
◆ The TAX TIMES ◆

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LOOKING INTO 1998

It's that time of year again. We can look to the past or try to see the future. As I look into the year 1998 there are several taxing issues facing our organization, among them are: the jail; the Convention Center and Arena; the Fox River cleanup; and several elections that will have an impact on our tax dollars.

When the City council voted not to rezone the University Avenue site proposed for the jail, it delayed the process of building and added to the cost of transporting prisoners. Depending on the increasing population of the jail and the cost of housing, this delay could add as much as \$200,000 a month to our tax burden. We need to get on with building a jail and dealing with the issues of public safety. Today, many decisions by police, district attorneys and judges are impacted by the overcrowding in the jail and we need these institutions to focus on public safety and not jail overcrowding!

The Convention Center and Arena are still in the planning stages. Our organization heard from the bonding agent that financial plans were eminent last February. We are still waiting to see the financial plan. We were also told that the gaming issue was not necessary for the financial plans to be successful. The Press-Gazette now tells us that for the plans to succeed we need to have Indian gaming pacts extended. What is the truth in this matter? The city of Green Bay and the village of Ashwaubenon both have developed TIF districts to pay for necessary infrastructure for these new facilities. At the same time they tell us that we will not pay for these new structures with our property taxes. A TIF districts uses the extra taxes created from any new business to pay for the bonds used to develop the infrastructure for that new business. Only problem here is that arenas and convention centers **do not pay taxes.** Therefore the extra taxes that would have gone into the general fund now go to pay for the TIF bonds resulting in additional taxes on our property. We need to hear the **truth** about the Arena and Convention Center.

The Fox River cleanup will probably turn out to be one of the most expensive projects ever done in Brown County. We will pay for it with federal tax dollars and maybe some money from paper mills along the River. The sad part about this cleanup is that the river is indeed polluted. A plan to do nothing will probably clean the river as fast as spending the billion dollars the current plan will cost. Even the most expensive plan will remove about half of the PCB material and the remainder will be covered with silt and no longer present a problem for the food chain. The talk now is about who is in charge and who has the power to decide what fix is appropriate. Too bad that the people making the decisions are also the ones who keep their jobs when the decision is to make an expensive fix. We do need to do a better job of educating our federal representatives on this issue.

This is an election year. Local school boards, city councils, County Board, state representatives and even federal level representatives will be elected. We owe it to ourselves and to our children to look at each candidate and to determine the best person to represent us. As in the past, our organization will try to provide you with information on taxpayer issues and how the individuals running for office look at these issues.

There will be more issues as we progress through the year. We must keep ourselves informed and make good value

The BROWN COUNTY TAXPAYERS ASSOCIATION
Promoting Fiscal Responsibility in Government

The Revolving Door of State-Local Finance.

Much of the reason Wisconsin taxes are "high" rests with aid programs, which account for almost 2/3 of state spending. **Wisconsin Taxpayer Alliance.**

Last year, the state of Wisconsin collected \$9.54 billion in taxes and fees and returned \$6.04 billion to various local governments. Thus, almost two-thirds of all state-and local revenues are collected by the state, while almost two-thirds of all state-local spending occurs locally.

Welcome to the unusual and unseen world of government finance Wisconsin-style. It's a multi-billion dollar realm of complex revenue-sharing formulas and politically charged redistribution. The magnitude of this system of state taxing and local spending is made clear in a recent report from the Wis. Dept. of Revenue - - *State Taxes and Aids by Municipality and County for Calendar Year 1996.*

INCOME: The DOR report shows that of the \$9.54b in various taxes, fees and charges sent to Madison in 1996, the single largest sources were individual income taxes (\$4.12b), sales and use taxes (\$2.78b), and various transportation taxes and fees (\$0.09b). The remainder came from sources as varied as lottery proceeds, fishing licenses and cigarette taxes.

OUTGO: The chart below shows the breakdown by percentage of the 63% of state revenues which are returned to the various local governments in the form of state aids.

