# State of Misconsin 2023 - 2024 LEGISLATURE

LRB-4400/1 EVM/MPG/KP:all

# **2023 SENATE BILL 483**

October 9, 2023 - Introduced by Senator FEYEN, cosponsored by Representatives BROOKS, DUCHOW, BINSFELD, MICHALSKI, O'CONNOR, PLUMER, ROZAR and SCHMIDT. Referred to Committee on Government Operations.

AN ACT to repeal 77.705, 77.707 (1), 77.76 (6), 229.64 (2), 229.65 (7), 229.66 (2)

(b), 229.66 (2) (c), 229.66 (2) (g), 229.68 (11), 229.68 (15) and 229.682 (3); to renumber 77.707 (2); to renumber and amend 229.64 (1); to amend 16.58 (3), 77.54 (41), 77.707 (1), 77.71 (intro.), (1), (2), (3), (4) and (5), 77.76 (4), 79.037 (2) (intro.), 79.037 (3), 229.65 (1), 229.66 (2) (a), 229.66 (4), 229.67, 229.68 (intro.), 229.68 (4) (b), 229.68 (4) (d), 229.68 (7), 229.68 (9), 229.68 (12), 229.68 (13), 229.68 (16) (intro.), 229.68 (16) (a), 229.682 (1), 229.682 (4), 229.682 (7), 229.685 (1), 229.69 (4), 229.71, 229.75 (3), 229.76 and 341.14 (6r) (b) 13. b.; to repeal and recreate 229.66 (3); and to create 16.09, 25.17 (1) (es), 77.54 (9a) (gm), 79.037 (4), 229.65 (6m), 229.66 (2) (bm), 229.66 (2) (cm), 229.66 (2) (gm), 229.68 (8) (d), 229.68 (8m), 229.6802, 229.6805, 229.682 (9), 229.682 (10), 229.682 (11), 229.685 (3), 229.687, 229.695 and 229.80 of the

statutes; **relating to:** baseball park district administration and funding for improvement of professional baseball park facilities.

# Analysis by the Legislative Reference Bureau

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This bill directs state grants to and requires local funding of a local professional baseball park district (district), directs the district's use of those funds, and modifies the powers and administration of the district.

# **CURRENT LAW**

Under current law, a district is created in each county with a population of at least 600,000 (presently, only Milwaukee County) and all counties that are contiguous to that county (in relation to Milwaukee County, these counties are Ozaukee County, Racine County, Washington County, and Waukesha County). A district has a variety of powers. Among these, a district may acquire, construct, equip, maintain, improve, operate, and manage baseball park facilities and may set standards governing the use of, and the conduct within, baseball park facilities.

The district is governed by a district board, which currently consists of the following members:

- 1. A number of persons equal to the number of counties within the jurisdiction of the district plus one, which totals six members, appointed by the governor subject to senate confirmation; three of whom serve two-year terms and three of whom serve four-year terms, and all of whom may be removed only for cause.
- 2. Two persons appointed by the chief executive officer of the most populous county within the jurisdiction of the district, which is Milwaukee County, who serve at the pleasure of the chief executive officer.
- 3. One person for each county in the jurisdiction of the district other than Milwaukee County, appointed by the chief executive officer of such county, who serves at the pleasure of the appointing chief executive officer.
- 4. One person appointed by the mayor of the city of Milwaukee, who serves at the pleasure of the mayor.

Current law authorizes a district to issue bonds for the purpose of constructing, improving, and managing baseball park facilities, in addition to other related functions. Bonds issued by the district are secured by the district's interest in any baseball park facilities, by income from these facilities, and by a sales and use tax current law authorizes the district to impose. Specifically, current law authorizes the district to impose a sales and use tax at a rate of no more than 0.1 percent. However, that sales and use tax ended on March 31, 2020, after the district certified to the Department of Revenue that the district had effectively retired all of its bonds.

# DISTRICT CREATION AND DISSOLUTION; DISTRICT BOARD MEMBERSHIP

The bill limits the establishment of a district solely to a county with a

population over 750,000, rather than a county of 600,000 and its contiguous counties, and specifies that upon the district's dissolution, the property of the district is transferred to the state, rather than to the five counties making up the district under current law.

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The membership of the current members of the district's governing board, described above, end on the bill's effective date, and the bill establishes a new membership of the district's governing board. Under the bill, the board is composed of the following:

- 1. Four members appointed by the governor subject to senate confirmation, one of whom is appointed as chairperson of the board.
  - 2. Two members appointed by the majority leader of the senate.
  - 3. Two members appointed by the speaker of the assembly.
- 4. One member appointed by the governor from a list provided by the professional baseball team as defined in the bill (Milwaukee Brewers) subject to senate confirmation. This member may not participate in any nonpublic meeting or vote with respect to the approval or amendment of a lease or nonrelocation agreement between the district and the team, the district obtaining or accepting short-term loans from the state, the district retaining a lease negotiator, or a dispute between the district and the team.

All of the new members appointed to the district board variously serve either two- or four-year terms but may be removed at the pleasure of the appointing authority.

Additionally, the bill requires the new district board, not later than 90 days after the effective date of the bill, to affirmatively determine whether to continue or discontinue the employment of each individual employed by the district.

# CHANGES TO THE DISTRICT'S GENERAL POWERS AND DUTIES

The bill makes the following changes to the district's general powers and duties:

- 1. Eliminates the district's authority to impose a sales and use tax. The district has not imposed a sales tax since March 31, 2020.
- 2. Prohibits the district from issuing bonds or incurring other debt, except that the bill authorizes the district to engage in certain short-term borrowing from DOA, as further described below.
- 3. Requires the district to issue a request for proposals before awarding certain contracts with an estimated cost exceeding \$200,000 and to award contracts subject to this requirement based on specified criteria. These criteria are price; time for completion of work; qualifications and past performance of a contractor; contractor responsiveness; contractor eligibility in accordance with the request for proposals; the results of applicable inspections and tests; and performance standards established by the district board. Under current law, the district may enter into contracts subject to any standards established by the district board.
- 4. Provides that the district may enter into a lease only upon the affirmative vote of a majority of all members appointed to the district board and eligible to vote

on the matter. Current law provides that such an action must be approved by 60 percent of the members voting on the matter.

