
◆ The TAX TIMES ◆

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TABOR or TAXEM?

In a few short months, elections will be held to determine who our President will be for the next four years, plus the makeup of the Congress which will approve or disapprove of his policies and agenda. Equally important is the election of the legislators representing us in Madison.

While many new issues and items of unfinished business will await the new legislature when they convene, two items that will undoubtedly receive prime attention are #1, further debate and consideration of a Taxpayer Bill of Rights (**TABOR**), and #2, a recent proposal from a Governor appointed task-force to increase the Wisconsin sales tax from 5 to 6%, plus adding a number of goods and services to the list of taxable items. If enacted, it is estimated that an additional \$1.5 billion in revenues could be realized by the state each year. Since this proposal is still being formalized, we will call it (**TAXEM**), for *Tax Everybody More*. You can call it anything you want.

While the basic concept of a Taxpayer Bill of Rights has had many supporters in the Legislature, it has been delayed from final action for a number of reasons. Specific wording on the amendment in order to make it effective has been a problem. Also, there has been strong opposition from public employees protecting their territories, and other interests, specifically education with proposals seeking additional state funding. These groups have shown an ability to sabotage any spending restrictions with complete disregard to taxpayers. Note that the Wisconsin State Ethics Board reports the largest lobbying group in Madison is WEAC, which spent over a million dollars on lobbyists during 2003. We can be sure they are doing their job.

One proposal (**TABOR**) would attempt to freeze or at least keep increases of the tax burden on our citizens within limits, while the other (**TAXEM**) could amount to a substantial increase further enhancing Wisconsin's reputation as one of the highest taxed states in the country. Spend and tax, or business as usual. One and a half billion dollars divided by five and half million people would equate to about \$275.00 per capita. It would be paid by both individuals and businesses.

Supporters of the tax increase refer to it as "*Property Tax Relief*", under the illusion that disgruntled property taxpayers will actually believe some relief is coming. The problem is that sales tax revenues would go directly to Madison, and any relief likely would have to come from Madison in the form of shared revenues, special grants, etc. The same as in the past. However, the state is already predicting a deficit of \$1.1 billion, more or less on the next budget. They have already exhausted most of their budget fixes such as the tobacco fund, "borrowing" \$500 million from the highway fund, and whatever loose change they could find along the way. Any funds left over could be quickly absorbed in a number of ways.

The specifically declared purposes of the tax increase by our friends in Madison is elimination of the QEO, which allows school districts to place limitations on teachers compensation, fully fund 4-year old kindergarten programs in the state, as well as other educational aid programs the Governor has supported. We acknowledge that education of our children is a top priority, but does it warrant other sacrifices? Unfortunately there are all sorts of ways for the state to spend more money.

The point is that the education proposals, if implemented, would take a huge portion of the additional revenues. It is difficult not to imagine the legislature not using the balance to balance the state budget, and provide for additional spending as time goes on. Call it a "miracle." Unfortunately, this could leave very little, if anything for additional property tax relief. Counties, municipalities and school districts would be lucky to receive any more than at present from the state.

Another question is if the state itself is doing its share to reduce taxes by lowering expenses. An example is the recent disclosure that about a thousand state owned cars would be sold because the people they were assigned to did not report sufficient usage. They should have figured this out years ago. If this is truly the case, are the thousand people themselves performing duties that warrant being on the public payroll?

When legislative candidates come to ask for your support in the coming election, be sure to ask them where they stand on these two issues: control spending or raise taxes. How many times have we already said, "Enough is Enough!"

While this all may sound skeptical, and unfounded, please read about the history of the sales tax on page #2.

Jim Frink, Treasurer-BCTA

The BROWN COUNTY TAXPAYERS ASSOCIATION
Promoting Fiscal Responsibility in Government

Has The Sales Tax Ever Provided Property Tax Relief? *A Tax is Still a Tax.*

Recently a special task force was appointed by Governor Doyle to find ways to provide funding for some of the his education proposals such as elimination of the QEO, establishing and financing 4-year kindergartens throughout the state, smaller class sizes in state schools, etc. While these proposals may or may not improve the quality of education in Wisconsin if implemented, we will not comment as the focus of our organization is on taxes and the burden placed on individuals, families and economic development in the state.

Insofar as the state budget is already greatly overextended, new sources of revenue would have to be found if new spending proposals are to be considered. Wisconsin is already near the top for property taxes, corporate and individual income taxes, excise taxes, but only about in the middle nationally as far as sales taxes go.

Accordingly, the task force suggested raising the sales tax from 5.0% to 6.0%. Also suggested was taxing a number of items which to this point have been exempt from the Wisconsin Sales Tax. These include barber and beauty shop services, advertising, legal services, and a long list of other items which have remained exempt for various reasons. They have estimated that increasing the tax to 6.0% would bring in about \$900 million a year, and the additional items another \$600 million, or a total of \$1.5 billion annually. As is usually the case with sales tax increases, supporters of the tax refer to this as being "Property Tax Relief," and were quoted as necessary to maintain our "quality of life."

Divide \$1.5 billion by Wisconsin's 5,500,000 citizens and you come up with \$275 per capita. That's a lot of tax money. ($\$275.00 \times 5,500,000 = \1.5 billion.) No, you or your family wouldn't necessarily pay that much – directly. Many of these additional items would apply to business, which in turn would pass them on to their customers in the form of higher prices.

