

Fiscal Estimate - 2017 Session

Original Updated Corrected Supplemental

LRB Number 17-3717/1		Introduction Number AB-0610	
Description authorizing La Crosse County to become a premier resort area			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input checked="" type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input checked="" type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village	
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<input checked="" type="checkbox"/> Cities			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		20.835(4)(gd), 20.566(1)(gf)	
Agency/Prepared By		Authorized Signature	Date
DOR/ Travis Arthur (608) 266-8565		Robert Schmidt (608) 266-5773	11/3/2017

Fiscal Estimate Narratives

DOR 11/3/2017

LRB Number	17-3717/1	Introduction Number	AB-0610	Estimate Type	Original
Description authorizing La Crosse County to become a premier resort area					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a municipality or county may impose a premier resort area tax if the municipality or county enacts an ordinance or resolution declaring itself to be a premier resort area. To be considered a premier resort area, at least 40% of the equalized value of the taxable property within the municipality or county must be used by tourism-related retailers.

The bill allows La Crosse County to become a premier resort area notwithstanding the fact that it does not meet the requirement that at least 40 percent of the equalized assessed value of the taxable property within a political subdivision be used by tourism-related retailers. Commercial property makes up 26.6% of La Crosse County's equalized value. Tourism-related retailers make up a portion of that amount. In order to impose the tax, the county board must adopt a resolution proclaiming its intent to impose the tax and the resolution must be approved by a majority of electors at a referendum.

Under the bill, if La Crosse County imposes a premier resort area tax, the proceeds may be used only for transportation expenses within the county, such as the construction, reconstruction, and improvement of highways, including bridges. No amount of the tax proceeds may be used to pay for mass transit. La Crosse County may not impose the tax unless it spends or commits to spend at least the same amount of revenue generated by taxes and used for highway improvements and maintenance that it generated and spent for those purposes in the year before the year in which the tax is first imposed.

The bill directs the county to spend 75% of the proceeds to benefit county highways and allows the county to distribute the remaining 25% to cities, villages, and towns located entirely or predominately within the county.

Based on sales and use tax return data, taxable sales in La Crosse County for filers that would likely be considered tourism-related businesses (based on self-reported business classifications) totaled \$1.33 billion in FY17. The department estimates a 0.5% tax would generate approximately \$6.65 million ($\$1.33 \text{ billion} * 0.5\%$) on an annual basis. Since the bill permits the county to distribute up to 25% of the funds to municipal governments, the impact on cities, towns, and villages is indeterminate with a maximum revenue increase of \$1.66 million. The county would be required to spend at least \$4.99 million of the \$6.65 million total on county highways.

The department's costs would be covered by the 3.0% of collections it would retain to administer this tax. The department estimates the administrative fee would generate approximately \$200,000 on an annual basis.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Description authorizing La Crosse County to become a premier resort area		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time cost of \$8,000 to make programming changes to WINPAS.		
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		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$see text
Agency/Prepared By Authorized Signature Date		
DOR/ Travis Arthur (608) 266-8565	Robert Schmidt (608) 266-5773	11/3/2017