- 5. During the term of any lease of baseball park facilities entered into by the district and the Milwaukee Brewers, requires the district to, at the district's expense, contract with a facility management company or employ an executive director with expertise in managing and operating professional sports facilities and venues to manage and supervise the development, construction, improvement, repair, and maintenance of the baseball park facilities.
- 6. With certain exceptions, prohibits the district from initiating any capital project after 2045.
- 7. Requires the district to contract with the state investment board to invest funds held in the district's segregated fund, as described below.

# SEGREGATED FUND

The bill requires the district to establish a baseball park facilities improvement fund (segregated fund) into which it must deposit the state grants, payments from or on behalf of Milwaukee County and the city of Milwaukee, certain payments from the Milwaukee Brewers, and certain moneys transferred from other existing funds of the district. Moneys from the segregated fund may be used only for the development, construction, improvement, repair, and maintenance of baseball park facilities, the performance of the district's obligations under a lease agreement with the Milwaukee Brewers, lease negotiation costs, repayment of certain loans, and payment of certain insurance premiums. The bill specifies that, with certain exceptions, segregated fund moneys may not be expended after the Milwaukee Brewers notify the district that the team intends to terminate the lease agreement or the lease is otherwise terminated. In addition, segregated fund moneys may not be expended for the development, construction, improvement, repair, or maintenance of any physical structure that was not owned, operated, or leased by the district on the effective date of the bill.

#### LEASE AND NONRELOCATION AGREEMENTS

Under the bill, the state grant required under the bill, as described further below, may not be awarded unless the secretary of administration determines that all of the following apply:

1. The district has entered into a customary lease arrangement with the Milwaukee Brewers that (a) has a standard term that expires no earlier than December 31, 2050; (b) requires the Milwaukee Brewers to separately make at least 27 annual deposits in the amounts of \$300,000 and \$1,851,852 into the segregated fund beginning in 2024; (c) requires the Milwaukee Brewers to additionally make at least 27 annual payments in the amounts of \$1,208,401 to the district beginning in 2024; (d) requires the Milwaukee Brewers, or a third party on the team's behalf, to make financial contributions in connection with the development, construction, improvement, repair, and maintenance of the baseball park facilities during the term of the lease in an amount that totals \$50,000,000, of which \$25,000,000 must

be so contributed before January 1, 2037, and requires the team to regularly report to the district all expenditures of those moneys; and (e) requires the Milwaukee Brewers, upon expiration of the lease or termination of the lease as a result of breach by the team, to disclaim any interest in moneys of the segregated fund and, upon request of the district, convey and transfer to the district for consideration not to exceed \$1 all of the team's right and title to the baseball park facilities, except for certain ancillary improvements constructed or developed without financial contribution from the state or the district.

- 2. The district has entered into a nonrelocation agreement with the Milwaukee Brewers that generally requires the team to play all of its home games at the baseball park facilities and prohibits the team from relocating until expiration or termination of the lease according to its terms.
- 3. The district has contracted with a third party approved by a two-thirds vote of all members appointed to the district board and eligible to vote on the matter to represent the district in connection with negotiation of the lease and nonrelocation agreements described above.

#### STATE GRANT

Provided the district and the Milwaukee Brewers execute the lease and nonrelocation agreements described above, the bill requires DOA to award a grant to the district to assist in the development, construction, improvement, repair, and maintenance of baseball park facilities, consisting of the following:

- 1. \$35,800,000 paid upon execution of the lease and nonrelocation agreements, which is intended to substantially equal the total estimated state income tax imposed in calendar years 2021, 2022, and 2023 on the payroll of the Milwaukee Brewers franchise and of visiting professional baseball franchises using the professional baseball park facilities.
- 2. The payment of an additional \$25,000,000 upon execution of the lease and nonrelocation agreements for the purpose of winterizing the baseball park facilities.
- 3. Twenty-two consecutive annual payments beginning in 2024 of which the initial payment in 2024 must equal \$13,400,000 and the amount of each subsequent annual payment must increase from the initial payment at the rate of 4 percent per year compounded annually, except that no such annual payment may exceed \$20,000,000, and beginning on July 1, 2041, no annual payment may exceed \$10,000,000. Additionally, no annual payment may be made after expiration or termination of the lease.

#### LOCAL GOVERNMENT PAYMENTS

The bill also provides that for the next 27 years Milwaukee County must pay \$5,000,000 and the city of Milwaukee must pay \$2,500,000 annually into the segregated fund to assist in the development, construction, improvement, repair, and maintenance of the district's baseball park facilities. If Milwaukee County or the city of Milwaukee fails to make the full amount of a required payment by July 1

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of an applicable year, DOA must reduce the supplemental county and municipal aid payment to Milwaukee County or the city of Milwaukee, as applicable, for that year by the amount that is not paid and deposit that amount into the segregated fund.

# **SHORT-TERM LOANS**

The bill requires DOA to issue short-term loans to the district to assist in the development, construction, improvement, repair, and maintenance of baseball park facilities. Specifically, upon a majority vote of all members appointed to the district board and eligible to vote on the matter, DOA must promptly issue a loan to the district in the amount approved by the board. DOA may not issue more than a total of \$50,000,000 in such loans, and interest on each loan accrues monthly at a rate equal to the state investment fund earnings rate during the immediately preceding month, as certified by the secretary of DOA.

Under the bill, the district is required to pay all interest accruing on each loan issued by DOA on a quarterly basis, and the outstanding balance of each loan must be paid no later than 15 years after the date of loan issuance or upon expiration or termination of the lease described above, whichever is earlier. The bill includes a quarterly reporting requirement to the Joint Committee on Finance regarding the loans and prohibits DOA from awarding a loan after December 31, 2045.

