



## Legislative Fiscal Bureau

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November 14, 2023

TO: Members  
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Senate Changes to Assembly Bills 438 and 439, as Passed by the Joint Committee on Finance

This memorandum provides a summary of the Senate changes to the professional baseball stadium district ("District") funding bills, as passed by the Joint Committee on Finance, and summarized by our office in a November 8, 2023, memoranda to the Committee. The November 8, 2023 memoranda summarized Senate Amendment 1 (SA 1) to Assembly Bill (AB) 438, as amended by Assembly Amendment 1 (AA 1) and SA 1 to AB 439, as amended by AA 1. These changes are incorporated in Senate Substitute Amendment 1 to AB 438 and a Senate Amendment to SA 1 to AB 439, as passed by the Joint Finance Committee.

### **AB 438 as Amended and Passed by the Joint Finance Committee**

*Ticket Surcharge.* AB 438, as amended and passed by the Joint Committee on Finance, requires the District board to require that the sponsor of a non-baseball related event held at the baseball park facilities of the District, to impose the following ticket surcharges and deliver the surcharge moneys to the District board: (a) a \$2 surcharge for each ticket that is sold to the event; and (b) an \$8 surcharge for each ticket sold that entitles the holder to access a stadium luxury box or suite.

The Senate changes would specify that the District board require the sponsor of a non-baseball related event held at the baseball park facilities of the District, to impose the following ticket surcharges: (a) from 2024-2032, a \$2 surcharge; (b) from 2033-2041, a \$3 surcharge; and (c) from 2042-2050, a \$4 surcharge. Also require the event sponsor to impose the following ticket surcharges on each ticket sold that entitles the holder to access a stadium luxury box or suite: (a) from 2024-2032, an \$8 surcharge; (b) from 2033-2041, a \$9 surcharge; and (c) from 2042-2050, a \$10 surcharge. Require the delivery of all surcharge moneys to the District board. It is estimated that the graduated ticket surcharge would generate approximately \$20,700,000 in ticket surcharge revenue from 2024 through 2050.

*Ticket Surcharge Revenue and State Payment Reductions.* AB 438, as amended and passed by the Joint Committee on Finance, requires the District board to deposit all ticket surcharge moneys into the baseball park facilities improvement segregated fund, and to annually certify to the Secretary of the Department of Administration (DOA) the amount of surcharge moneys received in the preceding year. AB 438, as amended and passed by the Committee, would also require that, beginning with the 20th annual state payment and working backward, the annual state payments scheduled to be made into the segregated fund be reduced by an amount equal to the amount of ticket surcharge moneys certified.

The Senate changes would require DOA to notify the District when it determines that the current annual state payment will be the final annual payment. Require that, annually on March 3, beginning in the year after the District receives the notification from DOA, the District board pay from the District's segregated fund to the DOA Secretary for deposit into the state's general fund, an amount equal to the amount of ticket surcharge moneys received in the preceding year. Given the estimated \$20,700,000 in ticket surcharge revenues to be received by the District, this same amount would be used to offset the state's total contribution to the District. This reduces that total state contribution from \$386,500,000 to \$365,800,000 over the lease term. In addition, \$11,400,000 in total ticket surcharge revenues would remain in the District segregated fund, as shown in the Attachment.

*District Governance.* AB 438, as amended and passed by the Joint Committee on Finance, specifies that the newly-created District board be governed by a nine-member board, each of whom must be a state resident, as follows: (a) a chairperson and three additional persons, appointed by the Governor, all of whom may take their seat immediately upon appointment and qualification, subject to confirmation by the Senate; (b) two persons appointed by the majority leader of the Senate; (c) two persons appointed by the Speaker of the Assembly; and (d) one person who may not be an employee of the state or of a professional baseball team that leases baseball park facilities as its home facilities, appointed by the Governor from a list provided by the team.

The Senate changes would require that the newly-created District board be governed by a thirteen-member board, as opposed to a nine-member board as passed by the Joint Committee on Finance. The four additional appointments, all of whom must be a state residents, would be as follows: (a) one additional person appointed by the majority leader of the Senate; (b) one additional person appointed by the Speaker of the Assembly; (c) one person appointed by the Governor from a list containing the names of not fewer than three persons provided by the Milwaukee County Executive who would serve at the pleasure of the Governor and may take his or her seat immediately upon appointment and qualification; and (d) one person appointed by the Governor from a list containing the names of not fewer than three persons provided by the Mayor of the City of Milwaukee who would serve at the pleasure of the Governor and may take his or her seat immediately upon appointment and qualification.

