

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-4396/1	Introduction Number SB-411	
Subject		
Allow city of Bayfield to become a premier resort area and impose premier resort area taxes		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues	<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 Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs	
<input type="checkbox"/> Create New Appropriations		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected		
<input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts	<input type="checkbox"/> Village <input checked="" type="checkbox"/> Others <input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Cities <u>City of Bayfield</u>		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Affected Ch. 20 Appropriations		
20.835 (4) (gd) and 20.566 (1) gf		
Agency/Prepared By	Authorized Signature	Date
DOR/ Blair Kruger (608) 266-1310	Brian Pahnke (608) 266-2700	02/15/2002

Fiscal Estimate Narratives
DOR 02/15/2002

LRB Number 01-4396/1	Introduction Number SB-411	Estimate Type Original
Subject Allow city of Bayfield to become a premier resort area and impose premier resort area taxes		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, in general, a municipality or a county may declare 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 certain tourism-related retailers specified in the law. The City of Eagle River may declare itself a premier resort area even if it does not meet the 40% requirement regarding taxable property that is used by specified tourism-related retailers. A premier resort area may impose a 0.5% sales tax on goods or services that are subject to the general sales and use tax and are sold by specified tourism-related retailers. The proceeds of the tax may be used only for infrastructure expenses, including roads, bridges, recreational facilities and public safety.

Under the bill, the City of Bayfield would be allowed to declare itself a premier resort area even if it does not meet the 40% requirement regarding taxable property that is used by tourism-related retailers.

Total sales in Bayfield County subject to the county sales tax were about \$133.2 million in 2000. Based on the available Standard Industrial Code data for those sales, an estimated one-third of those sales, \$44.4 million, were by tourism-related retailers. Since about 19.8% of the commercial property in Bayfield County was located in the City of Bayfield in 2000, it is assumed that 19.8% or \$8.8 million (19.8% x \$44.4 million) of total county sales by tourism-related retailers would occur within the City of Bayfield. Therefore, under the foregoing assumptions, if the City of Bayfield had had a premier resort area tax in 2000, the tax would have produced an estimated \$45,000 (\$8.8 million x 0.5%).

Premier resort area taxes are administered by the Department. Of total collections, 97% are distributed to the premier resort area district and 3% are retained by the Department to recover administrative costs. Based on the analysis above, the Department would retain about \$1,000 of collections in the City of Bayfield for administrative costs, which should be sufficient to fund its costs of administering the tax.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
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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, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS (20.835(4)(gd),20.566)		1,000	
SEG/SEG-S			
TOTAL State Revenues		\$1,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$1,000	\$45,000
Agency/Prepared By		Authorized Signature	Date
DOR/ Blair Kruger (608) 266-1310		Brian Pahnke (608) 266-2700	02/15/2002