## SALES AND USE TAX EXEMPTION

The bill exempts the following from the sales and use tax: 1) tangible personal property and taxable services sold to a district and 2) building materials, supplies, and equipment sold to owners, contractors, subcontractors, or builders solely for the improvement, repair, or maintenance of a professional sports and entertainment home stadium. Under current law, building materials, supplies, and equipment sold to owners, contractors, subcontractors, or builders solely for the construction, renovation, or development of a professional sports and entertainment home stadium are exempt from the sales and use tax.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the state and 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:

**SECTION 1.** 16.09 of the statutes is created to read:

16.09 Grant to a local professional baseball park district. (1) PUBLIC PURPOSE. The legislature finds and determines that baseball park facilities

encourage economic development and tourism in this state, reduce unemployment in this state, preserve business activities within this state, generate additional tax revenues that would not exist without the baseball park facilities, and bring needed capital into this state for the benefit and welfare of people throughout the state. It is therefore in the public interest and serves a statewide public purpose, and it is the public policy of this state, to assist a local professional baseball park district created under subch. III of ch. 229 in the development, construction, improvement, repair, and maintenance of baseball park facilities.

- (2) DEFINITIONS. In this section:
- (a) "Baseball park facilities" has the meaning given in s. 229.65 (1).
- (b) "District" has the meaning given in s. 229.65 (5).
- (c) "Gap payment" means payment of the amount specified in sub. (3) (a), which is intended to substantially equal the total estimated taxes imposed under ch. 71 in calendar years 2021, 2022, and 2023 on the payroll of the professional baseball team and of visiting professional baseball franchises using the professional baseball park facilities.
  - (d) "Professional baseball team" has the meaning given in s. 229.65 (6m).
- (3) GRANT. Subject to sub. (4), the department shall award a grant to a district to assist in the development, construction, improvement, repair, and maintenance of baseball park facilities. The grant shall consist of the following:
- (a) The gap payment of \$35,800,000 upon execution of the lease and nonrelocation agreements satisfying s. 229.6802.
  - (b) The payment of \$25,000,000 upon execution of the lease and nonrelocation

agreements satisfying s. 229.6802. The district shall maintain the moneys paid under this paragraph in a separate account in the baseball park facilities improvement segregated fund established under s. 229.687 and may expend the moneys only for the purpose of winterizing the baseball park facilities.

- (c) Twenty-two consecutive annual payments beginning in 2024, subject to the following:
  - 1. The initial payment in 2024 shall equal \$13,400,000.
- 2. Except as provided in subd. 3., the amount of each subsequent annual payment shall increase from the initial payment at the rate of 4 percent per year compounded annually.
- 3. No annual payment may exceed \$20,000,000, and beginning on July 1, 2041, no annual payment may exceed \$10,000,000.
- 4. No annual payment may be made after expiration or termination of the lease specified in s. 229.6802 (1).
- (4) CONTRACT REQUIREMENTS. The department may not award a grant under sub. (3) unless s. 229.6802 has been satisfied.
- (5) LOANS TO A LOCAL PROFESSIONAL BASEBALL PARK DISTRICT. (a) Upon a majority vote of all current members appointed to the board of a district and eligible to vote on the matter, the department shall issue loans to the district to assist in the development, construction, improvement, repair, and maintenance of baseball park facilities. The department shall issue each loan in the amount approved by the board no later than 10 days after receipt of the board's request for the loan. The

department may not issue more than a total of \$50,000,000 in loans under this paragraph.

- (b) Interest on each loan issued under par. (a) shall accrue monthly at a rate equal to the state investment fund earnings rate during the immediately preceding month, as certified by the secretary.
- (c) The district shall pay all interest accruing on each loan issued under par.

  (a) on a quarterly basis to the secretary for deposit in the general fund. The outstanding balance of each loan issued under par. (a) shall be paid no later than 15 years after the date of issuance or upon expiration or termination of the lease specified in s. 229.6802 (1), whichever is earlier.
- (d) At least quarterly, the department shall submit a report to the joint committee on finance specifying the outstanding principal and interest owed by the district on each loan issued under par. (a).
- (e) The department may not issue a loan under this subsection after December 31, 2045.

**SECTION 2.** 16.58 (3) of the statutes is amended to read:

16.58 (3) The department may provide financial consulting services to a local exposition district created under subch. II of ch. 229 or a local professional baseball park district created under subch. III of ch. 229.

**SECTION 3.** 25.17 (1) (es) of the statutes is created to read:

25.17 (1) (es) Funds of a local professional baseball park district created under subch. III of ch. 229 (s. 229.68 (9)), but subject to the terms of the contract under s. 229.68 (9);

**SECTION 4.** 77.54 (9a) (gm) of the statutes is created to read:

77.54 (**9a**) (gm) A local professional baseball park district under subch. III of ch. 229.

**SECTION 5.** 77.54 (41) of the statutes is amended to read:

77.54 (41) The sales price from the sale of building materials, supplies and equipment to; and the storage, use or other consumption of those kinds of property by; owners, contractors, subcontractors or builders if that property is acquired solely for or used solely in, the construction, <u>improvement</u>, renovation, <u>repair</u>, maintenance, or development of property that would be exempt under s. 70.11 (36).

**SECTION 6.** 77.705 of the statutes, as affected by 2023 Wisconsin Act 19, is repealed.

**SECTION 7.** 77.707 (1) of the statutes is amended to read:

77.707 (1) Retailers and the department of revenue may not collect a tax under s. 77.705, 2021 stats., for any local professional baseball park district created under subch. III of ch. 229 after the last day of the fiscal quarter in which the local professional baseball park district board makes a certification to the department of revenue under s. 229.685 (2), 2021 stats., or after August 31, 2020, whichever is earlier, except that the department of revenue may collect from retailers taxes that accrued before the termination date and fees, interest and penalties that relate to those taxes. Except as provided under s. 77.60 (9), the department of revenue may not issue any assessment nor act on any claim for a refund or any claim for an adjustment under s. 77.585 after the end of the calendar year that is 4 years after the year in which a local professional baseball park district tax has terminated.