The Senate changes would also specify that all seven Governor appointments not be subject to confirmation by the Senate.

## **AB 439 as Amended and Passed by the Joint Finance Committee**

*State Contribution.* AB 439, as amended and passed by the Joint Committee on Finance, reduces the state's annual contribution amount to the District by \$10,000,000 in lease years 21 and 22. The Senate changes would further reduce the state's annual contribution amount to the District by \$5,000,000 in lease year 20. In total, the state's required contribution to the District would be \$386.5 million, before any reductions from ticket surcharge revenues received. After accounting for estimated ticket surcharge revenue receipts, the total state contribution to the District over the lease term is estimated to be \$365.8 million (See Attachment).

RH/ml  
Attachments

## ATTACHMENT

### Fund Deposits and other Financial Commitments Required under Senate Amendments to AB 438 and AB 439

|               |                                 | Baseball Park Facilities Improvement Segregated Fund Deposits       |                                 |  |   |  |   |                                   |                     |  |  |                     |  |
|---------------|---------------------------------|---|---------------------------------|--|---|--|---|-----------------------------------|---------------------|--|--|---------------------|--|
|               |                                 | Estimated   |                                 |  | Estimated of  |  |   |                                   |                     |  |  |                     |  |
|               |                                 | Revenue from<br>Non-Brewers<br>Event Ticket<br>Surcharge<br>(New)** | County<br>Contribution<br>(New) | Estimated<br>Annual City<br>Contribution<br>Amounts<br>(New) | District<br>License<br>Plate<br>Revenue<br>(Existing) | District<br>Deposit<br>From Treasury<br>Assets<br>(Existing) | Team<br>Capital<br>Contribution<br>(Existing) | Team<br>Rent<br>Payments<br>(New) | Total               | Team<br>Rent<br>Payments<br>(Existing) | Team-Funded<br>Discretionary<br>Capital<br>Projects<br>(New) |                     |  |
| Year          | State<br>Contribution<br>(New)* |   |                                 |  |   |  |   |                                   |                     |  |  |                     |  |
| Lease Signing | 2023                            | \$60,800,000  |                                 |  |   |  |   |                                   | \$60,800,000        |  | \$50,000,000   |                     |  |
| LeaseYear1    | 2024                            | 13,400,000  | \$50,000                        | \$2,500,000  | \$100,000   | \$300,000  | \$2,200,000                                   | \$300,000                         | \$1,851,852         | 20,701,852                             | \$1,208,401  |                     |  |
| LeaseYear2    | 2025                            | 13,900,000  | 300,000                         | 2,500,000  | 2,400,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 23,751,852                             | 1,208,401  |                     |  |
| LeaseYear3    | 2026                            | 14,500,000  | 550,000                         | 2,500,000  | 2,400,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 24,601,852                             | 1,208,401  |                     |  |
| LeaseYear4    | 2027                            | 15,100,000  | 550,000                         | 2,500,000  | 2,500,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 25,301,852                             | 1,208,401  |                     |  |
| LeaseYear5    | 2028                            | 15,700,000  | 550,000                         | 2,500,000  | 2,600,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 26,001,852                             | 1,208,401  |                     |  |
| LeaseYear6    | 2029                            | 16,300,000  | 550,000                         | 2,500,000  | 2,700,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 26,701,852                             | 1,208,401  |                     |  |
| LeaseYear7    | 2030                            | 17,000,000  | 550,000                         | 2,500,000  | 2,700,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 27,401,852                             | 1,208,401  |                     |  |
| LeaseYear8    | 2031                            | 17,600,000  | 550,000                         | 2,500,000  | 2,800,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 28,101,852                             | 1,208,401  |                     |  |
| LeaseYear9    | 2032                            | 18,300,000  | 550,000                         | 2,500,000  | 2,900,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 28,901,852                             | 1,208,401  |                     |  |
| LeaseYear10   | 2033                            | 19,100,000  | 800,000                         | 2,500,000  | 3,000,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 30,051,852                             | 1,208,401  |                     |  |
| LeaseYear11   | 2034                            | 19,800,000  | 800,000                         | 2,500,000  | 3,100,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 30,851,852                             | 1,208,401  |                     |  |
| LeaseYear12   | 2035                            | 20,000,000  | 800,000                         | 2,500,000  | 3,200,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 31,151,852                             | 1,208,401  |                     |  |
