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# ❖ The TAX TIMES ❖

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## **The November Elections, *Voters have their say through referendums.***

Although most of the attention in the November elections was directed at the Presidential and Congressional races, there were a lot of referendums throughout the country whereby voters expressed their opinions about taxes and government policy. For example:

In Florida, growth in state taxes will now require approval by voters, which is significant in that they do not presently have a state income tax. Referendums in Nevada and South Dakota will require a 2/3 majority in their legislature to approve growth in state taxes. California and Oregon voters also voted to restrict local property tax increases.

Oregon voters directed the state to pay for local mandates. *Voters in Grant county Wisconsin defeated an advisory referendum proposing the county sales tax.*

Arkansas voters rejected a state lottery and other forms of gambling. Ohio turned down riverboat casinos but Michigan OK'd "limited" casino gambling.

On the other hand, voters in some states approved increases in sin taxes, selected taxes for environmental purposes and even tax exemptions for various non-profit or "disadvantaged" citizens.

Although referendums are often subject to emotion and special interest spending, they at least give the voters an opportunity to let their legislators know what they are thinking.

## **Three vacancies on Green Bay School Board.**

With the announcement by veteran school board member Don VanderKelen that he will not seek re-election, there will be three vacancies to be filled in the 1997 spring elections. Bonnie Peterson previously had filed her non-candidacy papers

and the seat held by Patrick Schrickel who was appointed to the board when Anneliese Waggoner resigned will also be open. January 7, was the deadline for filing nomination papers.

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## **Do as I say,**

The Wisconsin Dept. of Natural Resources (DNR) is responsible for implementing state and federal laws that protect and enhance our natural resources. Nobody in their right mind truly wants to damage our natural resources, but we are all aware of "horror" stories whereby the DNR has gone to extreme measures enforcing the law as they interpret it and exercising their power at tremendous expense and inconvenience to all of us.

This past year, the DNR's own personnel undertook the demolition of an old wooden bridge on state property in the Peshtigo Harbor Wildlife Sanctuary of Marinette County. Witnesses reported that planking and debris from the bridge, heavily coated with creosote and causing an oily film on the water, was allowed to float into surrounding marsh area where ducks and other wildlife were nesting. Netting to prevent this was not provided. Wood can be classified as solid waste if the level of creosote is high enough and is illegal to dump in Wisconsin waters. It was alleged the DNR also failed to install a required "silt fence" and erosion and sedimentation has occurred as a result.

After demolition was completed, the DNR hauled the remaining timbers and pilings to nearby property they owned and burned them along with a large pile of asphalt roofing from an old barn they had also demolished. The open burning of asphalt and other oily substances such as creosote is also prohibited under Wisconsin pollution laws.

It was not stated whether an environmental impact statement had been approved and we compliment the DNR for trying to save Wisconsin taxpayers some money on this project. However, it is more than likely a private citizen would have been charged and brought into court for any of these violations. Witnesses have filed written complaints with the DNR in Green Bay and Madison, and the US Environmental Protection Agency office in Chicago.

The DNR now reports the matter is under investigation which won't be completed until after the first of the year due to holidays and personnel vacations. Stay tuned. JF

**"In the great mass of our people,  
there are many individuals of  
intelligence from among who  
leadership can be recruited."**

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## **The BROWN COUNTY TAXPAYERS ASSOCIATION**

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## Another View Court conclusions clash on targeted tax relief.

By Sue Fisher

Just as we're about to get our billion dollars in tax relief, our lottery credit gets snatched back. And that's OK by me - - even if I don't get the chump change in time to get my wintercoat off layaway. A Dane County circuit judge applied the state constitutional guarantee of "uniform" tax burdens to prohibit the mischief of politicians doling out tax credits to only a select few constituents. But the Wisconsin Supreme Court will tell you they get the last word.