The department of revenue shall estimate the amount of the refunds, including interest, that the department may need to pay during that 4-year period and retain that amount from the taxes collected for the district after the termination date. Any amount that remains after the payment of refunds shall be distributed to the counties based on the population of each county that is part of the district.

**SECTION 8.** 77.707 (1) of the statutes, as affected by 2023 Wisconsin Act .... (this act), is repealed.

**SECTION 9.** 77.707 (2) of the statutes is renumbered 77.707.

**SECTION 10.** 77.71 (intro.), (1), (2), (3), (4) and (5) of the statutes, as affected by 2023 Wisconsin Act 12, are amended to read:

- 77.71 Imposition of county, municipality, and special district sales and use taxes. (intro.) Whenever a sales and use tax ordinance is adopted under s. 77.70 or 77.701 or a special district resolution is adopted under s. 77.705 or 77.706, the following taxes are imposed:
- (1) For the privilege of selling, licensing, leasing, or renting tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), and for the privilege of selling, licensing, performing, or furnishing services a sales tax is imposed upon retailers at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.701 in the case of a municipality tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales price from the sale, license, lease, or rental of tangible personal property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property taxed under sub. (4), sold, licensed, leased, or rented at retail in the county, municipality, or

special district, or from selling, licensing, performing, or furnishing services described under s. 77.52 (2) in the county, municipality, or special district.

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- (2) An excise tax is imposed at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.701 in the case of a municipality tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming in the county, municipality, or special district tangible personal property, or items, property, or goods specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property, item, property, good, or service is subject to the state use tax under s. 77.53, except that a receipt indicating that the tax under sub. (1), (3), (4), or (5) has been paid relieves the buyer of liability for the tax under this subsection and except that if the buyer has paid a similar local tax in another state on a purchase of the same tangible personal property, item, property, good, or service that tax shall be credited against the tax under this subsection and except that for motor vehicles that are used for a purpose in addition to retention, demonstration, or display while held for sale in the regular course of business by a dealer the tax under this subsection is imposed not on the purchase price but on the amount under s. 77.53 (1m).
- (3) An excise tax is imposed upon a contractor engaged in construction activities within the county or special district at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.701 in the case of a municipality tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price of tangible personal property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) that are used in constructing, altering, repairing, or improving real

property and that became a component part of real property in that county, municipality, or special district, except that if the contractor has paid the sales tax of a county, municipality, or special district in this state on that tangible personal property, item, property, or good, or has paid a similar local sales tax in another state on a purchase of the same tangible personal property, item, property, or good, that tax shall be credited against the tax under this subsection.

- (4) An excise tax is imposed at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.701 in the case of a municipality tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase price upon every person storing, using, or otherwise consuming a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be registered or titled with this state and if that property is to be customarily kept in a county that has in effect an ordinance under s. 77.70, in a municipality that has in effect an ordinance under s. 77.701, or in a special district that has in effect a resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local sales tax in another state on a purchase of the same property, that tax shall be credited against the tax under this subsection. The lease or rental of a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft is not taxed under this subsection if the lease or rental does not require recurring periodic payments.
- (5) An excise tax is imposed on the purchase price for the lease or rental of a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.701 in the

case of a municipality tax, or at the rate under s. 77.705 or 77.706 in the case of a special district tax upon every person storing, using, or otherwise consuming in the county, municipality, or special district the motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be registered or titled with this state and if the lease or rental does not require recurring periodic payments, except that a receipt indicating that the tax under sub. (1) had been paid relieves the purchaser of liability for the tax under this subsection and except that if the purchaser has paid a similar local tax in another state on the same lease or rental of such motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft, that tax shall be credited against the tax under this subsection.

**SECTION 11.** 77.76 (4) of the statutes, as affected by 2023 Wisconsin Act 12, is amended to read:

77.76 (4) There shall be retained by the state 1.5 percent of the taxes collected for taxes imposed by special districts under ss. 77.705 and s. 77.706 and 1.75 percent of the taxes collected for taxes imposed by counties under s. 77.70 and for taxes imposed by municipalities under s. 77.701 to cover costs incurred by the state in administering, enforcing, and collecting the tax. All interest and penalties collected shall be deposited and retained by this state in the general fund.

**SECTION 12.** 77.76 (6) of the statutes is repealed.

**SECTION 13.** 79.037 (2) (intro.) of the statutes, as created by 2023 Wisconsin Act 12, is amended to read:

79.037 (2) (intro.) In Subject to any reduction required under sub. (4), in 2024,

the department of revenue shall determine the amount of the payments under this section as follows:

**SECTION 14.** 79.037 (3) of the statutes, as created by 2023 Wisconsin Act 12, is amended to read:

79.037 (3) For Subject to any reduction required under sub. (4), for the distribution in 2025 and subsequent years, each county and municipality shall receive a payment under this section equal to the proportion of the total payments from the supplemental county and municipal aid account under s. 25.491 (9) that the county or municipality received in 2024, or if the total of payments received in 2024 by a county or municipality is reduced under sub. (4), the proportion of the total payments from the supplemental county and municipal aid account under s. 25.491 (9) that the county or municipality would have received in 2024 without that reduction, multiplied by the amount for the year in the supplemental county and municipal aid account under s. 25.491 (9).

**SECTION 15.** 79.037 (4) of the statutes is created to read:

79.037 (4) (a) For the distribution in 2024 and subsequent years until 2050, if a county fails to make the full amount of a deposit required under s. 229.695 by July 1, the department of revenue shall reduce the county's total of payments under this section for that year by the difference between the amount of the deposit required under s. 229.695 and the amount of any deposit made by July 1 of that year and direct the department of administration to pay to the baseball park facilities improvement segregated fund under s. 229.687 the amount of the reduction.

