

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-4456/1	Introduction Number SB-556
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Subject
 Authorize creation of special purpose district for county parks

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	3. <input checked="" type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>County park districts</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
1. <input type="checkbox"/> Increase Costs	<input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS

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Fiscal Estimate Narratives
DOR 3/25/2004

LRB Number 03-4456/1	Introduction Number SB-556	Estimate Type Original
Subject Authorize creation of special purpose district for county parks		

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, any county could separate its county park commission or county park department from the county and create a county park district (CPD). A CPD would be a separate governmental entity. A CPD's territory would be contiguous with the county that created it. A CPD would have the authority to acquire, develop, maintain, improve, operate, and manage parks, park facilities, recreational facilities, or recreational programs.

The Department of Revenue does not have information that would allow it to estimate the number of CPDs that might be formed under the bill, and can therefore not reasonably place dollar amounts on some of the fiscal effects this bill would engender. These fiscal effects are:

- (1) If a CPD is created, the portion of the county tax levy attributable to park and recreational purposes is to be transferred to the CPD, and a tax rate for these purposes is to be calculated. A CPD could levy a property tax at no more than the calculated rate unless voters approve a higher rate at a referendum. To the extent that voters are willing to pay higher taxes for CPD services, this part of the bill could increase property tax levies.
- (2) A CPD could impose impact fees on developers to recover the district's capital costs caused by the development. Since a CPD board could be more or less willing than a county board to impose impact fees, the potential impact on impact fees is indeterminate.
- (3) The property of a CPD would be exempt from local property taxes. Since this property is generally owned by counties and thus already exempt from property taxes, this part of the bill should have no effect on property tax levies.
- (4) Purchases by a CPD would be exempt from state and local sales taxes. Since a CPD's activities are currently performed by counties whose purchases are exempt, this part of the bill should have no effect on state and local sales taxes.
- (5) A CPD's income would be exempt from state income taxes. Since a CPD's activities are currently performed by counties whose income is exempt, this part of the bill should have no effect on state income tax collections.
- (6) Transfers of property to a CPD would be exempt from the real estate transfer fee (\$0.30 per \$100 of value transferred). The fee is normally paid when the instrument transferring the property is recorded with the register of deeds. The county retains 20% of the fee and remits the remainder to the state. This part of the bill will reduce county and state revenues by an unknown amount.

Long-Range Fiscal Implications