For all this prattle about our imminent tax break I've never believed it was anything more than monopoly money anyway. Trifling at best. When our property tax has gone up hundreds of dollars each year for the past decade, sending back \$100 won't even roll most of us back to our 1995 tax level.

What's more, why should anyone who pays Wisconsin property taxes be short-changed from their share? If you can't identify with unsympathetic business owners or the vacation-home Illinoisans, at the very least shouldn't the state's largest property taxpaying group (farmers) be entitled to their full measure of relief? They take more of a gamble each year than those who bought the lottery tickets.

Or how about another group of second-class citizens who are red-lined out of the tax relief neighborhood: Renters. While these serfs don't physically write out checks to city hall, property tax liabilities are included in the cost of the most modest hovel. The homes that are not owner occupied, like multifamily income properties must pay the full tax bill without benefit of the lottery credit. So if you live in a duplex with the owner below you, you are part of the tax-relieved privileged class. But let that owner move into a humble cottage and the lottery credit disappears; you get to become part of those who pay a bigger share of government's principal.

Disparate tax treatment as a tool for plundering politicians is precisely the crux of the lawsuit against the stadium tax. Under the stadium bill, the state Legislature voted to impose a tax on a few people while exempting the citizens of the other 67 counties. Out state counties are given sales tax relief while they "stick it to" only certain targeted taxpayers.

For some, "uniformity" is just a matter of semantics.

"When I use a word," Humpty Dumpty said in a rather scornful tone, "It means just what I choose it to mean, neither more nor less." "The question is," said Alice, "whether you can mean so many different things." "The question is," said Humpty Dumpty, "which is to be master - - that's all."

Such rationale is no less absurd and arrogant from the seven humpty-dumptyes in Madison. Almost unbelievably, the high court announced as a major premise to its unanimous decision upholding the stadium taxing authority earlier this year. "This court has previously held that the Legislature has the power to create local units of government which are not subject to the same constitutional restrictions as the state."

Go ahead, read that again. What sophistry! What intellectual dishonesty! Did they think we wouldn't notice their arbitrary declaration that the Legislature can create a governmental body that doesn't have to obey the rules by which all government is bound? The Legislature can designate power it doesn't possess in the first instance. Our highest court has decreed that the bedrock of our state, its constitution, is nothing more than an incidental footnote as long as the Legislature hands off the silver shovel to designated henchmen for the dirty deeds.

The acceptance of these arguments builds legal plunder into our whole system. In fact, this has already occurred. The stadium decision concludes: "The concept of public purpose is a fluid one and varies from time to time, from age to age as the government and its people change. Essentially, public purpose depends upon

what the people expect and want their government to do for the society as a whole and in this growth of expectation, that which often starts as hope ends as entitlement."

These decisions do nothing to relieve citizens of overwhelming tax burdens. They do, however, give politicians the ability to broker and boast about tax benefits to select constituents. Suburban Milwaukeeans are told they're getting a billion dollars in school tax relief. Business owners are told they may get their fair share of the lottery tax credit and will be paid back in spades. Farmers are told they're getting relief through a new and improved assessment process.

And the politicians promise to enrich everyone at the expense of everyone else. If you believe that, I'd like to sell you a bridge to the 21st Century. The courts have already paved the way.

(This article reprinted from Federation of Wisconsin Taxpayer Organizations, Inc. December 1996 Newsletter.) *Sue Fisher is a suburban Milwaukee resident and executive director of the Liberty Roundtable, Inc., a nonprofit foundation for advancing the principles of limited government. She is co-host of a weekly Madison radio program, "For which it stands."*

## E-Mail your Elected Officials in Washington.

The E-Mail addresses and home pages of all the U. S. Senators and Representatives are available from Congressional E-Mail addresses, <http://www.nyx.net/~anon3210/>

This service enables you to either view their home pages, or send an E-mail message directly to the representative of your choice.

It takes the equivalent of 293,760 trees each year just to print the multivolumed Federal Tax Regulations.