(b) For the distribution in 2024 and subsequent years until 2050, if a 1st class

city fails to make the full amount of a deposit required under s. 229.695 by July 1, the department of revenue shall reduce the 1st class city's total of payments under this section for that year by the difference between the amount of the deposit required under s. 229.695 and the amount of any deposit made by July 1 of that year and direct the department of administration to pay to the baseball park facilities improvement segregated fund under s. 229.687 the amount of the reduction.

**SECTION 16.** 229.64 (1) of the statutes is renumbered 229.64 and amended to read:

229.64 Legislative declaration. The legislature determines that the provision of assistance by state agencies to a district under this subchapter, and any appropriation or grant of funds to a district under this subchapter and the moral obligation pledge under s. 229.74 (7) serve a statewide public purpose by assisting the development, construction, improvement, repair, and maintenance of —a professional baseball park facilities in the state for providing recreation, by encouraging economic development and tourism, by preserving business activities within the state, by generating additional tax revenues that would not exist without the baseball park facilities, by reducing unemployment, and by bringing needed capital into the state for the benefit and welfare of people throughout the state. The legislature determines that the taxes that may be imposed by a district under subch. V of ch. 77 are special taxes that are generated apart from any direct annual tax on taxable property.

**SECTION 17.** 229.64 (2) of the statutes is repealed.

**SECTION 18.** 229.65 (1) of the statutes is amended to read:

229.65 (1) "Baseball park facilities" means property, tangible or intangible, owned in whole or in substantial part, operated or leased by a district that is principally for the support or performance of professional baseball operations including parking lots, garages, restaurants, parks, concession facilities, entertainment facilities and transportation facilities, and other functionally related or auxiliary facilities or structures.

**SECTION 19.** 229.65 (6m) of the statutes is created to read:

229.65 (6m) "Professional baseball team" means a baseball team that is a member of a league of professional baseball teams that have home stadiums approved by the league in at least 10 states and a collective average attendance for all league members of at least 10,000 persons per game over the 5 years immediately preceding the effective date of this subsection .... [LRB inserts date].

**SECTION 20.** 229.65 (7) of the statutes is repealed.

**SECTION 21.** 229.66 (2) (a) of the statutes is amended to read:

229.66 (2) (a) A number of persons equal to the number of counties within the jurisdiction of the district plus one, chairperson and three others, all of whom must be state residents, appointed by the governor. At least one of the persons appointed by the governor shall reside within each county that is within the jurisdiction of the district. A person appointed under this paragraph may take his or her seat immediately upon appointment and qualification, subject to confirmation or rejection by the senate.

**SECTION 22.** 229.66 (2) (b) of the statutes is repealed.

**SECTION 23.** 229.66 (2) (bm) of the statutes is created to read:

229.66 (2) (bm) Two persons appointed by the majority leader of the senate, both of whom must be state residents.

**SECTION 24.** 229.66 (2) (c) of the statutes is repealed.

**SECTION 25.** 229.66 (2) (cm) of the statutes is created to read:

229.66 (2) (cm) Two persons appointed by the speaker of the assembly, both of whom must be state residents.

**SECTION 26.** 229.66 (2) (g) of the statutes is repealed.

**SECTION 27.** 229.66 (2) (gm) of the statutes is created to read:

229.66 (2) (gm) One person, who must be a state resident and who may not be an employee of the state or of a professional baseball team that leases baseball park facilities constructed under this subchapter as its home facilities, appointed by the governor from a list provided by the professional baseball team. A person appointed under this paragraph may take his or her seat immediately upon appointment and qualification, subject to confirmation or rejection by the senate. With respect to any of the following, a person appointed under this paragraph may not participate in any nonpublic meeting of the board or vote:

- 1. Approving or amending the lease specified in s. 229.6802 (1).
- 2. Approving or amending the nonrelocation agreement specified in s. 229.6802 (2).
  - 3. Approving or amending a lease or sublease other than specified under subd.
- 1. or 2. between the district and the professional baseball team.
  - 4. Obtaining or accepting a loan under s. 16.09 (5).
  - 5. Retaining a 3rd-party negotiator under s. 229.6802 (3).

6. A dispute between the district and the professional baseball team.

**SECTION 28.** 229.66 (3) of the statutes is repealed and recreated to read:

- 229.66 (3) (a) Upon appointment under sub. (2), the appointing authorities shall certify the appointees to the secretary of administration.
  - (b) The terms of office of the district board members are as follows:
- 1. For the chairperson and other persons appointed under sub. (2) (a), 4 years, except that the initial term of office for the initial chairperson appointee and one of the 3 other initial appointees, as designated by the governor, is 2 years.
- 2. For the persons appointed under sub. (2) (bm) and (cm), 4 years, except that the initial term of office of one of the 2 initial appointees under each of those paragraphs is 2 years, as designated by the appointing authority.
  - 3. For the person appointed under sub. (2) (gm), 4 years.
- (c) Notwithstanding s. 17.07 (3), persons appointed under sub. (2) may be removed from the district board by the appointing authority at pleasure.
- (d) 1. Vacancies for persons appointed under sub. (2) shall be filled by the appointing authority who appointed the person whose office is vacant using the procedure provided under sub. (2) for that position.
- 2. A person appointed to fill a vacancy under subd. 1. shall serve for the remainder of the term to which he or she is appointed.

**SECTION 29.** 229.66 (4) of the statutes is amended to read:

229.66 (4) The governor shall select the chairperson of the district board and the district board shall elect from its membership a vice chairperson, a secretary and a treasurer. A majority of the current membership of the district board

constitutes a quorum to do business. The <u>Unless otherwise provided by law, the</u> district may take action based on the affirmative vote of a majority of those directors who are present at a meeting of the district board. <u>Except in the case of exigent or emergency circumstances that make an in-person meeting impracticable, all meetings of the district board shall be in person.</u>

**SECTION 30.** 229.67 of the statutes is amended to read:

229.67 Jurisdiction. A district's jurisdiction is any county with a population of more than 600,000 and all counties that are contiguous to that county and that are not already included in a different district. Once created, a 750,000 that is the site of baseball park facilities that are home to a professional baseball team. A district's jurisdiction is fixed even if the population of other counties within the district subsequently exceeds 600,000. Once a county is included in a district's jurisdiction the county remains in the district until the district is dissolved under s. 229.71. In this section, "contiguous" includes a county that touches another county only at a corner the county decreases below 750,001.