While it is somewhat difficult to compare Wisconsin with other states as far as individual tax burdens and tax rates go, it is generally acknowledged that we have been in the top 10 nationally for quite a few years. Factors such as average income, property valuations, economic base and mix of taxes enter in to the equation. The property tax, however, is probably the most noticeable and unpopular inasmuch as it is assessed annually, and incorporates a methodology not necessary related to government services received or ability to pay.

One reason Wisconsin taxes have been high is that state government returns a large portion of its income to municipalities, counties and school districts in the form of aids and shared revenues. The more that is returned, the more it can be referred to as "property tax relief." Pay here or there.

On February 1, 1962, the state first imposed a 3% "selective sales tax" on certain luxury and discretionary items, called it "property tax relief", and that it would be temporary until the economy improved. Proceeds from the tax would be returned to local units of government as "Property Tax Relief." Presently the sales tax is the second largest source of revenue

for the state treasury, bringing in \$3.74 billion during 2003, or 31% of state revenue.

You know the rest of the story. Once the machinery was in place and the money began to roll in, it did not take the legislature long to broaden the list of taxable items by adding all clothing and other items to the list of taxable sales, which made it more of a general rather than selective tax. Within a couple of years the tax was raised to 4.0% and then 5.0%. It was much easier to raise the percentage of sales tax rather than other taxes to increase state revenue. We were already near the top with individual and corporate income taxes.

Over this 42 year period, it would be difficult to prove how much actual "property tax relief" has been provided by the sales tax. Obviously any funds received from the state for any purpose by a local government would qualify. Some of this has been reimbursement for state mandates, school costs, welfare, infrastructure and many other items. Have our property taxes been reduced? Again difficult to prove as our property taxes still remain high compared to other states not as generous in sharing with local communities.

In 1969, the .5 % sales tax for individual counties to use for "property tax relief" was authorized, and so far 58 counties plus Brown with the stadium district tax have taken advantage. One conclusion to be drawn is that counties with the tax have more money to spend, and do. A comparison of those with and those without the tax does not conclude a lower property tax rate, reduction of debt, or per capita spending as a result of the tax. In many cases the additional revenue resulted in additional spending and expensive bonding. The BCTA made an extensive study of this issue in 1994 when it was proposed for Brown County, and concluded that the management and fiscal habits of individual county governments was the most important factor in management property taxes.

Our state has proven that more money made available means that more money will be spent. A 6.0% sales tax can be raised to 7.0%. People soon forget. The spenders are already laying the groundwork. A recent poll sponsored by the Wisconsin Council on Children and Families claims that 49% of us would favor higher taxes to keep services. However 61% of the same people said taxes are already too high.

A similar poll taken by the Wisconsin Manufacturers & Commerce indicates 74% of Wisconsin citizens would favor a TABOR plan to limit spending while only 18% were opposed. It depends on who takes the poll and the publicity it is given. Also who you believe tells the truth.

The question is, what one group wants more money for another group says no. There are advocates for education, health care, police and fire protection and other municipal services, welfare, infrastructure, business development, tourism and more all advocating more money for their own cause. Yes, they would raise taxes and spend more for what they want but not what you want. We are probably all guilty to an extent.

The answer is, some controls, some common sense, some management of what we already have available. That is what you and I are forced to do, good times or bad. **JF**

Wisconsin Ranks Poorly For Wealth Management.

The June, 2004 issue of the *Bloomberg Wealth Manager*, a financial adviser magazine compared the 50 states and the District of Columbia as to ability to accumulate personal wealth.

They compared 4 hypothetical families living in each state, but with the same income, assets. One family derived most of its income from salary, another lived from real estate investments, the third had a mixture of assets, and the fourth was retired and living off of various pensions and investments. Each of the families had equal expenses regardless of which state they lived in.

While it is acknowledged that these hypothetical families had income and assets somewhat above average, it has been pointed out in many studies that these are the people who keep investing their money and their loss is quite noticeable when they retire and move to other places to live.

How did Bloomberg rate Wisconsin? At No. 50 out of 51. Only Rhode Island was worse. New York, Wisconsin and Rhode Island were the only states to receive an "F" rating.

Popular retirement states such as Nevada, Tennessee, Colorado, Arizona, Florida, all placed in the top 20.

As far as the individual categories of wealth go, the hypothetical Wisconsinite living off of his salary ranked 40th. The one living off of mixed assets ranked #48, and the ones living off of real estate and retirement income ranked #51, or the worst place in the country.

State taxes, and more particularly the mix of taxes were the principal criteria used to determine the rankings.

We acknowledge that surveys of this type do not necessarily include all of the facts. However, it seems that Wisconsin always ranks as a very highly taxed state, without necessary providing the best use of our tax dollars.

It was noted that Wisconsin ranked 47th in last years survey, but our high tax burden still overcomes any other factors. Perhaps Madison doesn't worry as we cannot go any lower in these surveys.

Article courtesy of TNI. JF

Seven Amendments, Seven Votes.

Rep. Lasee Speaks Out on TABOR Legislation.

