

Toll Roads on the Horizon?

Tom Sladek Treasurer, BCTA

The concept of toll roads in Wisconsin emerged prominently in this year’s State budget discussions. No, the legislature did not move to create them, nor did the Governor propose them, but the stark differences in the proposals for how to fund road repair and construction resulted in tolling becoming a part of the discussion. The prospect of Wisconsin tollways is now on the table and, despite not being part of the new budget, the talk will likely continue.

The Governor proposed increases in the gasoline tax. The Legislature seeks increases in vehicle registration fees and a study of mileage based assessments to raise the needed revenue. It does not appear at this point the parties will reach any consensus.

All of the above (as well as tollways) are basically a user-fee approach, in which the costs are borne by the users of the infrastructure asset. The arguments over the options usually come down to which approach is the “most fair”.

When tollways enter the discussion, advocates will make the case that collecting tolls is a direct connection to usage. The more you travel, the more

tolls you pay. And of course, the always popular argument that out-of-state travelers will pay their share. Additionally they will point to a tolling system having the flexibility to respond to emerging needs by simply adjusting the tolls.

Opponents of tolling contend that the costs will be disproportionately borne by the habitual users of those roads with tolling stations (most likely the interstate highways) and costs will be shifted towards the business sector and commuters as a result. They will assert tollways are a deterrent to attracting tourist to our state. And, they can point to the gas tax as already having the advantages cited in the preceding paragraph, plus the costs of building and maintaining a tolling system.

If you are a person who enjoys the give-and-take of public policy debate this is a great issue, in that there are valid, reasonable arguments to support either approach, and it can be difficult to land firmly in one camp or the other.

If you have thought about this and feel strongly about the matter, it would be good to share your point of view with your legislators and the Governor as, for the longer term, the discussion is certainly not over.

Tom

MAY MEETING NOTES Chamber Issues

Jayne Sellen, Vice President of Government and Community Relations for the Greater Green Bay Area Chamber of Commerce, spoke about present and future business issues. She explained that her title essentially translates to "lobbyist."

Infrastructure was the first critical area she addressed, using the Claude Allouez bridge (Hwy 32) in De Pere as an example. It is over capacity. It's rated for about 30,000 vehicles a day. We can see 30,000 vehicles on a current day already. It wasn't supposed to reach that value until 2020.

The Chamber supports planning for a solution to relieve the traffic congestion on Highway 32 in De Pere and the overloaded Scheuring Road interchange on Interstate 41 south of De Pere. A potential solution is a new interchange on Highway 41 about one mile south of the Scheuring Road interchange with a new bridge connecting with Rockland and Red Maple.

The Highway 41 interchange is estimated at \$50 million and the bridge estimate is \$35-40 million. And when all the connectors from Packerland all the way through to GV in Ledgeview are in place, it will open up a whole new corridor for development. It should really spark new development in the area.

The second item of concern to Chamber members is the workforce issue. Our population is aging. By 2040, the working age population is projected to be growing at only one tenth of a percent, not enough people to drive the economy so that they can take care of our aging population. Our businesses have started getting more and more involved in making sure that all students have the modern education and the life skills that they need. to be productive members of our community. School funding equity is a matter of concern.

Ms. Sellen identified the one opportunity as the closing of the Green Bay Correctional Institute (GBCI). The Chamber has been working with legislators and the Village of Allouez to get something in the budget to relocate and build a new prison, whether it is in Brown County or an adjacent county.

There are significant economic benefits from removing the prison and then repurposing and redeveloping the area. There was a study done that estimated that \$80 million worth of economic activity could result from developing the property once the prison facilities are removed and the site is developed. Across the road is another 12 acres. The waterfront property alone is worth millions of dollars. That location is prime real estate. Almost 80,000 cars a day pass the site. If you are a business owner and need visibility, that is where you want to be.

Dave Nelson - Secretary

Things That Make Us Wonder.

There has been a lot of talk about legalizing the use of marijuana or hemp in Wisconsin for medical and recreational use, *"under strict state regulation and control."* We all know how good that will work. Since neighboring states MI, MN, and IL have already given in to the clamoring masses we will probably wait and see what happens regardless of common sense and the realization that we have people from a different generation pulling the strings. Maybe we will decide that all of the laws, and filling our prisons for people caught selling marijuana was a

waste of taxpayer money when we all become addicts. Time will tell.

Historically hemp has been a Wisconsin cash crop for many years, but the people made rope and twine out of the stuff because they thought that was what it was intended for. Wisconsin farmers also grew tobacco and that is what they used for smoking.

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Either the politicians (*mostly Democrats*) obsessed with bad-mouthing and not cooperating with the President have either forgotten or are unaware of why they were elected to represent us in the first place. As a

rule, the media seems to prefer fanning the fire. We can acknowledge that President Trump is rather crude at times, and could act more Presidential in his relationships with other countries, both friend and foe.