**SECTION 31.** 229.68 (intro.) of the statutes is amended to read:

229.68 Powers of a district. (intro.) A district has all of the powers necessary or convenient to carry out the purposes and provisions of this subchapter, except that it may not incur any new obligations after the date on which the district may no longer collect the tax under s. 77.707 (1), if such an obligation could not be paid out of the district's revenues or assets once the tax under s. 77.707 (1) is no longer collected. The district may not incur costs or any obligations for signage

related to a change in naming rights for the baseball park facilities. In addition to all other powers granted by this subchapter, a district may do all of the following:

**SECTION 32.** 229.68 (4) (b) of the statutes is amended to read:

229.68 (4) (b) Acquire; lease, as lessor or lessee; <u>authorize the sublease of</u>; use; or transfer property; except that the district may not enter into any lease <u>or sublease</u> that does not receive the affirmative vote of a <u>supermajority majority</u> of <u>all current members appointed to</u> the district board <u>and eligible to vote on the matter</u>.

**SECTION 33.** 229.68 (4) (d) of the statutes is amended to read:

229.68 (4) (d) Enter into contracts, subject to this paragraph and such standards as may be established by the district board, which standards may include approval by a professional baseball team pursuant to the terms of a lease with the district. For a contract, the estimated cost of which exceeds \$200,000, the district shall issue a request for proposals or other procurement document to solicit proposals. The district board may award any such contract for any combination or division of work it designates and may consider any factors in. In awarding a contract, including the district board shall consider price; time for completion of work and; qualifications and past performance of a contractor; contractor responsiveness; contractor eligibility in accordance with any request for proposals or other procurement document; the results of applicable inspections and tests; and performance standards established by the board, including with respect to quality and workmanship. The district shall determine the most advantageous proposal from a responsible and responsive offeror taking into consideration only the factors under this paragraph and the evaluation criteria set forth in any request for

proposals or other procurement document. The district shall award the contract by written notice to the selected offeror within the time for acceptance specified in the request for proposals or other procurement document.

**SECTION 34.** 229.68 (7) of the statutes is amended to read:

229.68 (7) Mortgage Subject to s. 229.682 (10), mortgage, pledge, or otherwise encumber the district's property or funds.

**SECTION 35.** 229.68 (8) (d) of the statutes is created to read:

229.68 (8) (d) The bonds are issued before the effective date of this paragraph .... [LRB inserts date].

**SECTION 36.** 229.68 (8m) of the statutes is created to read:

229.68 (8m) Obtain loans under s. 16.09 (5) for purposes described under s. 229.687 (2). Any moneys borrowed or accepted under this subsection shall be deposited into the baseball park facilities improvement segregated fund under s. 229.687.

**SECTION 37.** 229.68 (9) of the statutes is amended to read:

229.68 (9) Maintain funds and invest the funds in any investment that the district board considers appropriate. After the effective date of this subsection ....

[LRB inserts date], to the extent feasible, a district shall contract with the investment board to invest funds held in trust under this subchapter.

**SECTION 38.** 229.68 (11) of the statutes is repealed.

**SECTION 39.** 229.68 (12) of the statutes is amended to read:

229.68 (12) Set standards governing the use of, and the conduct within, its

<u>the</u> baseball park facilities in order to promote public safety and convenience and to maintain order.

**SECTION 40.** 229.68 (13) of the statutes is amended to read:

229.68 (13) Establish and collect fees, and establish shared revenue arrangements or other charges for the use of its the baseball park facilities or for services rendered by the district.

**SECTION 41.** 229.68 (15) of the statutes is repealed.

**SECTION 42.** 229.68 (16) (intro.) of the statutes is amended to read:

229.68 (16) (intro.) Accept Subject to s. 229.682 (10) accept gifts, loans, grants, and other aid, which may be used only for the following purposes:

**SECTION 43.** 229.68 (16) (a) of the statutes is amended to read:

229.68 (16) (a) Retiring the bonds or other debt used to develop, construct the, improve, repair, or maintain baseball park facilities.

**SECTION 44.** 229.6802 of the statutes is created to read:

**229.6802** Lease and nonrelocation agreements required. The grant under s. 16.09 (3) may not be awarded unless the secretary of administration determines that all of the following apply:

- (1) LEASE. The district has entered into a customary lease arrangement with a professional baseball team that satisfies all of the following:
  - (a) Has a standard term that expires no earlier than December 31, 2050.
- (b) Requires the professional baseball team to make at least 27 annual deposits in the amount of \$300,000 into the baseball park facilities improvement segregated fund under s. 229.687 beginning in 2024.

- (c) In addition to the deposits under par. (b), requires the professional baseball team to make at least 27 annual deposits in the amount of \$1,851,852 into the baseball park facilities improvement segregated fund under s. 229.687 beginning in 2024.
- (d) In addition to the deposits under pars. (b) and (c), requires the professional baseball team to make at least 27 annual payments in the amount of \$1,208,401 to the district beginning in 2024.
- (e) In addition to the deposits and payments under pars. (b), (c), and (d), requires the professional baseball team, or a 3rd party on the professional baseball team's behalf, to make financial contributions in connection with the development, construction, improvement, repair, and maintenance of the baseball park facilities during the term of the lease in an amount that totals \$50,000,000, of which \$25,000,000 must be so contributed before January 1, 2037, and requires the team to regularly report to the district all expenditures under this paragraph.
- (f) Requires the professional baseball team, upon expiration of the lease or termination of the lease as a result of breach by the professional baseball team, to disclaim any interest in moneys of the baseball park facilities improvement segregated fund under s. 229.687 and, upon request of the district, convey and transfer to the district for consideration not to exceed \$1 all of the professional baseball team's right and title to the baseball park facilities, except for ancillary improvements constructed or developed by the professional baseball team after the effective date of this paragraph .... [LRB inserts date], without financial contribution from the state or the district.