There are a lot of strategies for killing legislation you don't like. One of the best: keep raising issues with the bill, no matter what the authors do to address them. Keep doing this, until time runs out, or until supporters give up.

I'm wondering if that's what some of my colleagues are doing with the Taxpayer Bill of Rights.

The original draft was criticized for several omissions: it had no mandate relief, a not-quite-workable budget stabilization fund and emergency fund, and nothing to counteract the "ratchet effect." Several self-sustaining funds, like unemployment, medical malpractice, and the pension fund, would have been subjected to the spending limits under the original draft.

Local officials and legislators alike complained about these things. After a great deal of research, we addressed them. We didn't want to make all the changes that we made. School district funding, for example: we allowed more generous spending limits for them in response to complaints that the limits were too tight.

Yet, we made the changes, because we are committed to seeing the Taxpayer Bill of Rights become part of our Constitution, to enact real tax reform and tax relief for the state of Wisconsin. We have been willing to compromise.

Now, the complaints have changed. Some of the same people who complained that the details were lacking now say the resolution is too long, too detailed, too complicated. Too complicated? No problem.

We announced that the Taxpayer Bill of Rights would include seven amendments, each covering one subject, instead of one comprehensive amendment.

The amendments are:

- The right to expect limited growth in government spending, and to be asked in a referendum to spend more than a reasonable limit;
- The right to vote on tax increases;
- The right to vote on large bond issues;
- The right to be protected by a budget stabilization fund;
- The right to have referendums on regularly scheduled election dates;
- The right to protection from mandated but unfunded programs;
- The right to action during emergencies.

Offering seven amendments, instead of one, makes the entire proposal easier to deal with. Simpler. We can debate one subject at a time, instead of one comprehensive amendment.

Some of you, those who have supported Lasee-Wood TABOR from the first, will be concerned with this latest development. Instead of a comprehensive Taxpayer Bill of Rights, which will limit spending, taxes, and bonding, and give the taxpayers the right to decide how much they're willing to pay for government, we could end up with only a few parts of the overall puzzle.

You may be right. It's a risk. But it's a risk worth taking.

First, critics said it had too many issues. We addressed those issues, and asked for a vote.

Next, the same critics said it was too complicated. So we made it simpler, by covering each topic individually. We're asking for a vote again.

Do you, or do you not support spending limits? Do you, or do you not support referendums on tax increases? Do you, or do you not think we should have a budget stabilization fund? Do you, or do you not think referendums should be held on regular election days, instead of weird, inconvenient dates when few people will Vote?

Let's have votes on each of these. Up or down. Yes or no. And no hiding behind some technicality. No saying you support spending limits, but oppose something else.

Let's have a vote. No, let's have seven.

Representative *Frank G. Lasee*

Should The Arena Roof Be Fixed?

The ugly, leaky roof on the Brown County Veterans Memorial Arena has again been receiving attention. Estimates for repairs have been in the \$350,000 range, and apparently will fall on county taxpayers per the lease agreement between PMI and Brown County.

Since the Resch Center has come on line, the Arena is no longer the focus of attention for community entertainment events, and the question seems to be does it still serve a viable purpose? No doubt the long walk between the Lambeau Field parking lot and the Resch Center for those attending events makes the Arena site attractive as a potential location for a parking ramp – if someone would only pay for it.

Recall that when various proponents for a new Arena first tried to convince Brown County residents of the need for this structure, to be paid with a .05 % county sales tax. This proposal was defeated by voter referendum, and ultimately financed by increasing hotel room taxes, which has worked satisfactory.

Many arguments were used by these proponents before the project was approved. However, the most convincing seems to have been that Green Bay and Brown County were losing huge amounts of lucrative meeting and convention business vital to the hospitality industry due to the lack of adequate facilities. Money was going elsewhere because we didn't have the facilities.

Further recall that the need for a 10,000 seat facility was not as much as a factor as providing for the large number of events which could be held. No doubt the downtown KI Center has accompanied many of these events. The real question seems to be if there the Resch Center serves a need for meetings in Green Bay, and if there is still a market for events to use the Veterans Memorial Arena. Obviously a convention bringing a respectable 2-4,000 people to the area is great for business, but they certainly don't need to pay for 10,000 seats to conduct their business.

It must be determined if the structure still has economic value to the

community. We note that many exhibits are held annually at Shopko Hall, and this is an area that should be maximized as this type of event usually lasts for several days. They can draw people from a large area, and the exhibitors themselves occupy hotels, patronize restaurants and other business. Many of these events spill over to the Arena, making it a useful resource.

Unfortunately, the profit and loss statements for events at the arena and other publicly financed venues in the area which are disclosed to the public have been rather murky. Somehow the amount of local money the entertainment takes with them when they leave never enters the equation. Also, it is difficult for large events to book anytime in advance during the fall due to potential conflict with the Packer schedule.

Accordingly it should be up to PMI and the Visitors and Convention Bureau to make its case regarding the future of the Arena. Realistic historical and projected expense figures should be made available to justify the case for taxpayer support if necessary. If these venues are so successful and necessary, shouldn't they be more self-supporting?