The President has been criticized for his efforts to establish a dialog with North Korea at his recent cordial meeting with Kim Jong-Un. Imagine the fuss if either of them spat at each other or kicking each other just for a photo op? Better yet, how would Hillary, Joe Biden or any one of the other wannabees handle the situation?

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JUNE MEETING NOTES

Tax Incremental Financing (TIF) Districts Explained

Attorney Tom Kamenick from the Wisconsin Institute for Law and Liberty (WILL) spoke about Tax Incremental Financing (TIF) Districts. He is the Deputy Counsel and Litigation Manager at WILL, a Milwaukee based public interest law firm and think tank. WILL focuses on the rule of law, individual liberty, constitutional government, free choice in education, and a robust and civil society. WILL defends individuals and groups from government bureaucracies which have a seemingly unlimited source of money. Tom oversees all litigation at WILL and practices in the areas of open government, constitutional rights, and municipal finance.

A TIF district is one specific district created under the law. It is a special purpose district created by a city, although villages and towns now have a limited ability to create them. Tax revenue from new development within that district is set aside in a special fund that can only be used for certain projects within the district, and those projects have to be designed to attract new developments. The key is that the TIF district is expected to create new developments that otherwise would not have existed. TIF districts need public scrutiny to ensure that government agencies are not picking winners and losers.

At the beginning of a TIF district, the governmental entity will borrow money, use it to renovate the area, make it prettier, make it nicer, and make it more useful to not only encourage new development, but to raise the general property value of the existing development as well. As property values rise, the increased property taxes are used to repay the loan taken out at the beginning of the project.

A TIF is set up with a document called the project plan, which details all the parameters and components of the TIF district.

The base value for the property for the TIF district is set.

From that point on during the life of this TIF, as the property valuation increases, all the taxes levied on the increased valuation above the base value go into a special fund. All the taxes levied against the original base valuation keep going to paying for ordinary governmental expenses for the municipality.

When a TIF district closes, all the new development is open to be taxed for ordinary government expenses, not just by the city that created it, but also by the school district(s), the County, and the technical college district. One important thing is that the property valuation being frozen does not freeze the amount of tax revenue from the TIF. Just the valuation itself is frozen, so the mill rate can be increased to generate more tax revenue.

Dave Nelson - Secretary

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Democrats and Republicans have often taken opposite views on crucial matters, but have been able to compromise on the merits of the issue at hand. Lately, revenge and partisan politics seem to be what drives our governments, and we wonder at times,

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The 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*

So far, Gov. Evers and his Republican Legislature have a lot of compromising to do before things in Madison run smoothly. As of this time, the state budget has not been approved. Evers was elected with list nice sounding proposals, but the budget committee was more used to concerns like highways, prisons, and keeping taxes in line.

While indications are that progress is being made, the real test of what people want will come in the next midterm and Governor elections.

Another matter possibly involv-

ing the IRS are Democrats, smelling blood, and calling for the Presidents impeachment based on a number of items including his income tax returns. While this could create chaos in the country for no has filed timely returns, properly verified by a qualified accounting firm, and to the satisfaction of the IRS. We would also assume his return to extremely complex due to the nature and scope of his business interests. In this case, however, it would seem like the authorities from the IRS who should be put on the carpet rather than the President. Presently the Federal tax code

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would fill a book 74,685 pages thick, and is now 187 times the size it was only 100 years ago.

Many of the additions were made to aid and encourage this or that industry by tax incentives, and are never changed. Our guess is that even the IRS is not familiar with the entire code even though they are responsible for compliance. It is the responsibility of the IRS, under its commissioner, to assure that all income individual and corporate be properly reported as well as payment made of applicable taxes.

In other words, ask the IRS commissioner if Pres. Trump properly reported his income and paid his taxes and handle the facts accordingly. It should be his responsibility to assure compliance by all citizens, including the President with reporting income and paying applicable taxes.

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The save the environment crowd has been attacking the use and waste of paper in any form as harmful, largely due to the number of pretty trees destroyed in the process. Even the federal government gets into the act by encouraging conservation although they set a poor example themselves. They ask banks and investment firms to notify their customers of how every penny of your investment is spent and the results thereof

and send you a big report each year which nobody understands anyway. Too bad the people don't ask for a report on how they spend our money.

We have come to the conclusion that the only ones seriously trying to save paper are the few magazines which have somehow survived and the daily papers which have shrunk to a few pages of homogenized news.

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The use of tariffs to balance the level of trade is a tool which has been used by nations since trading began centuries ago. Historically it has been intended as a tool to protect domestic manufacturers and retailers from losing business to foreign interests or to protect a strategic resource supply item from unfriendly use, but most countries seem to be able to apply and accept tariffs to mutual advantage.

