

# The Boobs of Hazzard

by Max Schulz

Everyone's familiar with the small-town Southern sheriff setting a speed trap to snare unsuspecting travelers just passing through. These speed traps have always been more about raising money than about cracking down on dangerous driving, and numerous towns have come to depend on picking out-of-towners' pockets for revenue.

Recently the city fathers in another Southern hamlet have tried to apply that principle on a grander scale. Memphis's civic leaders are proposing just this sort of scheme in order to build a new basketball arena to woo the foundering Vancouver Grizzlies NBA franchise. And like every pissant Roscoe P. Coltrane to ever point a radar gun, they're going after out-of-towners in their cars. The irony, though, is that in trying to put the touch on visitors, they're going to end up fleecing their own.

A coven of business leaders and state and local politicians has cooked up a complicated financing package to provide the \$250 million needed to build a shiny new basketball arena for the Grizzlies. The NBA and Grizzlies owner Michael Heisley won't give Memphis the time of day unless it builds them a new home. And the costs largely will be borne by -- who else? -- the taxpayers.

Funding is supposed to come from quite a few sources, but in just about every case taxpayers will be holding the bag. The City of Memphis and Shelby County will each pony up \$12 million in tax money, while the state of Tennessee provides \$40 million. A tourism development zone tax rebate should bring \$35 million. A sales tax rebate will account for \$70 million. A \$1 per seat arena surcharge is expected to provide \$16 million. Ten million dollars would come from the hotel/motel tax already in place.

A particularly odious part of this stinker of a plan is the proposed tax on rental cars in Shelby County. Proponents claim the 2 percent levy on car rentals would bring in \$25 million. Two percent doesn't sound too bad. But what boosters rarely acknowledge is that this 2 percent would be added on top of the already excessive extra taxes on car rentals (11.25 percent in Shelby County; 20.75 percent if rented at the airport).

Worse, this tax wouldn't even work the way it's intended. The plan is to bilk tourists and businesspeople renting cars on visits to Memphis. The problem is

that more than half of all cars rented in Memphis are rented by locals, often in need of a replacement vehicle while theirs is being fixed.

The only thing missing so far is any sort of private financing from the people who would benefit from this publicly financed windfall. The word is that a slight amount of private funding -- \$20 million -- should come in shortly, providing a bare minimum of cover against charges that the taxpayers are picking up the entire tab.

Two of the project's biggest boosters -- Memphis Mayor Willie Herenton and Shelby County Mayor Jim Rout -- have gone to pains to explain that people's property taxes will not be raised to finance the arena. That's hardly comforting. Because even if Memphians aren't seeing their property taxes devoted to build the state-of-the-art basketball palace, they'll still be paying for it overwhelmingly with their taxes. Taxes are taxes, whether property assessments or sales levies. The variety of novel funding streams -- like the plan for Memphis Gas, Light & Water to make payments directly for the arena in lieu of paying its own taxes -- shouldn't obscure the fact that taxpayers will be paying. When MGLW's millions of dollars in annual tax payments are diverted to the arena, that means those millions of dollars have to be made up elsewhere.

The one thing to be said in favor of most elements in the Memphis scheme is that they will be borne roughly equally: The hits are spread around. Which is why the rental car provision is so obnoxious. It arbitrarily targets one particular industry, violating the time-honored principle of equal application of the law.

Why rental cars and not, say, service stations or convenience stores? The answer, of course, is because those backing the tax figure it will be paid by folks who vote elsewhere. Profiles in courage indeed. The fact that most rental cars actually *aren't* leased by people who vote elsewhere shows how out of touch the politicians who hatched this scheme really are.

The desire to entice the Grizzlies to the banks of the Mississippi has led to nothing more than a publicly-subsidized bribe offered to team owner Michael Heisley and a publicly-subsidized bonus payment to the collection of big-shot Memphis business leaders who hope to partner up with him. The idea that the arena should be paid for exclusively with private funds has never been seriously considered.

The subject of naming rights may prove to be one of the last hurdles. Selling

the rights should net tens of million of dollars to help defray construction costs. But the taxpayers may have to take yet another bath. In Nashville in recent years, both the newly arrived hockey and NFL franchises were flat-out given the naming rights to their homes while the public was saddled with the costs. The Grizzlies might reasonably expect to do a similar Tennessee Waltz all over the taxpayers.

A modest suggestion: At the very least, after all the maneuvers to get somebody else to build the new basketball arena, shouldn't it be named The Avis/Alamo/Budget/Enterprise Center?

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