

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-3920/1</b>	<b>Introduction Number</b> <b>SB-445</b>
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**Subject**  
 Property tax exemption for arts and arts education centers

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate  
 Increase Existing Appropriations     
  Increase Existing Revenues  
 Decrease Existing Appropriations     
  Decrease Existing Revenues  
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget  
 Yes       No  
 Decrease Costs

**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Dennis Collier (608) 266-5773	Dennis Collier (608) 266-5773	2/24/2004

## Fiscal Estimate Narratives

DOR 2/24/2004

LRB Number	03-3920/1	Introduction Number	SB-445	Estimate Type	Original
<b>Subject</b>					
Property tax exemption for arts and arts education centers					

### Assumptions Used in Arriving at Fiscal Estimate

The bill would provide an exemption for property owned or leased by a non-profit entity under section 501 (c)(3) of the Internal Revenue Code if the property includes buildings owned or leased by the entity, including one or more theaters with seating capacity of at least 600 persons, and is located within or surrounded by a municipal park.

The exemption is intended for the Wilson Center for the Arts, property currently owned by the City of Brookfield and located in a park in the city. It is leased to the Sharon Lynne Wilson Center for the Arts, a non-profit entity that provides performances, exhibitions and educational programs. The Elmbrook School District leases performance and rehearsal space in the facility for a portion of the year. The arts facility was financed by the city, but the non-profit entity is paying off the cost of the facility through the lease agreement.

Currently, the property is exempt from tax because it is owned by the city. Once the entity has paid off the cost of the facility, the intent is to transfer ownership of the property from the city to the non-profit entity. Under current law, the property would become taxable at the time of the transfer, expected to be in about 18 years.

Because the transfer would occur so far off in the future, this bill has no current effect on property taxes in the city of Brookfield. Creating the exemption would prevent an insignificant reduction in property taxes for other property owners in the City of Brookfield at the time of the transfer, the extent of which cannot be estimated since the value of the property and the tax rate at the time of the transfer cannot be known. The exemption would also prevent a minimal increase in state forestry tax collections at the time of the transfer.

The bill would require minor revision to the Wisconsin Property Assessment Manual, the cost of which can be absorbed.

### Long-Range Fiscal Implications