JF

"We have so many people who can't see a fat man standing beside a thin one without coming to the conclusion that the fat one got that way by taking advantage of the thin one." . . . Ronald Reagan

"We might come closer to balancing the budget if all of us lived closer to the ten commandments and the golden rule." . . . Ronald Reagan

"If the Soviet Union let another party come into existence, they would still be a one party state because everybody would join the other party." . . . Ronald Reagan

"Government is not the solution, it's the problem." . . . Ronald Reagan

What Ever Happened to Tax Simplification?

How many times have we heard of "simplifying" the Federal Income Tax codes in order to make it easier for taxpayers to comply with reporting their income and paying their fair share?

The National Taxpayers Union (NTUF) reports that while tax rates have often risen or fallen in recent years, the complexity of the system and compliance with it have gone in only one direction, upwards.

The NTUF reports that it takes the average American 28 hours and 30 minutes to prepare the #1040 "long" form and accompanying schedules. This is an increase of 34 percent since 1995. The "short" form, with 48 lines, has double the lines of the 1945 "long" form.

The increase in the complexity of the tax laws has added roughly 1 billion hours to taxpayers in paperwork burdens during the past 10 years. The number of pages of instructions for form 1040 are triple the number from 1975, and double what they were in 1985.

It is estimated that 62.1% of taxpayers have their returns prepared by professionals. It is estimated that preparation complexity will keep increasing due to the "Alternative Minimum Tax", AMT, which will require an estimated 30 million taxpayers to file a second return to determine the amount due the IRS. The following indicates how the #1040 tax forms and instruction books have become more complex.

TAX YEAR	# lines, Form 1040	# Pages in 1040 Instruction Book.
1935	34	2
1945	24	4
1955	28	16
1965	54	17
1975	67	39
1985	68	52
1995	66	84
2000	70	117
2003	73	131

And we wonder why people get frustrated with paying their taxes.

The Medicare Prescription Drug Plan.

Winners and Losers.

As a senior citizen I am disappointed by Prescription Drug plan that was passed by Congress last year. It appears that what Congress enacted will not necessarily be of great benefit to senior citizens or the national debt.

Many of the bills passed by Congress are shaped by the influence of corporations and other special interests that inundate the halls of Congress with thousands of high paid lobbyists who vie for our tax money. A large percentage of these lobbyists are former legislators who are familiar with the workings of Congress and can be very influential among their former associates. Insurance companies and pharmaceuticals carried on a concentrated lobbying blitz as they helped to construct one of the worst pieces of legislation ever passed by the United States Congress. That legislation is the Medicare Prescription Drug Plan. Who are the winners and losers in this mammoth \$540 billion plan? Answer – The insurance companies, pharmaceuticals and corporations are the winners, as a result of their intense lobbying and campaign contributions.

It is estimated from several sources that Insurance companies will receive \$71 billion dollars in tax-free incentives to provide drug prescription policies. It is also estimated that HMOs and managed care plans will increase their revenues by \$531 billion.

Corporations will receive nearly \$100 billion in subsidies and tax incentives to maintain retiree prescription drug coverage for former employees. However, companies are allowed to discontinue the retiree coverage and most likely could retain and book the subsidy as corporation profit. The retirees would more than likely have to sign up for the Medicare Drug Prescription Plan in order to get coverage.

Medicare will not be allowed to negotiate with the pharmaceuticals for lower prices, which is expected to result in steadily increasing drug prices. Taxpayers will provide an estimated \$13 billion per year in increased profits to the

pharmaceutical industry.

One would think that only under a totalitarian state could product negotiations be outlawed.

Nearly 75% of seniors already have prescription drug coverage from previous employers. The new law threatens the loss of these benefits in spite of the fact that \$100 billion in subsidies and tax incentives will be paid to corporations.

Those who sign up for the Rx plan will deal with private insurance companies. The premium is expected to be about \$35 per month. It is reasonable to expect regular increases as health insurance premiums have increased at about 12% per year. It is estimated that the average senior will have \$3160 of drug costs in 2006 when the bill takes effect, and pay \$2080 of the costs, which is 66% of the total drug bill. This includes the premium of \$420 and the \$250 deductible. If the average senior had a total of \$2000 in drug costs, he would pay \$1107.50 or 55.4% of the cost. With total drug costs of \$900 the senior would pay \$832.50 or 92% of the costs, including the premium and deductible.

The government has already spent \$12 million of the people's hard earned tax money to pay for a televised sales pitch to entice seniors into this plan, which is a start toward privatization of Medicare.

Seniors who opt to stay in traditional Medicare will find that their premium cost will increase by about 12% per year due to the expense of the new law.

The donut hole gap in the coverage under the new law will increase yearly. Seniors will have to pay more each year before they reach catastrophic coverage.

It is estimated that the new law will impose significant tax burdens on taxpayers requiring 21 percent of income taxes for every working American by 2020 to support Medicare and Social Security.

What will this law that funnels billions of dollars to special interests do to entitlement plans and our economy in the future? The recent Trustee's Re-



port estimates that Medicare will reach financial insolvency by 2019. The office of Management and Budget estimates that the current unfunded liabilities of Medicare without a prescription drug benefit, together with Social Security, will be \$18 trillion. What will be the effect after the \$540 billion is factored in for this plan? The winners will be the special interests that lobbied and provided campaign funds. The American taxpayers, senior citizens and future generations will be the losers.

