



Legislative Fiscal Bureau

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April 26, 2007

Joint Committee on Finance

Paper #758

Kickapoo Valley Reserve -- Aids in Lieu of Taxes Reestimate (Tourism)

Bill Agency

CURRENT LAW

Since the Kickapoo Valley Reserve's transfer from the federal government to the state of Wisconsin, the state has made aids in lieu of property tax payments on the Reserve's land to three municipalities. These payments are made from a sum sufficient SEG appropriation from the forestry account of the conservation fund. A payment is made each January that equals the tax that would be due on the estimated value of the land at the time it was transferred, adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipalities then forward the appropriate payment to Vernon County and the local school district based on the district levy.

GOVERNOR

Maintain base level funding of \$310,300 SEG annually in 2007-08 and 2008-09 for aids in lieu of property tax payments made by the Reserve.

MODIFICATION

Reestimate the aids in lieu of property tax payment by deleting \$39,700 in 2007-08 and \$15,300 in 2008-09.

Explanation: The bill would maintain funding of \$310,300 annually for aids in lieu of property tax payments made by the Kickapoo Valley Reserve, which is the same amount that was appropriated for this purpose in 2006-07. However, the \$310,300 in funding that was appropriated for 2006-07 was based on an incorrect valuation of the property that included improvements. After correcting the valuation, the Reserve was

assessed at \$248,300 for payments made in 2006-07. Furthermore, the statutes specify an annual adjustment in the valuation of the Reserve to reflect the percentage change in equalized value of all land in the tax district. A nine percent annual increase over the 2006-07 valuation would require \$270,600 in 2007-08 and \$295,000 in 2008-09.

	Change to Bill Funding	Change to Base Funding
SEG	- \$55,000	- \$55,000

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