
◆ The TAX TIMES ◆

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Newsletter of The Brown County Taxpayers Association

May, 2000

JUST SAY NO

The Green Bay Packers will be mounting a big advertising campaign to encourage Brown County residents to vote in favor of their plan. It is important that we all get out to vote and that the vote be made with knowledge and understanding. The Brown County Taxpayers Association is encouraging a **NO** vote based on our understanding that the income increases are for player signing bonuses.

The proposal includes many Stadium modifications that will make attendance more comfortable and also add about 10,000 seats. Most of the seats will be of the stadium box variety so income from these seats will not be shared with the visiting team. Therefore, more of the sales money will stay with the Packers. The addition of an atrium mall will allow for the relocation of the Hall of Fame and the Packer Pro Shop. It is expected that these changes will also add to Packer income.

The Packers say they need more income to be competitive in the National Football League. Mr. Harlan told our Board of Directors their income rank is going down and in the near future they project their income would be near the bottom of the league. The organization will then be at a competitive disadvantage. The moneys from television determines the salary cap and therefore the player salaries. The income from other sources is then used for player signing bonuses and other expenses. For the Packers to be competitive, they need more money available for signing bonuses.

Packer income for the past year was \$7.7 million and for the prior year \$17.7 million (includes money from the Browns expansion franchise). According to the legislative audit the Packers have about \$83.9 million in cash and retained earnings at the present time. There are other potential income sources being made available. A Packer license plate, a check off box on our state tax return and the naming rights for different portions of Lambeau Field.

Using tax money to support million dollar football players just doesn't make sense to me. Using tax money to support a private business just doesn't make sense to me. Using tax money to support an organization that has \$83.9 million just doesn't make sense to me. Using tax money to support an organization with added income opportunities not yet realized just doesn't make sense to me. I hope that when voters get the total picture of the Packer proposal they will **JUST SAY NO!**

BROWN COUNTY TAXPAYERS ASSOCIATION.

Frank S. Bennett Jr.
President

The BROWN COUNTY TAXPAYERS ASSOCIATION

Following is the complete press release which was sent to the local newspapers, TV and radio stations on April 25, 2000, which clarifies the position of the Brown County Taxpayers Association relative to the proposed sales tax for Lambeau Field renovation.

Press Release

Brown County Taxpayers Association

April 25, 2000

For immediate release

Information: Call Frank Bennett (920) 499-0768

Taxpayer Group Calls for Referendum Defeat

The Brown County Taxpayers Association today announced it will encourage county voters to reject the proposed Packer Stadium renovation in an anticipated referendum later this year.

BCTA President Frank Bennett announced the organization's position in the following statement:

"When the Packers' proposal was revealed a few months ago, the BCTA indicated our disagreement with the concept of raising taxes for the unique benefit of a particular private business. Beyond that, our actions were aimed at understanding the proposal and encouraging government representatives to moderate the speed at which the proposal was moving forward. After all, the Packers had undoubtedly worked on this thing for over a year and were calling for their proposed governmental 'partners' to agree within just a few weeks. Unfortunately, government leaders both here and in Madison chose to drop all other priorities and act in a rush.

Nevertheless, our organization has listened patiently as the advocates of this tax increase made their case, culminating in a recent visit by Packer leadership to a meeting of our board of directors. While we count ourselves among the legions of Packer fans in Brown County, we conclude that a special tax to be imposed on Brown County for the purposes of subsidizing the National Football League would be wrong public policy and an abuse of government's authority to levy taxes on the citizens.

The cold hard truth is that this is a tax for player signing bonuses. Although architect drawings of a renovated stadium and atrium mall create excitement, there is no more justification for the project than there would be for taking tax money and simply directing it into payments to players and their agents.