Facts speak for themselves. It is estimated that 50 percent who lobbied for the prescription drug bill, previously were senators, representatives or those who held other federal government jobs. It is also interesting that at least four officials appointed by the President left the administration after the bill was passed to work for health related industries. These were people who were involved in writing or promoting the bill.

By contributing millions of dollars to political campaigns and hiring lobbyists, the special interests helped construct a bill that will funnel billions of tax dollars to their coffers. This was all done under the guise of providing our senior citizens with a decent, affordable and simple prescription drug program. I believe that our seniors will be worse off than before this bill was passed. It is hard to believe that these shenanigans can continue under our form of government without a backlash.

A workable plan is still badly needed to prevent older Americans from having to choose between prescription drugs and food and this can be accomplished without funneling billions of dollars in benefits to special interests, which is an absolute waste of the taxpayer's money. It could very well destroy the Medicare and Social Security System.

Congress needs to start from scratch and construct a simple prescription drug bill administered by Medicare devoid of the billions of dollars that are earmarked for special interests.. How different is the funneling of our tax money to special interests than scandals like the Enron affair? **Jim Smith – BCTA**

Wading through the water talk.

Other Suburban Communities Close to Finalizing Deal for Manitowoc Water. Does Ashwaubenon Still Feel They Made The Right Choice With Green Bay.

By MK Lynch - The Ashwaubenon Press.

The Village of Howard is just weeks – or days – from signing a contract to purchase water from the City of Manitowoc. A move that will “more than double” water bills in Howard, according to Village President Bob Strazishar. “Quadruple,” says Ted Pamperin of Ashwaubenon.

But the final cost to Howard residents is only one question that remains unanswered about the water deal with Manitowoc. The entire issue seems to be awash in murky details. Some feel the village should purchase water from Green Bay, which would keep water bills about the same. Others say Howard doesn’t need to do anything at all, because the groundwater supply will be plentiful for generations. And the cost? So many numbers have been floating around that it’s impossible to pinpoint the exact cost of obtaining water from Manitowoc. Which makes some village officials very nervous about signing a lifelong contract.

Somewhere beneath the flood of data, the deluge of misinformation, and the high tide of political egos, lies the truth.

Is Howard’s water quantity an issue? “Yes,” said Strazishar. “There is fast development going on in Howard and Suamico, so quantity is definitely a concern.”

Pamperin, who served as Ashwaubenon Village President from 1991 to 2003, has been involved in water talks between Green Bay and the suburbs since the early 1970’s. He disagrees with Strazishar, saying Howard does not have a problem with water quantity. “Howard is sitting on oodles and oodles of good aquifer water,” he said. With Ashwaubenon’s recent decision to purchase water from Green Bay, he said the aquifer would have plenty of water for all the west side communities. That is why some communities, like Suamico, have dropped out of the Brown County Central Water Authority. “Suamico saw the writing on the wall right away,” he said. Hobart and Oneida were also smart enough to pull out of the Authority, said Pamperin. He said the communities of Suamico, Hobart, Oneida, and Howard would have an adequate water supply “for the next hundred years.”

Paul Garvey, who spent four years as the president of the Suamico Sanitary District, said the decision for Suamico to withdraw from the Authority was based on an independent study. “Findings of the water study concluded that Suamico has a very good water supply, from both a water quality and water quantity standpoint, for well into the foreseeable future,” he said.

There is a plentiful supply of groundwater, according to a U.S. Geological Survey done in the year 2000. There is enough groundwater, the report concluded, to supply all of the Central Brown County communities – including Green Bay – if the wells are managed properly.

Is Howard’s water quality an issue? “Quality is an issue,” said Strazishar, “because we have to provide safe wa-

ter.” Howard’s groundwater has problems with radium, he said. “We could have treated each well for radium,” he said. “But what’s next? The EPA and the DNR are continually tightening the standards for safe drinking water, and we had to have a plan in place by December 2006. They will not allow us to distribute water with the levels of radium we have,” he said. He also likes the way Manitowoc uses modern technology to treat their water without the use of chemicals, using a submerged micro filtration system instead of sand filtration like Green Bay. “In my opinion, it’s a better product,” he said of Manitowoc’s water.

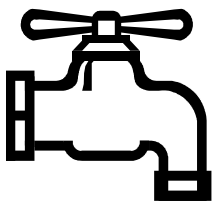
Trustee Kelly Crouch is not confident that all options have been explored. “I believe that the Village Board did not seriously investigate the option of treating our own wells for radium and leaving the Water authority, as our neighbors Hobart and Suamico have done,” he said. Crouch came on board in April, two months after the Howard Village Board voted to forge a deal with Manitowoc.

But Trustee Tom Hansen, who said arsenic is a problem in Howard’s water in addition to radium, agrees with Strazishar that Manitowoc will provide a better product. He is worried about what new standards might come from the DNR in the future. “There’s just no guarantee with the aquifer,” he said. In addition to being treated by the latest technology – without chemicals – he said there is another benefit to clean water coming through the pipes from Manitowoc: the pipes will last longer. Green Bay’s plan to carry untreated Lake Michigan water all the way from the lake will increase wear and tear on the pipes, he said. Something that will cost taxpayers more in the long run.