... Rising Tide

# ARENA UPDATE

By Frank S. Bennett Jr.

The funding plan for a new arena is now being discussed. The increase to an 8% room tax, a \$1/ticket charge and naming rights are expected to pay for this new facility. This means that all of the room tax collected and not just the increase would go to pay the principle and interest for the building. Let's put that into perspective with known numbers.

Last year (1995) the 6% room tax collected a total of \$2,064,171. Of this total, a 2% amount of \$717,876 was used for debt reduction for the Expo Center and this debt is scheduled to be retired in November of 1998. The 1% amount used by Green Bay and Ashwaubenon for internal reasons totaled \$268,480. The plan is for each taxing district have the 1% given to the arena funding agency. That leaves a total of the original 3% or \$1,076,814 that went to the Green Bay Visitor & Convention Bureau.

A review of room sales for the past 15 years indicates an average annual increase of 3.76% for the period. For the past 4 years, the increase has averaged 2.84% per year.

With this information we can make a projection. With a 3% growth rate in room sales, a \$15 million income from naming rights, and the ability to finance at a ratio of \$10 in capital for each \$1 of tax, and 500,000 paid annual admissions, the arena will have enough income to support a \$30 million debt load by 1998. This is a very solid game plan.

There do however remain a few questions to be considered prior to supporting this plan. With all of the room tax being used to support the arena financing, where will the money come from to support the arena operations? The Visitor & Convention Bureau currently use the 3% tax to cover operations. With this money going for new arena financing, a \$1 million void appears in the current arena costs. In addition, the county has always come to the aid of the arena with money to cover losses, which in 1995 totalled \$96,468. For the five prior years a total of \$372,985 was provided for operational costs. *If a new arena isn't profitable from day one, where will the money come from to support the losses?* The existing arena obtains capital improvement funds from the county. Where will this money come from in the future? An amount of \$1,119,277 has been spent on capital improvement in this decade alone. **Where will future moneys come from?**

As a taxpayer I believe I need a clearer picture of arena funding and arena operational costs before I could say with confidence that this project will be paid for by the people who benefit from it.

"Giving money and power to government is like giving whiskey and car keys to teenage boys." . . . **P. J. O'Rourke**

"Prosperity is something created by people and their industries and business for which government takes credit."  
 . . . **Ronald Reagan**

## Wisconsin Retains Reputation as Being a High-Taxed Place to Live.

From time to time various magazines and surveys attempt to compare the state and local taxes paid by residents of the 50 states and the District of Columbia. Usually Wisconsin places near the top as having the highest taxes, and an article in the January 1997, "**MONEY**" magazine now on the newsstands maintains our position.

Their assumption was a two-career family of four earning \$88,764 during 1996 in 400 metropolitan areas nationwide. This hypothetical family spent \$37,304 on clothing, food, household goods, medicine, a new car, etc., and supposedly were audited by Ernst & Young to assure accuracy. Property taxes were averages of typical assessments on a 2,200 square foot home. The state and local taxes consisted of income, sales, property and gasoline taxes.

You guessed it. The conclusion was that Wisconsin has the third highest state and local taxes in the nation. Only New York state and the District of Columbia were higher. The table below compares us with our neighboring and other states.

What are the reasons for our consistently high rankings? Very simply, the fact that Wisconsin has extremely high state income taxes and property taxes. Both of these rank in the top 10 compared with other states. Sales, gasoline, and other excise taxes also are higher than many other states.

State	Comparative tax	Rank
NY	\$14,005	51
D C	13,552	50
<b>WI</b>	<b>12,911</b>	<b>49</b>
MN	12,424	48
IL	10,937	42
IA	10,589	41
MI	9,421	31
IN	7,782	20
TX	6,435	11
FL	6,363	9
AK	2,982	1

This comparison does not take into consideration average income, or ability to pay taxes. This would be difficult to factor in, but most comparisons of income place residents of Wisconsin about in the middle nationally.