In our recent meeting with Packer leadership, Bob Harlan went out of his way to stress his respect for our organization and its members despite issues on which disagreement exists. That respect is mutual. The BCTA acknowledges that the Packers, like all business, face rising costs and consequently is looking for ways to increase income. We call on the team and the league to act like other entertainment businesses and address their financial challenges with free market solutions and aggressive efforts at controlling costs – especially player bonuses. We believe those solutions exist and the Packers haven't challenged themselves to apply them – opting instead for an inappropriate government handout.

We wish the Green Bay Packers well, on and off the field. However, the stadium proposal is a wrong application of taxing authority and is unnecessary given the vast income-producing avenues available to teams in the National Football League. We hope to convince the voters of Brown County to join us in rejecting this unwarranted higher tax."

The Brown County Taxpayers Association is a non-partisan, non-profit organization founded in 1986 to advocate fiscal responsibility in government on behalf of Brown County residents. The Association seeks to fulfill its mission through research, citizen education and direct engagement of government officials.

STATE CONSTITUTION NOT CLEAR ON PURPOSE OF TAXATION.

Editor - The Tax Times.

An issue that has come to the forefront since the Packers started lobbying our legislators, based upon the premise that their renovation plan serves a public purpose, is the fact that our state constitution does not describe the purpose of taxation, nor does it limit any areas from tax levies. At the present time it appears that our State Legislature could create a tax district for almost any purpose based upon the public purpose clause used in the Lambeau Bill. I feel that our legislators need to address this issue and propose guidelines for our tax system that would prevent scenarios like the Lambeau Field plan. A framework of guidelines needs to be added to our State Constitution to prevent our tax system from being a free for all set up for lobbyists. It certainly appears that the framers of our State Constitution were remiss in not adding a clause describing the purposes of our tax system.

Our courts appear to have full jurisdiction involving tax cases and can make their own legal interpretation without regard to any standards. For example, in *State ex rel. Warren v. Reuter*, 44 Wis. 2d 201, 211, 170 N. W. 2d 790 (1969), the Wisconsin Supreme Court held that the public purpose doctrine, while not found in the constitution, requires public funds be used only for public purposes.

In *Libertarian Party v. State*, 199 Wis.2d 790, 809, 546 N. W. 2d 424 (1996), a unanimous court held that state legislation providing for the formation of local baseball park districts and authorizing such districts to build and maintain professional park facilities such as Miller Park had a valid public purpose. The public purpose concept is a warped excuse for supporting a private business sports team.

It is clear that the public purpose concept needs to be replaced by guidelines defining a general welfare concept and that our State Constitution needs a definitive amendment in this regard. The power of a government to tax should be reserved for the purpose of providing for the general welfare of those who are taxed. It's preposterous to think that one of the purposes of our tax system should be to support sports teams under the guise of serving a public purpose. If so, where do we go from here?

James M. Smith,
Member of BCTA

QUESTIONS WE WOULD LIKE TO ASK.

We want to thank Packer President Bob Harlan and Vice-President John Jones for attending our April 20, meeting and openly answering questions asked them. They shared several insights of the proposed Lambeau Field renovation project, including a number of features which have not really been publicized to date. As is often the case in such presentations, the lack of time and the length of the answers leaves some questions remaining. Also, some answers only tend to raise more questions.

The focus of the Brown County Taxpayer Association has been in opposition to the use of public funding and specifically imposing a county sales tax. We would like to see more dialog between taxpayers now being asked to pay the bill and the various interests promoting this project to seek a better solution. To that end, we would specifically like answers to the following questions:

#1 - The Packers cite their proposed contribution of \$125.9 million or 42.7% of construction funding as being one of the highest amounts paid by a pro team towards construction of a new venue. This amount results largely from the recent sale of stock and a \$2,000 user fee from season ticket holders. Taxpayers could be asked to pay as much as \$500 million or more which includes additional principal, financing and maintenance for the project. Raising this from a population base of only 230,000 will undoubtedly be a constraint on future public and personal spending requirements. Do they feel justified in asking so much from so few? Aren't there other alternatives?