How much will this cost Howard residents? Once the final deal with Manitowoc is signed, water bills will more than double beginning in January of 2007, although rates might begin to rise before that time, said Strazishar. A thirty-mile long pipeline to Manitowoc is expected to cost \$118 million, which will be split by the Water Authority members of Howard, Allouez, Bellevue, DePere, Lawrence, and Ledgeview.

But Pamperin predicts water bills in Howard might even quadruple. He said one factor he didn’t like with the Manitowoc deal is the “take or pay” option, which states each community has to pay for a certain amount of water each day, despite what’s actually used. Once the bills go sky-high in Howard, he says, residents will naturally try to conserve water. “They won’t be able to afford to water their grass – they’ll let it turn brown,” he said, and usage might drop as much as 20 percent. But Howard will be committed to paying for a set amount no matter what’s used. “That will end up increasing rates even more,” he said.

Ashwaubenon Village President Nubs DeCleene, who recently fostered an agreement for Ashwaubenon to drop out of the Authority and buy water from Green Bay, doesn’t trust those numbers either. “The Water Authority had no inkling of what it will cost (to go to Manitowoc),” he said. “They still don’t. You can project all you want, but we know what we’re paying. \$1.65 per thousand.” He said there are so many variables that it’s nearly impossible to project the actual cost of the project. “The price of steel just went up 25 percent,” he said. “The numbers change so often, there was no way I could stay in it



(the Water Authority). It was too scary for me.”

What if Howard bought water from Green Bay instead? “Water bills would remain about the same, in the beginning,” said Strazishar. “They might even go down a little at first.”

Howard Trustee George Speaker was very surprised to learn – just this week - that going to Green Bay would have been cheaper, at least in the short-term. “We weren’t told that,” he said. Every elected official, said Speaker, should have been given a report stating all the facts. “We have not been given enough information to make a decision. We just have bits and pieces.”

Both Crouch and Trustee Larry Weix agreed that more information should have been supplied to the trustees. “I don’t believe that you should make a decision on any project without knowing the final costs,” said Crouch. “I don’t believe that we know the final costs at this point, and we certainly did not know them in February when the Board voted to buy water from Manitowoc.”

Why go to Manitowoc for water, when it would be cheaper to buy from Green Bay? “We were looking for a long-term solution that will benefit generations to come,” said Strazishar. Regarding the higher cost, Strazishar said that will only be the case for the first fourteen years, according to the Authority’s financial consultants. He said Ashwaubenon’s rates, as a Green Bay customer, will start off lower but will continue to rise yearly. They will be equal at fourteen years, he said, and then Howard’s rates will start to be less than Ashwaubenon’s.

“We know it’s going to cost more in the beginning,” he said. “And I can understand people being upset by that. But in fifteen years, we’ll be paying less than Ashwaubenon. Will Ashwaubenon residents be upset then?” Since the Authority members will own the new pipeline, he compared the deal to buying a home instead of renting, or buying a car instead of leasing. It costs more in the beginning, he said, but the communities will reap the benefits of this decision years from now.

An added bonus of going to Manitowoc, Strazishar said, is the option to sell water to other communities along the way. “We can sell water to any incorporated municipality within one-half mile of the I43 corridor,” he said.

Hansen agrees with Strazishar. “The board voted unanimously in February that this was a better decision over the long-haul,” he said. The lower price of Green Bay water, he said, didn’t justify the pitfalls of old equipment, old technology, and a lower-quality end product. When asked if going to Manitowoc was the right decision for Howard, he answered, “Definitely.”

Did politics, or hard feelings toward Green Bay, play a part in the decision? “Absolutely not,” said Strazishar. “This decision was based on cost and long-term benefit to the community.”

Pamperin disagrees. “From day one, it was noticeable to me that certain members of the Authority were dead-set against going with Green Bay,” he said. “Yes, there were hard feelings. Because of the Authority’s political hesitance to go with Green Bay, the mayor of Manitowoc saw an opportunity to

waltz in to stabilize water rates in Manitowoc.” That’s all the authority is doing, he said. Just helping Manitowoc businesses rather than Green Bay businesses.

“If I was an employee of a paper company in Green Bay and lived in Howard, I would be really upset that my water bill was going to Manitowoc,” he said. “Because whatever helps Green Bay businesses helps the employees – many who live in the outlying communities like Howard.”

“The biggest mistake the Authority made,” said Pamperin, “is not protecting our local industries and the jobs of residents.” Pamperin said Howard and other Authority members should look beyond any political hard feelings they might have toward Green Bay.

“They shouldn’t punish their citizens for that,” he said.

This article is reprinted from the June 11, 2004 issue of the Howard-Suamico edition of the Ashwaubenon Press. It examines both sides of the Central Brown County Water Issue.

No Tax Times For August.

We do not plan on publishing a “TAX TIMES” for the month of August. The next issue should arrive before our September meeting.

There will be monthly meetings during July and August and we urge you to attend. We will either have speakers on items of current taxpayer interest, or discussion on topics on which the Brown County Taxpayers Association will take a stand. *See page 10 for meeting details.*

National Debt Update.

As of July 1, the unofficial U.S. National Debt stood at \$7,212,049,321,064. or an increase of nineteen billion, five hundred and fifty-six billion and a few hundred thousand dollars in loose change since last month at this time. Your families share increased by \$312.

