. For tax year 2007, \$55,025 associated with the voluntary football stadium donation state income tax checkoff was deposited to the fund.

In addition, any excess, annual District sales and use tax revenues must also be deposited to the fund. Any excess, annual revenues deposited in the fund and interest earnings of the fund can be used to establish a reserve for future facility maintenance and operating expenses.

Brown County Sales Tax Referendum.

Act 167 also provided the county authority to receive excess, annual sales and use tax revenue after the District met its annual, stadium-related obligations. Under the Act, the county's authority to receive excess, annual revenues needed to be approved by a majority of the electors in the county at referendum. On a September 12, 2000, county referendum ballot, Brown County electors voted against providing the county this authority.

Use of Sales and Use Tax Revenues

Act 167 limits the types and the amount of District or stadium-related costs that can be funded from District sales and use tax revenues. The first allowable use of the revenues is to pay the annual debt service on any outstanding District revenue obligations (bonds). The next allowable use for the revenues is to pay the annual principal and interest cost on any county loan from the Board of Commissioners of Public Lands for the acquisition,

renovation, or construction of football stadium facilities.

Any excess revenues, in any one year, after annual debt service or county loan payments are paid, must be used for the following purposes, in the order listed:

District Administration. District administration expenses of up to \$750,000 in the first calendar year beginning after the District sales and use taxes are imposed, up to \$500,000 in the second calendar year beginning after the sales and use taxes are imposed, and up to \$100,000 per year, thereafter, for up to 29 years after the year in which the initial District administration expenses are paid or until the District board determines that the balance, plus any projected earnings, in a reserve for District administration expenses are sufficient to pay the District administration expenses throughout this period.

Facility Operating and Maintenance Expenses. Beginning in the third calendar year after the District sales and use taxes are imposed, an amount equal to \$3,400,000, less the annual amounts to be paid from the football stadium facility maintenance and operating fund, to pay the operating and maintenance costs of the football stadium facilities. The portion of the \$3,400,000 used to pay any compensation for employees of a municipality that provides maintenance or operating services for the football stadium facilities can be increased by up to 3% each year thereafter. All other portions of the \$3,400,000 may only be increased by up to 2% each year thereafter.

These payments are to be made annually for up to 27 years after the year in which the initial maintenance payment is made or until the District board determines that the balance, plus any projected earnings, in the football stadium facility maintenance and operating cost fund are sufficient to pay the specified maintenance and operating expenses throughout this period.

Early Retirement of Bonds and Reserves. Any remaining annual funds must be applied to the following: (a) to retire any bonds issued for purposes related to football stadium facilities and any bonds issued to refund those bonds; and (b) to fully fund a facility maintenance and operating cost fund for future facility maintenance and operating expenses and to establish a reserve to pay future District administration expenses. Revenues may be provided to this fund or reserve only after all bonds issued for the purposes of football stadium facilities have been retired or paid in accordance with the defeasance provisions of the authorizing resolution and the District is no longer required to make loan payments to the county on any funds borrowed for this purpose.

DOR administers the sales and use taxes on behalf of the District. On a quarterly basis, the Department distributes 98.5% of the taxes collected to the District. DOR is allowed to retain 1.5% of collections for administrative expenses. Any unencumbered balance in DOR's appropriation account for the administration of the tax at the end of each fiscal year is also distributed back to the District.

The District sales and use taxes began to be collected on November 1, 2000. In calendar year 2007, the taxes generated revenues of \$20.7 million, net of the 1.5% fee retained by DOR for administering the taxes. Distributions of sales and use tax revenues have totaled \$157.7 million through November, 2008. The District currently estimates that the District's 0.5% sales and use taxes could end sometime in 2014 or 2015.

Premier Resort Area Tax

A premier resort area tax option for units of local government that meet certain eligibility criteria was created by 1997 Act 27. The governing

body of a political subdivision can enact an ordinance or adopt a resolution declaring itself to be a premier resort area if at least 40% of the equalized value of the taxable property within the political subdivision is used by retailers that fall within certain tourism-related standard industrial classifications. Proceeds from a premier resort area tax may only be used to pay for infrastructure expenses within the jurisdiction of that premier resort area. A municipality or county, all of which is included in a premier resort area, can enact an ordinance to impose a tax at a rate of 0.5% on the gross receipts from the sale, lease, or rental in the municipality or county of goods or services that are taxable under current state sales tax provisions made by businesses that are included in a second list of tourism-related retailers (this list is more extensive than that used to determine whether the 40% threshold is met). However, the tax does not apply to the storage, use, or other consumption of taxable goods or services within the municipality or county (there is no "use" tax). Further, a county and a municipality within that county cannot each impose the tax on sales by the same tourism-related retailer.