- (2) NONRELOCATION AGREEMENT. The district has entered into a nonrelocation agreement with the professional baseball team that, except as required by the league of professional baseball teams of which the team is a member, requires the professional baseball team to play all of its home games at the baseball park facilities and prohibits the professional baseball team from relocating until expiration or termination of the lease according to its terms.
- (3) THIRD-PARTY NEGOTIATOR. The district has contracted with a 3rd party approved by a two-thirds vote of all current members appointed to the board and eligible to vote on the matter to represent the district in connection with negotiation of the lease and nonrelocation agreements under this section.

**SECTION 45.** 229.6805 of the statutes is created to read:

229.6805 Facility management. During the term of any lease between the district and a professional baseball team with respect to baseball park facilities, the district shall, at the district's expense, contract with a facility management company or employ an executive director with expertise in managing and operating professional sports facilities and venues similar to the baseball park facilities. The contract shall require the facility management company or executive director to have primary responsibility to manage and supervise the development, construction, improvement, repair, and maintenance of the baseball park facilities.

**SECTION 46.** 229.682 (1) of the statutes is amended to read:

229.682 (1) GIFTS AND DONATIONS. The district board shall explore and consider ways to solicit and encourage gifts and donations for the <u>development</u>,

construction, improvement, repair, and maintenance of baseball park facilities and, to the extent feasible, implement means to solicit such gifts and donations.

**SECTION 47.** 229.682 (3) of the statutes is repealed.

**SECTION 48.** 229.682 (4) of the statutes is amended to read:

229.682 (4) SPECIAL TICKET PROVISIONS. A major league professional baseball team that uses as its home field baseball park facilities that are developed, constructed, improved, repaired, or maintained under this subchapter shall annually designate, for each county that is in the district's jurisdiction, at least one of the team's home games in each of April, May, June, July, August, and September as a discount ticket day for that county, for which residents of that county the state may purchase discounted admission tickets.

**SECTION 49.** 229.682 (7) of the statutes is amended to read:

229.682 (7) YOUTH SPORTS ORGANIZATIONS. A major league professional baseball team that uses as its home field baseball park facilities that are developed, constructed, improved, repaired, or maintained under this subchapter shall make an annual contribution of at least \$20,000 \$40,000 to youth sports organizations in this state for the purchase of equipment or the rental or maintenance of athletic facilities that are used by such organizations. The contributions that are required under this subsection may be made in cash or equipment.

**SECTION 50.** 229.682 (9) of the statutes is created to read:

229.682 (9) CAPITAL SPENDING LIMITATIONS. After 2045, the district may not initiate any capital project that has an expected life span that exceeds the remaining term of the lease arrangement with a professional baseball team with

respect to the district's baseball park facilities. This subsection does not restrict any of the following capital spending:

- (a) An amount that does not exceed the amount of the professional baseball team's deposits under s. 229.6802 (1) (b) and (c) after 2045 into the baseball park facilities improvement segregated fund under s. 229.687.
- (b) For purposes related to maintaining the safety of the baseball park facilities or the improvement, repair, maintenance, or replacement of the components and systems necessary to operate the baseball park facilities or to comply with applicable law, insurance requirements, or standards imposed by the professional baseball league of which the professional baseball team is a member.

**SECTION 51.** 229.682 (10) of the statutes is created to read:

229.682 (10) BORROWING LIMITATIONS. After the effective date of this subsection ..... [LRB inserts date], the district may not borrow moneys except as provided under s. 229.68 (8m).

**SECTION 52.** 229.682 (11) of the statutes is created to read:

229.682 (11) BONDING LIMITATIONS. Except as provided in s. 229.68 (8), the district may not issue bonds.

**SECTION 53.** 229.685 (1) of the statutes is amended to read:

229.685 (1) 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, 2021 stats., and may use this revenue only for purposes related to baseball park facilities.

**SECTION 54.** 229.685 (3) of the statutes is created to read:

- 229.685 (3) Annually, the district board shall transfer from a fund funded under sub. (2) to the baseball park facilities improvement segregated fund under s. 229.687 not less than all of the following amounts:
  - (a) Through 2039, \$2,200,000.
  - (b) The amount deposited under s. 20.395 (5) (ij).

**SECTION 55.** 229.687 of the statutes is created to read:

229.687 Baseball park facilities improvement segregated fund. (1)
The district shall establish and maintain a baseball park facilities improvement segregated fund. The fund shall consist of all of the following:

- (a) Moneys borrowed or accepted and deposited under s. 229.68 (8m).
- (b) Moneys transferred from other district funds under s. 229.685 (3).
- (c) Moneys deposited by a county or 1st class city under 229.695 and payments made by the department of administration under s. 79.037 (4).
  - (d) Moneys received from the department of administration under s. 16.09.
- (e) Payments required to be deposited by a professional baseball team under a lease agreement, as specified in s. 229.6802 (1) (b) and (c).
  - (f) All income or interest earned by the investment of moneys of the fund.
- (2) (a) Subject to par. (b), the district may use moneys deposited into the fund under sub. (1) only for the following purposes:
- 1. The development, construction, improvement, repair, and maintenance of baseball park facilities.
- 2. The district's performance of obligations under any lease with a professional baseball team with respect to baseball park facilities.

