

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-4837/1	Introduction Number AB-907	
Subject Paying amounts to overlying taxing jurisdictions related to tax-exempt country clubs		
Fiscal Effect		
State:		
<input checked="" type="checkbox"/> No State Fiscal Effect		
<input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Decrease Costs	
Local:		
<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
5. Types of Local Government Units Affected		
1. <input checked="" type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue		
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue		<input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
Fund Sources Affected Affected Ch. 20 Appropriations		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By	Authorized Signature	Date
DOR/ Rebecca Boldt (608) 266-6785	Brian Pahnke (608) 266-2700	3/27/02

Fiscal Estimate Narratives

DOR 3/27/02

LRB Number	01-4837/1	Introduction Number	AB-907	Estimate Type	Original
Subject					
Paying amounts to overlying taxing jurisdictions related to tax-exempt country clubs					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, property owned by a municipality is exempt. The exemption applies to property owned by a municipality and leased to another entity, regardless of the lessee. Thus, country clubs that lease municipally owned property are exempt from property taxes.

Under the bill, if a municipality leases land and/or improvements to a country club that charges a membership fee of at least \$1,000 annually, the municipality must pay to all overlying taxing jurisdictions an amount equal to the amount that the overlying taxing jurisdictions would receive if the country club's land and improvements were taxable.

The department is aware of a country club in the Village of Maple Bluff and one in the Village of Shorewood Hills that would be affected under the bill. Based on discussions with assessors regarding the valuation of taxable country clubs, it is estimated that the land and improvements of each of these properties would be assessed at approximately \$6.5 million.

The 2000/01 net total tax rate for the Village of Maple Bluff was \$22.98 per \$1,000 of full value and the municipal rate was \$6.85 per \$1,000 of full value. As a result of the bill, the Village of Maple Bluff would pay to all taxing jurisdictions an amount equal to what the jurisdictions would receive if the country club property was taxable. Thus, the Village would be required to pay \$105,000 annually to other taxing jurisdictions [$\$6.5 \text{ million} \times (.02298 - .00685)$]. To the extent that the country club would be required to pay this amount, the bill would have the effect of shifting \$105,000 of property taxes from other taxable property to the affected country club.

The 2000/01 net total tax rate for the Village of Shorewood Hills was \$20.94 per \$1,000 of full value and the municipal rate was \$4.51 per \$1,000 of full value. Under the bill, the Village would be required to pay \$107,000 annually to other taxing jurisdictions [$\$6.5 \text{ million} \times (.02094 - .00451)$]. To the extent that the country club would be required to pay this amount, the bill would have the effect of shifting \$104,000 of property taxes from other taxable property to the affected country club.

The bill would increase municipal costs associated with assessing the affected properties for purposes of calculating the municipal payments.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
 Corrected
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Subject			
Paying amounts to overlying taxing jurisdictions related to tax-exempt country clubs			
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			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$See text of fiscal note.
NET CHANGE IN REVENUE		\$	\$See text of fiscal note.
Agency/Prepared By		Authorized Signature	Date
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