#2 - We are being told that the Packers will not be able to compete financially unless Lambeau Field is upgraded to the standards of new stadiums in the League. Could we be given more specific figures as to concession sales and profits, and other sources of income derived from these venues as compared to Lambeau Field with and without renovation.

#3 - Just exactly where will the Packers be 5, 10, and 15 years down the line with or without renovation? Will present revenue sources and expenses continue to increase at the present rate? Where will the taxpayers be with their investment?

#4 - We are told the Packers need for this stadium is based primarily on financial requirements in order to compete. Just how much will the expenditure of \$76.5 million for concourses and enclosure, or \$67.75 million for mechanical systems contribute to this end. Taxpayer money will be used for new offices and other team facilities. How many new concession stands or restrooms are needed. These are being doubled while the number of game attendees will only increase about 17%.

#5 - The financial statements project an increase of \$23.4 million in revenue for 2004-5 as a result of renovation. Is this figure prior to the visiting teams share of increased ticket revenues, and does it incorporate the costs of increased concession sales, etc. If not, is the cost of improvements truly justified?

#6 - The financial report states the Packers anticipate \$2.2 million annual income by not having to liquidate assets to fund operations. Does this mean that due to taxpayer funding and payment of interest, the Packers can draw interest on their present assets. Is this prudent use of taxpayer money?

Biting The Hand That Feeds You.

It was reported the U.S. Stock Market lost something like \$2.1 trillion in value the week of April 10-14. To put this amount into perspective, the entire national debt as of May 1, 2000 was \$5.77 trillion. Just imagine, even though it's "just on paper," we could have reduced the national debt by over a third. No one but those with the mentality of the most naïve lottery player would believe that stock market profits are guaranteed and this certainly illustrates how fragile our economy can be.

It was probably only an unfortunate coincidence that the governments confirmation of their decision against the Microsoft Corp. came the same day that this market slide commenced. There are hundreds of economic and social factors effecting the stock market, but it does seem that administration politics may have been involved here.

We are not defending Microsofts business practices because there are probably enough legal briefs in this case to fill a boxcar and still not come to a conclusion. However, right or wrong, the value of their company probably lost more in proportion to the rest of the market, and along with that a lot of potential income tax revenues for Uncle Sam and the states plus messing up a lot of retirement portfolios.

The most recent case in memory of that magnitude was the breakup of AT&T few years ago. A lot has happened in the communication industry since that time including a lot of new and prosperous companies. Whether this is a result of or in spite of government tinkering is speculation. I know my phone bill keeps going up and I don't really know where my long distance service comes from.

We would like to assume that laws are made to protect the likes of you and me, and if our interests are in jeopardy, the government takes the proper remedy. If this were really true, wouldn't they have stepped in a few years ago when Walmart, on their way to becoming the nations largest retailer, was opening stores right and left on the out-

skirts of smaller cities. Although time has absorbed the changes, many local businesses closed as a result.

Whether the vendetta against Microsoft makes life better for us is something the government will have to live with. Technology will progress regardless, and we will all look out for own interests. There have been recent acquisitions that the federal government and certain states attorney generals are using law suits against large and vulnerable corporations as a revenue source more than the serving of justice. Examples are the ongoing tobacco settlements against the major producers, with some of the money going to highway construction or whatever rather than the supposed victims. Anything is possible in our attorney driven government and society.

Aside from making things so complicated and difficult it would seem that if the government would partner itself more with the likes of Microsoft they could possibly do a few things better. Examples are the mess they are making of what could be a relatively simple job of taking the census. Look at the concern over readying their computers for Y2K. The IRS doesn't seem to know if it is on foot or horseback when it comes to making the income tax system fair and equitable. You and I can use a chargecard anywhere in the world and the bill comes through, but the government can't keep track of social security numbers or interest payments with 10 times the help and resources on their side.