That’s the good news. Now trustees of Medicare warn that complicated by the new prescription drug law and other mandated benefits, the unfunded liability to future retirees and medicare recipients could be as high as another 72 trillion. We can add that to the billions and trillions advocates of environmental causes, infrastructure rebuilding, education and others claim we will require in the years to come. **JF**

VISIT OUR WEBSITE
www.BCTaxpayers.Org

Things That Make Us Wonder.

Is it any wonder that people are reluctant to convey their thoughts to their elected officials? What's the use? The Wisconsin State Ethics Board reports a total of \$26,348,03 was spent by special interest groups to pay lobbyists last year to promote their interests to our elected representatives. We can be sure few if any of these lobbyists are there on behalf of taxpayers. The largest expenditure was by WEAC, the teachers union, followed by a number of municipal employee interests, manufacturing and other business groups. A check of campaign contributions often indicates a direct relationship to lobbying activity.

Their causes are either convincing the state to spend more money on their behalf, or pass legislation making it easier or less expensive to do business in the state. These people have one on one access to our representatives, and are experts in presenting a convincing argument. Many of them are attorneys or former government officials. The complete list and other useful information is available from the Wis. State Ethics Board, [HTTP://ethics.state.wi.us](http://ethics.state.wi.us).

It was interesting that when the price of gasoline rose .50 cents per gallon in a few weeks we all felt the financial pinch. However, when it dropped back a little it really seemed like gas was cheap. Just like a small tax cut.

Wouldn't it be nice if the price and world supply of gasoline actually could be controlled simply by building more corner gas stations (as some of our politicians seem to suggest.)

So far DePere has established the need for a new bridge downtown, and where it should be located but has to decide how much to spend. While the downtown bridge may be needed in the near future, will it solve the problems of all the trucks from the industrial parks making left hand turns to cross it?

While a compromise has been made to keep the Brown County Library system open all summer, we wonder if it would be possible or practical to stagger

closings to save money but still have facilities open customers?

The cost of police protection has been a major budget concern for both the city and county. It is important that taxpayers money be used to the best advantage. It is also important that persons accused of crimes receive a fair and complete trial. This often includes testimony by sworn police officers, who may called to appear on behalf of the defendant or prosecution. It is part of the officers duty.

I was witness to a recent trial in Green Bay to which 6 city and county officers were called to testify. Nothing unusual except the officers were at the courthouse about 10:00 in the morning, and although each spent about 15 minutes on the stand, were not through testifying until 3:00 P.M. or so. We realize these trials take time, and cannot follow a precise schedule. What troubled me was that while they were sitting around to be called, they were #1-Being paid, and #2-Not performing their other assigned duties. When the police dept. budget is presented, it would be interesting to know how much this activity costs the taxpayers, and if there is any solution.

What once promised to be an outstanding example of metropolitan cooperation, a *Green Bay Area Municipal Water Authority*, perhaps comparable and similar in structure to the already highly successful *Green Bay Metropolitan Sewerage District* was apparently not meant to be. Years of negotiations, studies and proposals by those representing us resulted in participants going their own ways for various reasons. Politics and power have taking precedence over common sense and the future welfare of the area as a whole. It seems there was a complete disregard for costs of providing water or what the ultimate cost would be to the consumer. This issue is too important to agree to disagree. We feel betrayed?

The published cost figures are meaningless to a homeowner trying to compare his present bill with what it will be in the future. We all realize the

days of cheap water are probably over, but the arguments comparing who will pay what under various projected scenarios lead us to wonder if any are all getting in to.

Examples: Do we truly know the cost of water from Manitowoc? Does the estimated cost of a pipeline up and down hills cover the cost of right-of- ways? Will City of Green Bay users have to pay more than anticipated for their new pipeline and other improvements soon? What sense does it make to build two expensive new pipelines when one could have served the purpose for several years to come? Cost estimates have been way ahead of projections so far. Add this to future costs.

However this eventually plays out, the people who have negotiated and made the decisions for us have taken the responsibility. Remember that when you compare rates and pay your water bill five years from now.

The Indian tribes operating the gambling casinos have been making payments in lieu of taxes to the state as negotiated by the Governor in 2003. As with any enterprise, taxes are a part of doing business, and provision for payment must be made accordingly. If you spend more money than deemed necessary for items such as advertising, entertainment, salaries, capital improvements or whatever, you can be sure the IRS will have something to say. Especially if all of the above make it difficult for you to pay your taxes.

In addition, private business is compelled to make periodic estimates of their anticipated taxes during the year, and are not allowed to come up with the total amount on the last day, as the casino operations do.

It would also be nice if a business could be told the amount of tax they would have to pay in advance, and they pay that amount year after year regardless of their profits, volume of business, or product mix. Property tax exemption would also help the bottom line.

As usual, lots of things to wonder about.

Jim Frink

“Things That Make Us Wonder” consists of thoughts that occur to us, mostly taxpayer related in some way, that come to mind during the days news events. Some of them are relatively unimportant and probably not worth commenting about. Others could easily be expanded to full length feature articles worthy of further study and action to protect our interests as taxpayers. Sometimes we try to put a different spin on items from what you read in the papers or see on TV. We try to cover a wide variety of subjects in a limited space, which also illustrates the wide variety of items of taxpayer concern which exist today. We acknowledge that our perspective of some issues in this column may be contrary to that of some our readers. However, one of our purposes is to encourage debate, as we realize there are two sides to every question. Comments are always welcome as well as suggestions for items to include in this section of the “TAX TIMES.”