- 3. Repayment of loans or moneys accepted under s. 229.68 (8m).
- 4. The district's retention of a 3rd-party negotiator under s. 229.6802 (3).
- 5. After 2030, payment of annual insurance premiums with respect to the ballpark facilities upon the affirmative vote of the district board and solely to the extent that the district board determines that funds held by the district in accounts, other than the baseball park facilities improvement segregated fund under this section, are insufficient to pay the premium in full.
- (b) The district may not use moneys deposited into the fund under sub. (1) for the development, construction, improvement, repair, or maintenance of any physical structure that was not owned, in whole or in part, operated, or leased by the district on the effective date of this paragraph .... [LRB inserts date].
- (3) If, for any reason, the professional baseball team notifies the district that the team intends to terminate the lease agreement or the lease is otherwise terminated, no moneys deposited into the fund under sub. (1) may be expended with respect to the baseball park facilities after the date the district receives that notice, except any of the following:
  - (a) Moneys encumbered before receipt of the notice of termination.
- (b) Moneys expended to maintain the safety of the baseball park facilities or for the improvement, repair, maintenance, or replacement of the components and systems necessary to operate the baseball park facilities or comply with applicable law, insurance requirements, or standards imposed by the professional baseball league of which the professional baseball team is a member.

- (c) Moneys expended to make interest payments and principal repayments of loans accepted under s. 229.68 (8m).
- (d) An amount of moneys that does not exceed the amount of the professional baseball team's deposits into the baseball park facilities improvement segregated fund under s. 229.6802 (1) (b) and (c) between the date of any notice of lease termination and the effective date of the termination.

**SECTION 56.** 229.69 (4) of the statutes is amended to read:

229.69 (4) Grant to the state land or other property, especially dedicated by the grant to use for -a professional baseball park facilities.

**SECTION 57.** 229.695 of the statutes is created to read:

229.695 Obligations of certain political subdivisions. Beginning in 2024, annually, no later than July 1, a county within a district's jurisdiction shall deposit \$5,000,000 into the baseball park facilities improvement segregated fund under s. 229.687 and each 1st class city within a district's jurisdiction shall deposit \$2,500,000 into the baseball park facilities improvement segregated fund under s. 229.687. This section does not apply after December 31, 2050, or after the aggregate amount of deposits under this section equals \$202,500,000, whichever is earlier.

**SECTION 58.** 229.71 of the statutes is amended to read:

229.71 Dissolution of a district. Subject Upon or after the expiration or termination of all lease arrangements between the district and a professional baseball team with respect to the baseball park facilities, and subject to providing for the payment of its bonds, including interest on the bonds, and the performance

of its other contractual obligations, a district may be dissolved by the action of the district board. If the district is dissolved <u>under this section or by action of the legislature</u>, the property of the district shall be transferred to the <del>counties in the jurisdiction</del>, based on the tax revenues derived from each county, as determined by the secretary of administration <u>state</u>.

**SECTION 59.** 229.75 (3) of the statutes is amended to read:

229.75 (3) Bonds issued by the district shall be secured only by the district's interest in any baseball park facilities, including any interest in a lease with the department of administration under s. 16.82 (7); by income from these facilities; by proceeds of bonds issued by the district and other amounts placed in a special redemption fund and investment earnings on such these amounts; and by the taxes imposed by the district under subch. V of ch. 77, 2021 stats. The district may not pledge its full faith and credit on the bonds and the bonds are not a liability of the district.

**SECTION 60.** 229.76 of the statutes is amended to read:

**229.76 State pledge.** The state pledges to and agrees with the bondholders, and persons that enter into contracts with a district under this subchapter, that the state will not limit or alter the rights and powers vested in a district by this subchapter, including the rights and powers under s. 229.68 (15) power to obtain a loan from the department of administration upon the request of the district under s. 16.09 (5), before the district has fully met and discharged the bonds, and any interest due on the bonds, and has fully performed its contracts, including any lease agreement with a professional baseball team with respect to baseball park

<u>facilities</u>, unless adequate provision is made by law for the protection of the bondholders or those entering into contracts with a district.

**SECTION 61.** 229.80 of the statutes is created to read:

**229.80 Reporting.** The district shall provide on an ongoing basis to the department of administration, the legislative fiscal bureau, and the legislative audit bureau project reports relating to all baseball park facilities and all financial reports of the district.

**SECTION 62.** 341.14 (6r) (b) 13. b. of the statutes is amended to read:

341.14 (**6r**) (b) 13. b. Until the date on which the local professional baseball park district board makes a certification to the department under s. 229.685 (2), the remainder after crediting the appropriation account as provided in subd. 13. a. shall be credited to the appropriation account under s. 20.835 (4) (gb). After the date on which the local professional baseball park district board makes a certification to the department under s. 229.685 (2), the The remainder after crediting the appropriation account as provided in subd. 13. a. shall be credited to the appropriation account under s. 20.395 (5) (ij). The department of transportation shall identify and record the percentage of moneys that are attributable to each professional baseball team represented by a plate under par. (f) 60.

# **SECTION 63. Nonstatutory provisions.**

- (1) PROFESSIONAL BASEBALL PARK DISTRICT BOARD TRANSITION.
- (a) Notwithstanding s. 229.66, the terms of all existing members of a district board of a professional baseball park district created under subch. III of ch. 229 expire on the effective date of this paragraph.

- (b) Not later than 30 days after the effective date of this paragraph, each appointing authority under s. 229.66 (2) shall appoint the specified members of the district board of a professional baseball park district created under subch. III of ch. 229.
- (2) PROFESSIONAL BASEBALL PARK DISTRICT NAME. Notwithstanding s. 229.66 (7), at its first meeting following the appointments under sub. (1) (b), a district board may rename the professional baseball park district created under subch. III of ch. 229 that the district board governs.
- (3) EMPLOYEES OF A PROFESSIONAL BASEBALL PARK DISTRICT. Not later than 90 days after the first meeting of the district board of a professional baseball park district created under subch. III or ch. 229 occurring after the effective date of this subsection, the board shall affirmatively determine whether to continue or discontinue the employment of each individual employed on the effective date of this subsection by the district.

**SECTION 64. Effective dates.** This act takes effect on the day after publication, except as follows:

- (1) The treatment of s. 77.707 (2) and the repeal of s. 77.707 (1) take effect on January 1, 2025.
- (2) The treatment of s. 79.037 (2) (intro.), (3), and (4) take effect on July 1, 2024.

(END)