Fortunately, things usually work themselves out despite the best efforts of our government officials to help us. Enough said. **JF**

"Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly, and applying the wrong remedies."
... Groucho Marx

2000 CONGRESSIONAL PIG BOOK SUMMARY.

Each year the Washington DC, based "*Citizens Against Government Waste*", a 600,000 member private, non-partisan organization publishes their "PIG BOOK" listing what they consider wasteful examples of government spending or pork.

This year the group identified 4,326 projects, or 52% more than last year, representing over \$100 billion in wasteful government spending. In order to qualify for listing a project must be requested by only one chamber of commerce, not specifically authorized, not requested by the president, not subject to congressional hearings and serving only a local interest.

Projects range from a \$100,000 appropriation from a Georgia Rep. for Vidalia onion research to \$375 million for an assault ship the navy didn't request. It is no coincidence that virtually all of the projects are for "needs" in the home states of the representatives who request them. Perhaps to our credit, representatives from Wisconsin are only credited with requesting \$61,831,000 in additional spending, which ranks 41st per capita nationally.

Mike Riley, of Taxpayers Network, Inc., will distribute copies (FREE) of this interesting booklet to everyone attending the next BCTA meeting. Details on the last page of this *TAX TIMES*.

"One of the evils of democracy is, you have to put up with the man you elect whether you want him or not."
... Will Rogers

Articles and views appearing in the "TAX TIMES" do not necessarily represent the official position of the Brown County Taxpayers Association. We encourage discussion and input on current issues of taxpayer interest and invite your comments or articles suitable for future "TAX TIMES". Please send them to the BCTA, P. O. Box 684, Green Bay, WI 54305-0684, or call Jim Frink at 336-6410, Frink@ExecPc.Com.

WE ARE CONCERNED

We admit to devoting an abnormally large amount of space covering our views of the proposed .5% sales tax to finance Lambeau Field improvements in recent issues of the "TAX TIMES". This is shaping up to be the most important taxpayer related issue facing Brown County citizens in many years, and we are deeply concerned for a number of reasons.

All of us are Packer fans and acknowledge the economics of competing in a major league sport have changed dramatically in recent years. It is virtually impossible to compete in a small market without financial sacrifice. Luxury seating and bleacher season ticket holders are being asked to substantially support the renovation plan now and with future price increases. It is unfortunate that renovation will not support all of those desiring to attend games. We acknowledge the social and economic impact of the Packers on the Green Bay area and entire State of Wisconsin, and certainly do not advocate turning our backs on them. However, as a group advocating fiscal responsibility in government, we have a number of concerns about the use of public tax dollars being used for this project.

First, *we are concerned* with the suddenness and sense of urgency with which this issue was thrust upon us. It was apparent that something would have to be done with Lambeau Field to keep up with the rest of the league, but most talk before the Packers bombshell announcement was for renovation on a smaller scale and without the use of public funding.

We are concerned with the scope of their overall plan and the amount of tax dollars which they request. The \$160 million originally requested has grown considerably with the addition of interest and maintenance items.

We are concerned with the coercion of our elected officials to create special and unique legislation imposing a sales tax on only the residents of Brown County to fund this project. It appears that no viable alternatives, consequences, or taxpayer concerns were considered in this process. Brown County contains less than 5% of the states population yet are being asked to accept the major burden of paying for this project. No wonder people from other parts of the state, most of whom do not have Packer season tickets are cheering this project on.

We are concerned with the economic impact of using such a large amount of public funding for this project and the negative effects of a county sales tax. The amount of tax dollars involved could very likely have an effect on other public spending projects for many years to come. We acknowledge economic benefits to the tourist related businesses in Green Bay, and the Packers name recognition which we are all proud of. However, our economy depends on far more than entertainment, and any excess tax can prove detrimental to business development. Apparently proponents of this project forget that Wisconsin is amongst the highest taxed states in the nation, and any additional taxes do place a burden on our citizens.