| LeaseYear13   | 2036                            | 20,000,000  | 800,000                         | 2,500,000  | 3,300,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 31,251,852                             | 1,208,401  |                     |  |
| LeaseYear14   | 2037                            | 20,000,000  | 800,000                         | 2,500,000  | 3,400,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 31,351,852                             | 1,208,401  |                     |  |
| LeaseYear15   | 2038                            | 20,000,000  | 800,000                         | 2,500,000  | 3,500,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 31,451,852                             | 1,208,401  |                     |  |
| LeaseYear16   | 2039                            | 20,000,000  | 800,000                         | 2,500,000  | 3,600,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 31,551,852                             | 1,208,401  |                     |  |
| LeaseYear17   | 2040                            | 20,000,000  | 800,000                         | 2,500,000  | 3,700,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 29,451,852                             | 1,208,401  |                     |  |
| LeaseYear18   | 2041                            | 10,000,000  | 800,000                         | 2,500,000  | 3,800,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 19,551,852                             | 1,208,401  |                     |  |
| LeaseYear19   | 2042**                          | 3,600,000   |                                 | 2,500,000  | 3,900,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 12,451,852                             | 1,208,401  |                     |  |
| LeaseYear20   | 2043**                          | (1,030,000)   |                                 | 2,500,000  | 4,000,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 7,921,852                              | 1,208,401  |                     |  |
| LeaseYear21   | 2044                            | (1,030,000)   |                                 | 2,500,000  | 4,100,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 8,021,852                              | 1,208,401  |                     |  |
| LeaseYear22   | 2045                            | (1,030,000)   |                                 | 2,500,000  | 3,800,000   | 300,000  | 2,200,000                                     | 300,000                           | 1,851,852           | 7,721,852                              | 1,208,401  |                     |  |
| LeaseYear23   | 2046                            | (1,030,000)   |                                 | 2,500,000  | 3,000,000   | 300,000  | 2,200,000                                     | 300,000                           | 3,851,852           | 5,921,852                              | 1,208,401  |                     |  |
| LeaseYear24   | 2047                            | (1,030,000)   |                                 | 2,500,000  | 3,000,000   | 300,000  | 2,200,000                                     | 300,000                           | 3,851,852           | 5,921,852                              | 1,208,401  |                     |  |
| LeaseYear25   | 2048                            | (1,030,000)   |                                 | 2,500,000  | 3,000,000   | 300,000  | 2,200,000                                     | 300,000                           | 3,851,852           | 5,921,852                              | 1,208,401  |                     |  |
| LeaseYear26   | 2049                            | (1,030,000)   |                                 | 2,500,000  | 3,000,000   | 300,000  | 2,200,000                                     | 300,000                           | 3,851,852           | 5,921,852                              | 1,208,401  |                     |  |
| LeaseYear27   | 2050                            | (1,030,000)   |                                 | 2,500,000  | 3,000,000   | 300,000  | 2,200,000                                     | 300,000                           | 3,851,852           | 5,921,852                              | 1,208,401  |                     |  |
|               | 2051                            | (1,030,000)   |                                 | 2,500,000  | 3,000,000   | 300,000  | 2,200,000                                     | 300,000                           | 3,851,852           | 5,921,852                              | 1,208,401  |                     |  |
| <b>TOTAL</b>  |                                 | <b>\$365,830,000</b>  | <b>\$11,400,000</b>             | <b>\$67,500,000</b>  | <b>\$67,500,000</b>                                   | <b>\$8,100,000</b>   | <b>\$35,200,000</b>                           | <b>\$8,100,000</b>                | <b>\$60,000,000</b> | <b>\$623,630,000</b>                   | <b>\$32,626,827</b>  | <b>\$50,000,000</b> |  |

\*Does not reflect State GPR-Earned reductions associated with the reduction in DOR's administrative fee from 1.75% to 0.75%. Does not reflect any loan potentially made by the State to the District. Negative amounts shown in year 2043 through 2051 reflect the estimated amount of ticket surcharge revenues to be deposited to the State's General Fund in those years.

\*\*State contribution amounts in these years reflect reductions due to the amount of ticket surcharge moneys received.

\*\*\*Assumes a \$2 regular ticket surcharge and a \$8 suite ticket surcharge for non-baseball ticketed events from 2024 through 2032, a \$3 regular ticket surcharge and a \$9 suite ticket surcharge from 2033 through 2041, and a \$4 regular ticket surcharge and a \$10 suite ticket surcharge from 2042 through 2050.