In all fairness, this study is based on taxes paid during 1996. The property taxes paid would be from 1995, and accordingly not reflect the school property tax reduction from our 1996 tax bills. Where this adjustment would have ranked us is a matter of speculation insofar as many of us had increases in our municipal and county tax rates.

The real impact of property tax reduction will be apparent in studies of this type during the next 2-3 years. Insofar as no significant cuts in state, school or local spending have been mandated, the money will have to come from someplace. Demands for new prisons, schools, highways and the like will require a continued high level of revenues. At the very least, our legislators should make comparisons with other states to determine if our high taxes are truly warranted.

**JF**

# Washington D.C. Grades its School System.

There are two Washington D.C.s. One refers to the seat of United States Government, occupied by a horde of elected and appointed officials and their advisors who proclaim to know what is best for the rest of the country and profoundly go about the business of spending our money and passing laws seemingly by quantity rather than quality.

The other refers to a large, old by our standards, crime-infested, debt-ridden and overall poorly managed metropolis which is a contrast to most of the rest of the country. We acknowledge the outstanding monuments, government buildings and other tourist amenities, but doubt many of us would truly want to live there.

A recent report (Nov. 12, 1996) prepared by the Districts Financial Control Board entitled "*Children in Crisis: The Failure of Public Education in the District*", points out many of the problems they are encountering, and makes some attempts at offering solutions. Following are some of their observations.

"District of Columbia Public Schools (DCPS), fails to teach its pupils even the basics of education. As a result, the system's students score significantly lower on standardized academic achievement tests than their peers in comparable districts around the nation. The assessment of the school system based on statistics is frightening: on average, for each additional year that students stay in DCPS, the less likely they are to succeed, not because they are unable to succeed, but because the system does not prepare them to succeed.

Assessments of DCPS' administration and operations are just as bleak. The system does not have effective budgeting, personnel, and procurement processes in place. Because the budgeting process does not allocate adequate funds into particular accounts, hundreds of reprogrammings are required each year which limit the budget's effectiveness as a planning and management tool. Personnel management also has significant shortcomings. For example, new teachers were hired by DCPS in September, yet many had not been paid two months later. Furthermore, the lack of an adequate contract review process has allowed DCPS to develop contracts that have been questioned publicly. The Superintendent even concedes his lack of control over numerous fundamental operations of the system, including not even having an accurate estimate of the number of people employed by his organization or the number of student they serve.

Over the past five years, the erosion in the District's public schools has accelerated, especially for the thousands of children in the poorest wards. Between 1991 and 1996, mathematics scores declined by an average of 6% for grades 6, 8 and 11 and reading scores declined by 13.5% in grade 6.

**Violent Behavior Persists:** 16% of DC public high school students reported carrying a weapon on school property during the last 30 days. 11% reported they were threatened or injured with a weapon in the past 12 months.

**Graduation Rates Remain Poor:** Between 1989 and 1995, 40% of high school students either dropped out or left the District's public schools. Over the past three years, students dropped out or left DCPS at

an increasingly faster rate. In 1995, only 53% percent of the students who entered DC schools in 9th grade remained to graduate four years later - a decline of over 10 percent from the 1993 statistic.

**DCPS Lacks Controls over personnel:** Although officials claim that they reduced the number of personnel over the past several years, payroll does not support this assertion. Overall, they do not have reliable data on the number of employees that work in the system. DCPS has circumvented personnel ceilings by hiring hundreds of employees through staffing agencies, personal service contracts, or purchase orders. Many personnel records are incomplete, missing, or out-of-date.

**Payroll Reviews Indicate that Employees are not in Assigned Locations:** A payroll review estimates that one-third of DCPS employees are not in the locations assigned to them in the personnel files. There were numerous examples of irregularity, including a personnel file showing that a teacher who had retired more than a decade ago was still receiving regular paychecks. Teacher qualifications are not updated regularly, resulting in substantial back payment adjustments. DCPS' certification office and personnel office have poorly coordinated functions with respect to teacher certification.