School Aids & Credits	57%
County Aids	20%
Shared Revenue	14%
Transportation Aids	4%
Lottery Credit	3%
Other	2%
TOTAL	100%

Historically, Wisconsin collected state taxes and returned them to the localities where they originated. The idea was to use state income and sales taxes to replace unpopular local property taxes. Since the early seventies, however, a system of "need-based" formulas has been used

instead of "return-to-origin." These formulas generally recognize local spending effort and relative need based on the amount of taxable property per person (or per pupil) in a community (or school district).

Thus, some communities generate substantial amounts of income and sales taxes but receive a fraction of this back in the form of state aid. The following table indicates the amount of revenues produced for the state in 1996, the dollar amounts returned in the form of state aids, and the percentage returned for various counties in the state and in our area.

No doubt formulas used to determine aids must take into consideration items difficult to factor. Examples are county per capita income, and the spending habits of the local government units and local school districts. Other factors which could assist some counties more than others include direct state spending on institutions located in various communities, and whose employees contribute to the local economy. Example is Dane County which is indicated as paying out far more than it receives as state aids, but has the state government as its largest employer.

Another observation in regards to Brown County. If 36.7% of the \$431 million state taxes collected here in 1996 is used for state purposes, it would leave \$272.8 million to be distributed as state aids. We only received \$220.2 million leaving about \$52.6 million which was collected here but distributed elsewhere. It is nice that the state takes care of everybody, but Brown County is being faced with a number of expensive spending proposals of our own to take care of.

One recommendation to the legislature would be that all forms of state aids be accompanied by fiscal restraint on the part of the recipient.
Material from Wisconsin Taxpayers Alliance, Nov. 28, 1997 *"Wisconsin Government in FOCUS."* **JF**

HOW MUCH CAN GREEN BAY AFFORD FOR A NEW PARK?

Much discussion about buying land in the Baird Creek area has been in the newspapers recently. Some information that hasn't been shared is the cost of the proposed park land and the current tax assessment for the property. The two parcels of land being considered by the City were purchased in April of 1993 for a combined cost of \$155,000. The recent assessment for tax purposes completed just this past year puts the market value of the two parcels at \$84,400. Why is the city willing to pay one million dollars for land that just doesn't seem worth it? The BCTA will further research this issue. **FB**

BCTA Meetings return to DAYS INN "East" Room.

Starting with the January 15, monthly business meeting, BCTA meetings will be held in the "East" room of the *DAYS INN - Downtown*. This is the meeting room immediately off of the main dining room, and which we had formerly used for meetings until last year.

We appreciate that it is virtually impossible to set a time and place for meetings that is satisfactory to everyone. Our noon meetings at the DAYS INN seem to be satisfactory for the most part, and their staff has been most accommodating in our behalf.

We will be able to enjoy their full noon luncheon buffet which includes two different soups, two hot entrees daily, plus salads, beverage, desserts, etc. The cost will be \$6.50 per meeting which includes tax and tip.

Our meetings are always interesting, and provide plenty of opportunity for input for those in attendance. We usually feature a speaker from local or state government to update our organization on current topics. Meetings are held the third Thursday of each month with the exception of October when we have our annual meeting. The schedule of BCTA monthly meetings for 1998 is as follows:

January 15
February 19
March 19
April 16
May 21
June 18
July 16
August 20
September 17
October - Open
November 19
December 17

Mark your calendars now and make an effort to attend and participate. It's your organization and your tax dollars.

DECEMBER MEETING NOTES. David Nelson - Secretary

Monthly meeting held Thursday, December 18, 1997 at DAY'S INN-Downtown. The directors were surprised when presented with a report that the 35 acres of land proposed to be purchased for \$1 million for the Baird's Creek parkway was purchased by its present owners less than five years ago for \$155,000.

Mike Riley of Taxpayers Network, Inc. presented a video, *THE GREENING OF PLANET EARTH*, which challenges the frightening computer model predictions of greenhouse effects. Will the polar icecaps melt? Will drought grip the heartland of our country? Will super storms ravage our planet?

