

Fiscal Estimate Narratives

DOR 9/20/2005

LRB Number	05-3134/1	Introduction Number	SB-304	Estimate Type	Original
Subject					
Tax exemption for property owned by an American Indian tribe or band and used for a governmental purpose					

Assumptions Used in Arriving at Fiscal Estimate

Generally, real property owned by federally recognized tribes or bands is subject to property taxes. Real property held by the federal government in trust for American Indian tribes or bands is not subject to state and local taxation.

The bill creates a property tax exemption for real property owned by a federally recognized American Indian tribe or band if the property is exclusively used for governmental purposes, which includes:

- Police station or law enforcement facility
- Tribal court
- Tribal administrative offices
- Fire station
- Preschool
- Elementary or secondary school
- Institution of higher education
- Library
- Social services facility including day care center
- Health care facility
- Natural resource facility
- Tribal physical infrastructure
- Tribal housing
- Cultural center
- Museum
- Youth camp
- Historic property

The above listed properties are generally exempt under current law, except for law enforcement properties, tribal court and tribal administrative offices, physical infrastructure, and natural resource facilities. Attachment 1 identifies the statutes under which the other properties listed above are already exempt.

The Department of Revenue does not have data on the statewide value of government use properties owned by federally recognized American Indian tribes or bands that is subject to the property tax. However, the department has identified a police station owned by the Oneida tribe in the Village of Hobart that is classified as a commercial property. In 2004, the property's equalized value was about \$3.1 million and property taxes of about \$61,200 were levied thereon. Under the bill, \$61,200 in taxes would be shifted to owners of remaining taxable property in the village and overlying jurisdictions. To the extent that the bill would exempt additional property, a greater amount of property taxes would be shifted.

The bill would require minor revisions to the Wisconsin Property Assessment Manual, forms and publications. The cost of these revisions would be absorbed.

State forestry tax collections would decrease by \$0.20 per \$1,000 of equalized value exempted by the bill.

Long-Range Fiscal Implications

**Senate Bill 304
ATTACHMENT 1**

Specified Purpose Listed in SB 304	Existing Exemption
Preschool, elementary or secondary school	70.11 (4) Education, Religious and Benevolent Institutions
Institution of higher education	70.11 (3) Colleges and Universities
Library	70.11 (4) Education, Religious and Benevolent Institutions
Social services facility including day care	70.11 (4) Education, Religious and Benevolent Institutions
Health care facilities	70.11 (4) Education, Religious and Benevolent Institutions or 70.11 (4m) Nonprofit Hospitals
Tribal housing	70.11 (18) Housing Authorities (PILOT)
Cultural Center	70.11 (4) Education, Religious and Benevolent Institutions
Museum	70.11 (4) Education, Religious and Benevolent Institutions
Youth Campus	70.11 (4) Education, Religious and Benevolent Institutions
Property of traditional significance	70.11 (13) Cemeteries, 70.11 (13m) Archeological sites
Historic	70.11 (20) Property held in trust in public interest or 70.11 (34) Historic properties
Fire station	70.11 (6) Fire companies

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (Forestry)			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$\$see text	\$
Agency/Prepared By		Authorized Signature	Date
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