We are concerned that whichever way a proposed referendum goes, there will be strongly divided opinions about this issue between county residents for years to come.

And also, *we are concerned* about the Green Bay Packers. Not because of their own situation but more because they are trapped in an environment caused by the nature of professional sports in general whereby the monetary demands of athletes and their agents have outstretched the resources of their fans.

It is our true belief that if there was a little more time and open discussion on this matter, an equitable solution could be found without the use of tax dollars.

JF
JF

TOP 10 QUESTIONS RAISED ABOUT A COUNTY SALES TAX. (For the Packers and/or for the County.)

#10 - Would it give our county board even more ideas on how to spend our money?

#9 - Is there any guarantee it would solve the Packers problems?

#8 - Is there any guarantee it would solve any problems?

#7 - Would store clerks tire of explaining to out of town visitors who complain about paying the tax about the hardships the Packers and their players are experiencing.

#6 - Wouldn't poor people notice the amount of tax paid more than those sitting in their new luxury boxes?

#5 - Is paying any tax just to pay interest on a long-term obligation the best use of taxpayers money?

#4 - Is the problem a shortage of revenue or an excess of spending?

#3 - If it's just a few cents here and a few cents there that we won't ever notice, where will the \$1.32 Billion projected in 30 years from this source come from? What will your share be?

#2 - Would this be another excuse to shop in Appleton and Oshkosh?

#1 - Isn't Wisconsin about the highest taxed state in the country already?

NOTE: The BCTA disagrees that any project done with public money should exclude qualified bidders. This agreement is harmful to the taxpayers of Brown County.

Things That Make Us Wonder.

Do they still teach keeping a safe distance behind the car in front of you in drivers ed these days, or are they actually teaching that a space between two vehicles is intended as an opportunity to cut in front of somebody? We realize this isn't necessarily a taxpayer issue, but the cost of cleaning up accidents and fighting road rage is.

After local officials in 12 different Wisconsin communities carefully considered and duly rejected lucrative proposals from the Lac du Flambeau Chippewas to locate a gambling casino within their boundaries, Ashwaubenon and Brown County officials surreptitiously jumped at the plan. Clearing several square blocks of established business's and residents and public opinion could be dealt with later. Apparently these elected officials saw something beneficial in the proposal that the other communities didn't. Or was it the other way around?

Another question regarding that casino scheme. Would the proposed revenues from the operators be sufficiently in excess of what the properties already bring to be worth changing the reputation and economics of the entire village of Ashwaubenon?

Isn't it too bad that the Packers in all of their lobbying efforts in Madison were not able to direct legislation to permit them to operate their own casino in conjunction with the Lambeau Field renovation fantasy. Look at all of the problems that could have been solved. Limitless profits could be realized and spend it any way they want - with a minimum of public scrutiny. People could contribute at their own discretion, so you wouldn't have that guilty feeling about taxing poor people. Might even get by without sticking everyone in Brown County with a sales tax. It would certainly put the atrium to good use and could be open every day and night of the year. The Packers certainly are doing everything they can to make their project look like a public necessity which should qualify if for special consideration on both the state and national level.

Will proponents of Morning Dove hunting be as excited about their proposal when they find out that it will still be illegal to hunt them in their back yards?

Apparently other NFL teams are having cash flow problems. On their website, the Dallas Cowboys are offering socks worn by their players for \$19.99 a pair. For \$99.99 you can buy a jersey that had used been in practice, or \$699.99 if worn by Deion Sanders. Autographs are probably extra. Just wondering. JF

APRIL MEETING NOTES. PACKER OFFICIALS PRESENT STADIUM PLANS.

Meeting conducted April 20, 2000 at the *Glory Years*. Bob Harlan, President of the Green Bay Packers, and John Jones, Vice-President of Administration for the Packers, presented their case for taxpayer funding of the proposed Lambeau Field renovation.

