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AFP-WI to Lawmakers: Wisconsin Should Not Empower Shadowy Public Finance Authority.

Stealth Motion Gives WI Public Finance Authority Eminent Domain Authority, Expanded Powers to Engage in Foreign Economic Development

MADISON, WI – Americans for Prosperity-Wisconsin today urged lawmakers in the strongest possible terms to reject an 11th hour proposal to give sweeping new powers to the Wisconsin Public Finance Authority (PFA), an obscure, quasi-governmental agency that issues high risk bonds for government and non-profit construction projects. The motion was inserted into the budget after closed door meetings with no public discussion. Unanswered questions abound about the implications of giving the PFA vast new powers including eminent domain and an expanded ability to issue bonds for economic development projects in foreign countries.

Americans for Prosperity-Wisconsin State Director Eric Bott made the following statement:

"There's something rotten in Madison today. This kind of legislative chicanery would make Tony Soprano proud but should outrage taxpayers. Our base of 130,000 grassroots activists is deeply troubled by the vast, unchecked, and undemocratic powers given to the PFA in this budget. They are also disturbed by the sneaky procedural tricks used to slip this motion into the budget with no public debate and countless unanswered questions. Our activists will be working around the clock for the next 48 hours to urge lawmakers stop this motion until some key questions are answered. If it should survive legislative debate in its current form, we will be urging Governor Walker to exercise his veto authority.

Bott continued:

"Wisconsinites have much to lose and nothing to gain by further empowering an entity best known for putting Wisconsin's reputation on the line through dubious, high-risk, out-of-state construction projects like a $1.2 billion bond for a New Jersey shopping mall and a $327 million bond for the University of Kansas campus. This motion invites further suspicion and concern about how it was slipped into the budget in the first place. Someone is trying to pull a scam on Wisconsin taxpayers and property owners and AFP-WI will not rest until we know why this is being done and which individuals or groups are doing it."

Bott added that AFP-WI is demanding that Assembly and Senate leadership provide public answers to the following key questions before any further legislative action takes place:

– Why does the legislature want to expand the PFA's ability to engage in economic development in foreign countries like China or Mexico?

-Why is the legislature seeking to subvert democracy in other states by financing development projects opposed by local officials in those states?

-Why is a so-called conservative majority in the legislature proposing to grant unprecedented new

eminent domain authority to a shadow authority?

-Why are conservatives in the legislature going to bat for an organization that reportedly operates out of California, especially when nearly all jobs, profits, and tax revenues associated with the PFA appear to be bled out of Wisconsin and sent to California?

-Who is getting rich off the PFA and why is the legislature helping them get richer when there is little-to-no public benefit to the citizens of Wisconsin?

-Why were the PFA provisions added to the budget under the cloak of darkness without any public debate or discussion what-so-ever?

-Who is the author of the PFA motion? Who asked to put this in the budget?

-What is the public benefit of the PFA to Wisconsin citizens?

-Why is Wisconsin taking on this kind of unnecessary risk with its financial reputation? PFA is viewed by some in the market as a Wisconsin governmental issuer of bonds. Any problems they have will negatively impact the market's view of bonds issued by Wisconsin.

BACKGROUND:

PFA sought a similar but less dramatic expansion of its power through a budget motion inserted into the 2015-17 state budget. Governor Walker vetoed the provision in its entirety, stating:

I am vetoing this provision because I object to broadening the powers of [PFA] and do not support the decreases in accountability that would result from enacting this provision or the loss of local control and loss of state tax revenue. Such sweeping changes to current law decrease transparency and could create unintended consequences, the full extent of which are unknown.

The PFA's involvement in shady projects has been well-documented in recent years.

AMERICAN FOR PROSPERITY

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