**Facilities Management - buildings are in disrepair and underutilized:** Fire code violations are abundant. Aging buildings seriously hamper the District's learning environment while capital funds have historically been poorly managed. However, lack of a facilities plan has resulted in largely underutilized schools and the district may actually have too many schools.

**Budget and Finance systems are flawed and error-prone:** Budgets have been put together with little planning, oversight, or forethought. Hundreds of funds are reprogrammed annually, and in cases, significant amounts of funds are moved without being reprogrammed. The quality of contract files is poor, forcing emergency contracts such as issuing textbook contracts for as little as \$200 being expanded through modifications to over \$1 million.

**Impact on Students:** All of the operational and systemic failures within the DCPS hurt the students more than any other group in the educational process and it appears that the school system has lost sight of its educational mission. It is difficult for students to learn under conditions when textbooks, supplies, facilities and food services are inadequate and safety and violence concerns distract students from learning."

As would be expected in any report criticizing our schools or the educational process, lack of sufficient funding is blamed for the problems which are being encountered. However, it was pointed out that the Districts annual cost per student of \$7,655 clearly exceeds the national average of \$6,084 and is substantially higher than neighboring or comparable districts. The real problem is simply poor management.

The complete report is rather lengthy and comprehensive. We fully realize that the District of Columbia and similar urban areas have unique problems that do not relate to how things are done in Wisconsin. Nonetheless, if Washington #1 intends to impose standards nationwide to "improve" education, it would seem they would want a better example in their own back yard.

*Material for this article was furnished by Robert Miller, BCTA Vice-President, who can be reached at 432-1900 for discussion. JF*

## A New Arena. Let's do it right. *An Alternative Site.*

In addition to pressure from various interests touting the "urgent" need for a new arena, there has been some discussion as to just where it should be located. The parking lot near the Expo Center seems to be the present choice by default. The area has proven to be conveniently accessible for visitors due to nearby highways, Lambeau Field, etc.

There is one major problem here however, which could very well effect attendance projections if present proposals proceed. Most major arena events are held during bad weather months, and it will be a rather long hike for 10,000 people from the Oneida St. parking lot to the new structure. The success of a new arena depends on rather high attendance projections. Increases to already high parking fees could discourage this and plans to replace the present arena with an expensive parking ramp are probably already in the works. A tunnel or walkway across Oneida St. at somebody's expense will likely be needed shortly to safely accommodate the anticipated larger crowds.

*My suggestion:* If we are going to have a new arena, consider building it at the **SOUTHWEST** corner of Oneida and Lombardi. There could be several advantages to this, not the least of which would be more convenient parking and greater visibility to attract customers. A walkway could be incorporated into the building design to provide convenient access to the old arena for secondary events. The Expo Center parking would remain for events held there and be available for future expansion of that structure.

One objection to this alternative site will probably be the loss of some of the parking for Packer games. Noting that large chunks of this space are now used for pre-game parties, parking for large RV's, etc., it would seem this issue could be resolved by PMI if seriously considered. Possibly a parking ramp adjacent to the new arena and Lambeau Field could be built in the future if economically feasible. As this is already publicly owned land, the

cost of building could even be less insofar as a free standing building could be built, eliminating the need to tie into or provide access for exhibitors at the present Expo Center. In response to the much ballyhooed reports that Brown County is losing convention business due to lack of facilities, the present arena and expo center would still be able to offer events by themselves, or in conjunction with a new structure.

The primary objections of the BCTA to construction of a new arena have been proposals for new taxes (*County Sales or increased property taxes*) which would be another burden on all of us. We have maintained that it should be paid for by those who use and benefit from it and seem to find most groups currently in agreement.