The video presents a number of scientists from the U. S. Department Agriculture (USDA), the University of Florida, and Massachusetts Institute of Tech. (MIT) explaining the likely benefits of carbon dioxide enrichment in our atmosphere.

The scientists pointed out that temperature variations we have actually observed fall more than 50 percent short of the variations predicted by computer models. This may be due to the fact that the earth's atmosphere has many complex processes, not all of which are adequately represented in computer simulations of the atmosphere. There seem to be some self-correcting mechanisms in the atmosphere that are likely to offset the temperature rise anticipated from increased carbon dioxide.

The USDA and U. of Florida scientists explained that doubling the carbon dioxide concentration in the atmosphere, predicted by some models for the end of the next century, would actually increase crop production from 30 percent to 200 percent. These projections are based upon research done in greenhouses with enhanced carbon dioxide levels. The increases vary from crop to crop.

Research indicates that enhanced carbon dioxide levels increase plants' water use efficiency, requiring less water per unit of output. In addition to higher crop yields, increased carbon levels are likely to extend forest ranges and permit grass to grow on land that is presently barren.

This video makes a credible argument that the apparent greenhouse effect crisis does not warrant expensive, U. S. Taxpayer-funded measures that may produce little or no long-term benefits for the earth's population. For further information on the video *"THE GREENING OF PLANET EARTH"*, Contact Taxpayers Network, Inc. Cedarburg, WI 53012-2768, phone or fax (414) 375-4190.

The next BCTA meeting is scheduled for January 15, 1998 at the DAYS INN.

The following News Release was sent out by the BCTA December 24, 1997.

BROWN COUNTY TAXPAYERS ASSOCIATION ASKS FOR AN EXPLANATION. Baird's Creek Property numbers just don't add up to a million dollars.

Green Bay, December 24, 1997. The Brown County Taxpayers Association is calling for a public explanation of the purported million dollar valuation of the land for the proposed Baird's Creek Parkway. "The citizens of Green Bay deserve to understand how property that sold for \$155,000 in 1993, and is currently assessed at \$84,000 can be considered for purchase by the city for \$1,000,000. There are two obvious questions, Why is the assessment so low, considerably below the purchase price? How can this land increase more than six times in value in less than 5 years with no significant improvements?"

Information from public records shows the 35-acre tract was purchased in April, 1993 for \$155,000. The most recent assessment lists the fair market value at \$84,000, with a total property tax burden of \$2,101.50.

BCTA Meeting & Events Schedule

- Thursday - January 15, 1998, DAYS INN - Downtown
12:00 Noon - Monthly Business Meeting *
- Thursday - February 19, 1998, DAYS INN - Downtown
12:00 Noon - Monthly Business Meeting *
- Thursday - March 19, 1998, DAYS INN - Downtown
12:00 Noon - Monthly Business Meeting *

“Mark your calendars”

Regular Business Meetings Scheduled the 3rd Thursday of each month. All members of the BCTA, their guests, and other interested persons are invited to attend and participate in these open meetings. Phone 499-0768 or 499-7373 for reservations.

All meetings will be at the DAYS INN - Downtown (East Room) at 12:00 Noon. Price, \$6.50 per meeting (payable at door).

Includes hot buffet with all the trimmings.

“The easiest way for you children to learn about money is for you not to have any.”
.....Katherine Whitehorn

TAXING PORN?

The most novel new tax provision in the recent state budget is a 5% tax on sales of adult entertainment products and services. The tax applies to products or services deemed harmful to children, including admission to a strip club, but excludes sales of magazines and motion pictures. Who faces the most difficult challenges because of the new law? Probably state tax collectors who dread deciding what is and isn't “adult.”

.....“The Wisconsin Taxpayer”

“I don't want any yes-men around me. I want everyone to tell the truth — even though it costs him his job.”

..... Samuel Goldwyn

“Ere you consult your fancy, consult your purse.”

..... Benjamin Franklin

“Nothing in fine print is ever good news.”

..... Anonymous

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Brown County Taxpayers Association
P. O. Box 684
Green Bay, WI 54305-0684

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