“Government’s view of the economy could be summed up in a few short phrases” If it moves, tax it. If it keeps moving, regulate it. And if it stops moving,, subsidize it.”
 . . . Ronald Reagan

How True It Is.

A automobile manufacturer can move a factories to Mexico and claim it's a free market.

A toy company can outsource to a Chinese subcontractor and claim it's a free market.

A major bank can incorporate in Bermuda to avoid taxes and claim it's a free market.

We can buy HP Printers made in Mexico. We can buy shirts made in Bangladesh. We can purchase almost anything we want from many different countries

BUT, heaven help the elderly who dare to buy their prescription drugs from a Canadian (Or Mexico) pharmacy. That's called un-American! And you think the pharmaceutical companies don't have a powerful lobby?
 Think again! **From the Internet.**

June Meeting Notes.

Regular Monthly BCTA meeting conducted June 17, 2004 at the *Glory Years*.

David Littig, retired UW-GB Professor of Public and Environmental Affairs & Political Science presented his perspective on problems with Wisconsin taxation and government, and then presented a potential solution. He began by reviewing the tax climate in Wisconsin. We have:

- **A high tax burden**, the fourth highest in the country.
- **A preference for financing services with taxes** instead of user fees.
- **Above average spending** on education, and on building and maintaining roads. We have excellent K-12 and higher education. We have above average local paved roads.
- **State shared revenue to local governments.** Local spending is paid for with “other people’s money,” creating an incentive to spend more.

Professor Littig discussed the movement for a Taxpayer Bill of Rights (TABOR) in Wisconsin. He noted that the high taxation and the political situation in Wisconsin led to the oposal for a constitutional amendment to limit government spending. He opposes TABOR because it would replace our representative republic form of government with a direct democracy for approval of spending increases above a prescribed level. He believes that TABOR would remove responsibility for controlling government spending from our elected representatives.

With too many units of local government in Wisconsin, power has migrated to Madison, where the centralized power is unduly influenced by interest groups. He proposes that state revenue sharing be transferred to regions generally corresponding to standard metropolitan statistical areas and their surrounding counties.

Professor Littig explained regional tax-base revenue sharing would:

- Create equity in the provision of public services.

- Break the mismatch between social needs and property tax base resources.
- Decrease incentives for intra-metropolitan competition for tax base.
- Undermine local fiscal incentives supporting exclusive zoning and sprawl.
- Make regional land-use policies possible.

In the discussion following, BCTA members acknowledged the problems identified, but questioned the possibility of enacting such sweeping changes, given that the legislators and interest groups like the status quo, while Wisconsin citizens have shown little penchant for holding elected officials responsible at the ballot box. In fact, demonstrating fiscal prudence in office can be dangerous, as we have seen in recent local elections.

Jim Frink announced there will not be a *TAX TIMES* for August. The next BCTA meetings will be Thursday, July 15, and Thursday, August 19. Details on the back page of this issue..

Dave Nelson – Secretary

“Politics is not a bad profession. If you succeed there are many rewards. If you disgrace yourself you can always write a book.”
 . . . Ronald Reagan

“The best minds are not in the Government. If any where, business would hire them away.”
 . . . Ronald Reagan

Articles and views appearing in the “TAX TIMES” do not necessarily represent the official position of the Brown County Taxpayers Association. We want to 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. E-Mail Frink@ExecPC.Com.

The TAX TIMES

Brown County Taxpayers Association
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The TAX TIMES - July-August, 2004

BCTA Meeting and Events Schedule. (Mark Your Calendars.)

Thursday - July 15, 2004 - BCTA Monthly Meeting.
Glory Years, 12:00 Noon. (Use Crooks St. Entrance.)
Speaker and program, current taxpayer issues.

Thursday - August 19, 2004 - BCTA Monthly Meeting.
Glory Years, 12:00 Noon. (Use Crooks St. Entrance.)
Speaker and program, current taxpayer issues.

Tuesday - September 14, 2004 – Primary Election.

Thursday - September 16, 2004 - BCTA Monthly Meeting.
Glory Years, 12:00 Noon. (Use Crooks St. Entrance.)
Speaker and program, current taxpayer issues.

Tuesday - November 2, 2004 - General Election (Presidential).

BCTA Monthly meetings are held the third Thursday of each month.
12:00 Noon at the GLORY YEARS, 347 S. Washington St., Green Bay
Cost - \$6.50 for meal - Includes Tax & Tip. Payable at meeting.

All Members of the BCTA, their guests and other interested persons
are cordially invited to attend and participate in our open meetings.
Call Jim Frink — 336-6410 for information or to leave message.



July -
August
2004

“The nine most terrifying words in the English language are, ‘I’m from the government and I’m here to help.’ “ . . . Ronald Reagan

“There are no great limits to growth because there are no limits of human intelligence, imagination, and wonder.” . . . Ronald Reagan

SUPPORT THE BCTA

New Members are Always
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Write us at P. O. Box 684
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