As noted in Frank Bennetts article in this "TAX TIMES" there are still many questions remaining on the financing of this project, as well as a multitude of other considerations. **Jim Frink**

Please note: These views are my own and do not necessarily reflect those of the Brown County Taxpayer Association. Articles, comments and suggestions suitable for publication in the "TAX TIMES" on this or other subjects of taxpayer interest are welcome. **JF**

## Membership

We have had an excellent response to our membership renewal notices which were sent in November, and your support of the BCTA is most gratifying.

To those who have not responded, we are sending reminders with this issue of the "TAX TIMES." If you have any question as to the status of your membership, please call the BCTA treasurer, Jim Frink at 336-6410.

**"Did you ever notice that when a politician does get an idea he usually gets it all wrong."**

... Don Marquis

## December Meeting Notes

Paul Thormodsgard, Executive Director of the Green Bay Metropolitan Sewerage District (GBMSD), addressed the December BCTA meeting. He began by outlining the history of the GBMSD. Since it was formed in the 1930's, it has grown to serve 160,000 residents in 13 municipalities. The village of Pulaski was the last municipality to join. In support of its mission, the GBMSD encourages cooperation in pollution prevention programs.

He went on to explain the Fox River's contaminated sediment issue. The Fox River Coalition, an industry/government/citizen partnership, has funded about \$900,000 of data collection and analysis of Lower Fox River sediments. Presently, the Coalition is working to develop a strategy to remedy the PCB-contaminated sediment problem in a cost-effective manner.

In a parallel effort, the U. S. Fish and Wildlife Service, along with the Oneida and Menominee Tribes, is working on a damage assessment of the estimated 50,000 pounds of PCB's in the Lower Fox River sediment. The worst case estimate of cleanup costs from this assessment is around \$1 billion. In addition, they are contemplating levying seven or more Fox River paper mills for compensation for the loss of fishing and other uses of the river until it is restored to its natural condition. These loss-of-use levies could be economically devastating to the paper mills involved. The ensuing legal battles could delay cleanup of the river for up to twenty years.

Mike Riley of Taxpayers Network, Inc. (TNI) announced his support for internet access to Congressional committee documents; testimony, exhibits, and transcripts. HR 478 in the p-resent Congress would have provided committee-level access for such documents. He is certain it will be introduced in the next congress also. TNI's internet address is [tni@execpc.com](mailto:tni@execpc.com).

The next BCTA meeting is scheduled for Jan. 16, 1997 in the "WEST" room of the DAYS INN. **David Nelson, Secre-**

## **BCTA Meeting & Events Schedule**

- Thursday - January 16, 1997, DAYS INN - Downtown  
12:00 Noon - Monthly Business Meeting.**
- Thursday - February 20, 1997 - DAYS INN - Downtown  
12:00 Noon - Monthly Business Meeting.**
- Thursday - March 20, 1997 - DAYS INN - Downtown  
12:00 Noon - Monthly Business Meeting.**

*Programs to be announced.*

**Cost - \$6.25 per meeting - Payable at Door  
NEW - Meetings to be conducted in the "WEST" Room.  
Call 499-0768 for reservations. (Leave message)**

**All members of the BCTA, their guests, and other interested parties  
are cordially invited to attend and participate in our open meetings.**

## **Same Place - New Room.**

For the year 1997, the BCTA will continue to hold its monthly meetings at the *DAYS INN - Downtown*.

However, rather than utilize the "East" Room as at present, we will meet in the new "West" Room located north of the Days Inn lobby adjacent to the swimming pool area.

This room is larger, better arranged, and even has a window. In addition, our meetings will now feature a served sit-down meal rather than having to compete in the main dining room buffet line. **The best part**, the price for meetings will remain the same at **\$6.25**.

A reminder that all BCTA meetings are held the third Thursday of each month and that all members, guests and other interested parties are invited to attend.

## **The TAX TIMES**

**BROWN COUNTY TAXPAYERS ASSOCIATION  
P. O. BOX 684  
GREEN BAY, WI 54305-0684**

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