Mr. Harlan began by explaining that after television revenue, stadium revenue is the next most critical source of revenue for NFL teams. As regular ticket revenue is shared 60:40 with visiting teams, the focus is now on developing non-shared sources of revenue such as skyboxes, club seats, and concessions. He believes that the stadium must be used to generate revenue 365 days a year.

Mr. Jones explained that they are proposing a partnership between taxpayers and the Packers. He stated that the 43-year old stadium needs \$180 million of renovation, anyway. So, \$295 million will provide an as-new facility. He also stated that the Packers are contributing 43 percent of the cost of the renovation, more than the 33 percent average contribution by NFL teams. He emphasized that this renovation is necessary because of the new "stadium economy"

Responding to questions, Mr. Jones explained that players' salaries grow proportionally with NFL revenue. The danger is in not having stadium revenue to grow. Mr. Harlan stated that the new stadium will put the Packers in the second quartile for revenue, where they were in the Super Bowl years. He wants to save the naming rights for future cash needs.

Asked about what the NFL is doing about exponentially rising player salaries, Mr. Jones replied that increased revenue from the next NFL television contract in two years will go to benefits instead of salaries. In defense of the Price Waterhouse study declaring that the Packers have a \$144 million economic impact, he said that he had confidence in the firm's reputation and that they validated the data locally with the Visitor and Convention Bureau. When asked how the \$144 million compares to Indiana University Professor Mark Rosentraub's estimate of \$12 million to \$16 million for an average franchise, he replied that Professor Rosentraub, who came to Green Bay at the invitation of the County Board and offered his perspective on the stadium matter is an expert witness whose testimony generally depends on who is paying him.

To another question, Mr. Harlan said that anticipated revenue from the atrium is \$3.5 million per year. The stadium renovation is anticipated to increase revenues by \$23 million annually.

The next BCTA meeting is scheduled for May 18, 2000, at the *Glory Years*. Details on the back cover of this "TAX TIMES."

David Nelson - Secretary

"A government big enough to give you everything you want is a government big enough to take from you everything you have."

. . . Gerald R. Ford

"Our constitution is not neutral. It was designed to take the government off the backs of people."

. . . William O. Douglas

"There is no Democratic or Republican way of cleaning the streets."

. . . Fiorello LaGuardia

"Voters quickly forget what a man says."

. . . Richard Nixon

BCTA Meeting and Events Schedule.

Thursday - May 18, 2000 - Glory Years, Washington St. Inn.
347 S. Washington St. "Vince Lombardi" Room
12:00 Noon, BCTA Monthly Meeting. Lunch - \$6.50
Open discussion of Lambeau Field renovation and other current topics. Mike Riley of Taxpayers Network, Inc., to distribute copies of the "2000 Congressional Pig Book Summary" to those in attendance. *NOTE: We particularly invite our legislators and local officials to attend and participate in this meeting.*

Thursday - June 15, 2000 - Glory Years, Washington St. Inn.
347 S. Washington St. "Vince Lombardi" Room
12:00 Noon, BCTA Monthly Meeting. Lunch - \$6.50
Program to be announced.

All members of the BCTA, their guests, and other interested persons are cordially invited to attend and participate in these open meetings. Phone 336-6410, (Jim Frink) or 499-0768, (Frank Bennett) for information or to leave message.

Our regular meetings are held on the Third Thursday of each month at the Glory Years, 347 S. Washington St., Green Bay.

Price - \$6.50 per meeting for lunch. Payable at door.



"The trick is to stop thinking of it as 'your' money." . . . Tax Auditor

"The challenge of politics is how to rip off the taxpayers without duly alarming the voters." . . . Edward MacManus

"To define democracy in one word, we must use the 'Cooperation'." . . . Dwight D. Eisenhower

**SUPPORT THE BCTA
New Members are Always
Welcome.
Call 336-6410 or 499-0768
Write us at P. O. Box 684
or visit our website
www.BCTAxpayers.Org**

The TAX TIMES

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