



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 440
[2005 Assembly Bill 856]

Authorizing the Villages of Sister Bay and Ephraim to Become Premier Resort Areas

Current law generally provides that the governing body of a political subdivision (a city, village, town, or county) may, by a two-thirds vote of the members of the governing body, enact an ordinance or adopt a resolution declaring itself a premier resort area if at least 40% of the equalized assessed value of the taxable property within the political subdivision is used by tourism-related retailers. Tourism-related retailers are defined by the standard industrial classification manual published by the U.S. Office of Management and Budget. A premier resort area may impose a 0.5% tax on the gross receipts from the sale, lease, or rental of certain goods and services sold by tourism-related retailers. Proceeds from the tax may only be used to pay for infrastructure expenses within the jurisdiction of the premier resort area.

Currently, the Cities of Eagle River and Bayfield are exempt from the provision requiring that at least 40% of the equalized assessed value of the taxable property within the political subdivision is used by tourism-related retailers. Thus, they may impose a premier resort area tax.

2005 Wisconsin Act 440 establishes a similar exemption to the 40% equalized value minimum for the Villages of Sister Bay and Ephraim. Thus, permitting each of these villages to enact an ordinance or adopt a resolution, by a two-thirds vote of the members of the governing body, declaring the village a premier resort area and impose the aforementioned 0.5% tax. The Act prohibits the Villages of Sister Bay and Ephraim from collecting a premier resort area tax prior to the village board proclaiming its intent to impose the tax through a resolution and the subsequent approval of the resolution by a majority of the electors in the village at a specified referendum election.

Effective Date: June 6, 2006.

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DWS:tlu

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.