DOR administers, enforces, and collects the premier resort tax. Specifically, DOR rules define the standard industrial classifications subject to the tax and determine whether businesses are subject to the tax. Businesses obtaining a business tax registration certificate from DOR are required to report the standard industrial classification for each place of business in the state. Counties and municipalities imposing the tax receive distributions from DOR that equal 97% of the collections for a reporting period. DOR is authorized to retain 3% of collections to cover the costs of administration, enforcement, and collection of the tax. Any unencumbered balance in DOR's appropriation account for the administration of the tax at the end of each fiscal year is also distributed back to the premier resort areas.

In 1998, the Village of Lake Delton and the City of Wisconsin Dells each enacted a 0.5% premier

resort area tax under the statutory requirements. Under 2001 Act 16, the City of Eagle River was exempted from the statutory requirement that 40% of its equalized value be used by tourism-related retailers in order to declare itself a premier resort area. The City of Eagle River enacted a premier resort area tax effective October 1, 2006. The City of Bayfield was provided a similar exemption by 2001 Act 109 and enacted a premier resort area tax in 2003.

Table 8 lists the premier resort area tax revenues for those municipalities that collected the tax during 2007. The amounts shown are net of the 3% retained by DOR for the Department's costs of administering the tax.

Table 8: Premier Resort Area Tax Collections (2007)

	Revenues
Bayfield	\$51,603
Eagle River	113,199
Lake Delton	1,920,056
Wisconsin Dells	<u>528,469</u>
Total	\$2,613,327

Source: Department of Revenue

Regional Transit Authority

Under 2005 Act 25, a three-county regional transit authority (RTA) was established in southeastern Wisconsin. The RTA's region includes the geographic areas composed of Kenosha, Milwaukee, and Racine counties. The counties are required to create an RTA with a governing body composed of the following seven members: (a) three members, one from each county, appointed by the county executive of each county and approved by the county board of each county; (b) three members, one from the largest city in each county, appointed by the mayor of each of the cities and approved by the city council of each city;

and (c) one member from the largest city in the region, appointed by the Governor. Six of the seven RTA board members have to vote in favor of any action to be taken by the board relative to any authority provided to the board. The RTA board held its first meeting in February, 2006.

Act 25 provided the RTA board with the authority to impose a vehicle rental fee that cannot exceed \$2 per rental transaction in the region. The RTA board voted to impose the vehicle rental fee, effective July 1, 2006. DOR administers the rental fee and retains 2.55% of the fee revenues to cover its administrative costs associated with collecting the fee. However, at the end of each fiscal year, any unencumbered balance in DOR's administrative appropriation account that exceeds 10% of the expenditures from the appropriation during the fiscal year is also distributed to the RTA. In 2007, DOR distributed \$947,600 to the RTA associated with the vehicle rental fee.

The RTA has the following duties and responsibilities: (a) to coordinate the transit and commuter rail programs in the region; (b) to submit a report to the Governor and Chief Clerk of each house of the Legislature on the activities of the Authority by November 15, 2008; (c) to hire staff, conduct studies, and expend funds essential to the preparation of their report to the Legislature; and (d) to retain any vehicle rental fee funding received, other than those amounts expended on developing the required report for the Legislature, until the submittal of the report, and until action on the report is taken by the Legislature.

DOT, or an entity designated by DOT, the Southeastern Wisconsin Regional Planning Commission, or an entity designated by the RTA board, can provide administrative support services to assist the RTA in fulfilling its duties. The RTA is

considered a political subdivision that could receive a grant under DOT's commuter rail transit system development grant program. Any grant recipient under DOT's program who receives a grant for a commuter rail project in the RTA region is required to periodically report to the RTA board. Also, any entity that receives any state funding for the planning or engineering of a commuter rail project in the region is required to periodically report to the RTA board or staff.

In its November, 2008, report to the Governor and the Legislature, the RTA board recommended that the Southeastern Wisconsin RTA continue as a permanent transit agency in the region. The report also recommended that the RTA region initially include all of Milwaukee and Kenosha Counties and those municipalities wholly or partly in the urbanized areas of Racine County, as defined by the 2000 census (the portion of the county east of I-94), with a mechanism to add other counties or urbanized areas at a later date.

Among its funding recommendations, the RTA board recommended that the RTA be granted enabling authority to enact a local sales tax of up to 0.5% to fund public transit systems in the region, with the removal of transit funding from the property tax. Revenue generated from the tax within each county would stay within the county to pay for that county's recommended transit service plan. In addition, the board recommended legislation to give individual municipalities in the region the authority to enact up to a 0.15% sales tax within their municipality for public safety purposes. The board's report did not address whether the \$2 car rental fee should be continued or ended after action is taken by the Legislature on the report's recommendations. Finally, the board recommended that it be granted bonding authority to cover the cost of transit capital improvements.