

## Summary of Local Exposition Districts: Wis. Statute § 229.40

### LAW OVERVIEW

Current law authorizes cities, villages, towns, and counties (“sponsoring municipality”) to create special local exposition districts (“districts”), with the power to do several things including building, maintaining, and operating exposition centers, and, under certain circumstances, imposing room taxes, food and beverage taxes, and car rental taxes. In order for a district to impose such taxes, the sponsoring municipality must adopt a resolution certifying that the exposition center serves a “statewide public purpose” by satisfying five statutorily prescribed conditions.

The Wisconsin Center District in Milwaukee is the only existing district in the state, and current law includes several provisions unique to it (such as having an NBA team). **As a result, any district outside of Milwaukee will require special legislation**, which may result in additional creation process requirements and/or restrictions on the powers of the district. For example, the City of Superior is currently seeking legislative authorization to create a district and the proposed bill requires them to obtain local approval of the district via a referendum (which they completed in 2016). The provisions summarized below are select portions of the statute that are not specific to Milwaukee and potentially would apply to any district.

### LOCAL EXPOSITION DISTRICT

#### Jurisdiction

A district's jurisdiction includes the sponsoring municipality's entire geographical area. A “sponsoring municipality” can include any city, village, town or county, or some combination thereof. An exposition district is a unit of government that is separate and distinct from, and independent of, the state and the sponsoring municipality

#### Process

To create a district, the sponsoring municipality(s) must do all of the following:

- A. Adopt an enabling resolution that does all of the following:
  1. Declares the need for establishing the district.
  2. Contains findings of public purpose.
  3. Names the district.
  4. Contains a description of the exposition center to be developed, owned, leased or operated by the district.
- B. File copies of the enabling resolution with the secretary of administration and secretary of revenue and the county executive, if the sponsoring municipality is not a county.
- C. Adopt identical resolutions in each of the sponsoring municipalities if there are more than one.
- D. Establish a board of directors consisting of local and statewide representatives as prescribed by statute. The requirements for the composition of the board differ based on the type(s) of sponsoring municipality(s).

#### Criteria to Meet “Statewide Public Purpose” Conditions

The sponsoring municipality must certify that the exposition center to be governed and funded by the district meets all of the following conditions (see attached sheet of the Alliant Energy Center’s compliance with these criteria):

1. Includes or will include an exhibition hall of at least 100,000 square feet.
2. Supports at least 2,000 full-time equivalent jobs.

3. Attracts at least 50,000 out-of-state visitors annually.
4. Stimulates at least \$6,500,000,000 in total spending in the state over the 30-year period beginning on the date on which bonds are issued.
5. Generates at least \$150,000,000 of incremental state income, franchise and sales tax revenues over the 30-year period beginning on the date on which bonds are issued.

**Powers of a District:**

A district may do any of the following:

1. Impose the following taxes (the higher limits require district board approval):
  - Food and Beverage Tax of 0.25%-0.50%
  - Rental Car Tax of 3.0%-4.0%
  - Base Room Tax of 3% (in addition to existing local room tax)
  - \$2 surcharge on event tickets
2. Issue bonds and enter into agreements related to the issuance of bonds.
3. Maintain funds and invest the funds in any investment that the board considers appropriate.
4. Acquire, construct, equip, and manage the center. Acquire, lease, sell or transfer property. Improve, maintain, and repair real property. Enter into contracts.
5. Promote, advertise and publicize its exposition center, exposition center facilities and related activities.
6. Employ personnel and fix and regulate their compensation.
7. Purchase insurance, establish and administer a plan of self-insurance or participate in a governmental plan of insurance or self-insurance.
8. Mortgage, pledge or otherwise encumber the district's property or funds.
9. Direct its agents or employees, to enter upon real property within its jurisdiction to make surveys and examinations before locating or constructing an exposition center or exposition center facilities.
10. Set standards governing the use of, and the conduct within, its exposition center and exposition center facilities in order to promote public safety and convenience and to maintain order.
11. Establish rates or other charges for the use of its exposition center.
12. Enter into partnerships, joint ventures or other arrangements with other persons, including other exposition districts, to further the district's purposes.
13. Adopt and alter an official seal.
14. Sue and be sued in its own name, plead and be impleaded.
15. Maintain an office.

**Powers Granted to Sponsoring Municipality**

In addition to any powers that it may otherwise have, a sponsoring municipality may do any of the following:

1. Make grants or loans to a district.
2. Expend public funds to subsidize a district.
3. Borrow money under ss. 67.04 and 67.12 (12) for exposition center facilities or to fund grants, loans or subsidies to a district.

**Local Exposition District Public Purpose Requirements**  
**Alliant Energy Center Phase 1 Expansion Comparative**

	Minimum Exhibition Space (SF)	Annual Minimum Full-time Jobs	Annual Minimum Out-of-State Visitors <sup>(4)</sup>	Minimum 30-year Visitor Spending <sup>(5)</sup>	Minimum 30-year State Taxes <sup>(6)</sup>
<b>Required<sup>(1)</sup></b>	100,000	2,000	50,000	\$ 6,500,000,000	\$ 150,000,000
Existing <sup>(2)</sup>	100,000	2,575	140,290	\$ 3,615,732,000	\$ 164,000,000
Phase 1 <sup>(3)</sup>	50,000	375	19,515	\$ 915,000,000	\$ 65,600,000
<b>Total AEC</b>	150,000	2,950	159,805	\$ 4,530,732,000	\$ 229,600,000
<b>Qualifies</b>	✓	✓	✓	<b>X</b>	✓

Footnotes:

- (1) Wis. Stat. §229.50
- (2) Does not include the New Holland Pavilions (290,000 SF).
- (3) Includes public portions of Phase 1 only.
- (4) Assumes existing out-of-state visitors equal 1/3 of existing non-county visitors calculated by Hunden.
- (5) Existing 30-year visitor spending based on \$76M in annual spending calculated by Hunden with 3% annual inflator.
- (6) Assumes Phase 1 taxes, as calculated by Hunden, equal 40% of existing taxes.

Source:

Hunden Strategic Partners and Vandewalle & Associates