As a former owner of an industrial supply retailer, I have concluded we have no one to blame but ourselves and greed for the mess that has been created. We prided ourselves by selling domestically produced quality products and our customers appreciated this. One by one, as the cost of doing business kept increasing, manufacturers kept having the more expensive components of their products produced elsewhere to reduced costs. Bit by bit this trend continued until the whole product was produced elsewhere (*China*). The next step was

to ship out the machinery and American *Know-How* for doing things and we sit with a lot of empty buildings and wondering what happened. If you don't believe this, next time you are in a "big box" store, check out where the products for sale were made. You might even find a few items once made in Wisconsin.

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Several of the 2020 Presidential candidates are touting "Free college tuition for all", as platform items. It sounds nice, and so do a lot of other ridiculous proposals we keep hearing from candidates. The student loan program now accounts for over a trillion dollars of our National Debt, and unpaid interest keeps accumulating, with that from about another 22 trillion of debt for things we bought we couldn't afford but sounded good at the time. Whether free tuition would make America more prosperous and a better place to live is the bottom line, and there are a lot of questions to be answered on this one

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"Free health care for all", is another great sounding idea which would be impossible to implement. Despite all of the controls included, the cost of health care has increased dramatically since the implementation of Obama-Care. Why? One possibility is that more people already have insurance, government coverage, or both, and providers seem free to charge whatever they want for services. Our healthcare system is great, but it is expensive. Aren't there other agencies caring for the needy? What happened to free clinics? "Free" would be nice if money grew on trees.

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The proposed wall along our border with Mexico has been more of a matter of contention than action, but the problem of illegal immigration into this country still remains and will likely be a matter of discussion in next year's presidential campaign. Next year is also a census year but this is unlikely to tell us much considering all of the restrictions being placed on census takers. From what we hear employers are still required to verify citizenship status before signing new hires up for Social Security benefits but that also will be considered a breach of privacy.

While a wall would cost billions and possibly wouldn't solve many problems the unchecked flow of aliens can't be ignored. Yes, our ancestors came from a variety of other countries at one time but they also met whatever requirements for citizenship which then existed.

Giving drivers licenses, welfare benefits, or any other benefits of citizenship only compounds the problem and costs the rest of us dearly. If more partisan votes are the ultimate goal, which appears to be a possibility, remember we all will pay the consequences.

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With very little public debate, the Outagamie County Board approved a County Sales Tax. While the board heralded the fact, they would have more money to spend, they also eliminated one of the few remaining Wisconsin Counties not imposing this very annoying tax for its merchants to collect.

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The U.S. Supreme Court has ruled against Gerrymandering cases entered by interests from several states, including Wisconsin claiming election results were biased based on the political makeup of the district involved. Their conclusion was that as long as districts were fairly equal in

population and logical location, they met all requirements of applicable laws. In other words, that's the way it was, and that's the way it is,

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As usual, plenty of things to wonder about,

"Things That Make Us Wonder," consists of taxpayer related thoughts that occur to us from daily news events. We use reliable, published information and statistics, some items are unimportant and probably not worth commenting about while others could easily be expanded to full-length feature articles worthy of future study and action to protect our interests as taxpayers. We try to cover a wide variety of subjects in limited space and perhaps put a different spin on items from what you read in the papers or see on TV. We acknowledge that our perspective on some items in this column may be contrary to some of our readers. However, one of our purposes is to encourage debate, as we realize there are two sides to every question. Comments or suggestions are welcome for inclusion in future "TAX TIMES."

Jim Frink - BCTA

Monthly Meetings @ The Village Grille

Monthly meetings are held at **The Village Grille, corner of Hoffman and East River Drive, Allouez.** The location has no stairs or steps, convenient parking, and a room to better accommodate speakers and conversation. There will be three selections from which to choose lunch - each one will be priced at \$12 (including tip.) Lunch is at 12:00 noon with monthly speakers presenting.

The TAX TIMES

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Meeting Location

The Village Grille, Allouez

BCTA Meeting and Events Schedule – MARK YOUR CALENDARS.

Thursday - Jul 18, 2019 BCTA Monthly Meeting.
12:00 at The Village Grille, Allouez

Thursday - Aug 15, 2019 BCTA Monthly Meeting.
12:00 at The Village Grille, Allouez

BCTA monthly meetings are held the Third Thursday of each month, 12:00 Noon, at , at The Village Grille, Allouez.

Meetings are open to the public. BCTA Members, their guests and other interested parties are cordially invited to attend and participate in our open discussions.

COST: \$12.00, Payable at meeting. Includes lunch, tax & tip.
Call Tom Sladek – 499-7701 for information or to leave message.

Jul - Aug 2019

