

Fiscal Estimate Narratives

DOR 9/30/2013

LRB Number	13-3103/1	Introduction Number	SB-299	Estimate Type	Original
Description Exemption from the county property tax levy for municipalities on Madeline Island and Washington Island that levy taxes for airports or for public health or economic development services					

Assumptions Used in Arriving at Fiscal Estimate

CURRENT LAW

Under current law, if a service provided by a county is not provided to every municipality in the county, the county is permitted to allocate the property tax for that service to only those municipalities that receive the service. Based on data for the 2012/13 county property tax levy, there were 8 services for which one or more counties allocated the property tax levy to only those municipalities that received the service: (1) libraries, (2) county bridge aids, (3) health services, (4) children with disabilities education boards, (5) recycling, (6) emergency medical services, (7) tax lister, and (8) sanitation.

PROPOSED LAW

Under the bill, the property tax levy for airports, public health services, and economic development services would not apply to the Town of La Pointe (Madeline Island) in Ashland County and the Town of Washington (Washington Island) in Door County if the following conditions were met: (1) if the Town applies to the county board to be exempt from the county property tax levy for the service, and (2) if the Town can demonstrate that its property tax rate for the service is equal to or more than the county's property tax rate for that service.

For purposes of the potential exemption, the bill defines "public health services" as emergency fire, ambulance, medical services, and a community care clinic, and defines "economic development services" as providing community, business, and economic development information and assistance services and programs, loans, surveys, design assistance, site preparation and infrastructure for brownfield development, administrative assistance, and permitting assistance.

Expenditure and revenue data are available to the Department of Revenue (DOR) from the municipal financial report (MFR) filed annually with the department. The attached table has data from the audited 2012 reports for the 3 services affected by the bill. For purposes of this estimate it was assumed that if the expenditures directly related to a service are not funded from revenues directly related to that service then the difference is fully funded from property taxes. On that basis, it is estimated that the Town of La Pointe could, potentially, apply for an exemption from the county property tax levy for economic development services and public health services, and the Town of Washington could, potentially, apply for an exemption from the county property tax levy for airports and public health services.

The bill would increase the DOR's costs related to keeping track of county property tax levies and their allocation to underlying municipalities. These costs can be absorbed in current budgetary allocations.

Long-Range Fiscal Implications

2013 SB 299: Revenues and Expenditures per 2012 MFR Report

Item	Town of La Pointe	Ashland County	Town of Washington	Door County
2012 Equalized Value (tif out)	284,989,800	1,184,399,000	327,415,000	7,038,552,700
Airports:				
Line 122-53510: Airport expenditures	30,185	42,075	20,987	224,396
Line 109-46330: Airport public charges	48,093	0	6,544	38,925
Net expenditures (revenues)	-17,908	42,075	14,443	185,471
Property tax levy at 100% net expenditures	0	42,075	14,443	185,471
Property tax rate (in mills)	0.0000	0.0355	0.0441	0.0264
Quantify for exemption under bill?	NO	*****	YES	*****
Economic Development:				
Line 128-56700: Economic development expenditures	51,376	50,703	0	605,253
Line 109-46850: Economic development public charges	0	107,179	0	0
Net expenditures (revenues)	51,376	-56,476	0	605,253
Property tax levy at 100% net expenditures	51,376	0	0	605,253
Property tax rate (in mills)	0.1803	0.0000	0.0000	0.0860
Quantify for exemption under bill?	YES	*****	NO	*****
Public Health:				
Line 120-52200: Fire department expenditures	67,058	0	89,882	0
Line 120-52300: Ambulance/EMIS expenditures	130,700	0	12,581	2,591,855
Line 124-54100: Public health expenditures	25,481	1,022,921	135,680	978,113
Line 124-54300: Mental health services	0	0	0	8,807,020
Total public health expenditures	223,239	1,022,921	238,143	12,376,988
Line 103-43420: Fire insurance dues (state aid)	5,729	0	8,147	0
Line 103-43550: State aid for health services	0	140,595	0	4,667,574
Line 109-46590: Other health services public charges	9	581,813	0	23,948
Total public health revenues	5,738	722,408	8,147	4,691,522
Net expenditures (revenues)	217,501	300,513	229,996	4,691,522
Property tax at 100% net expenditures	217,501	300,513	229,996	4,691,522
Property tax rate (in mills)	0.7632	0.2537	0.7025	0.6665
Quantify for exemption under bill?	YES	*****	YES	*****