



Legislative Fiscal Bureau

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April 23, 2009

Joint Committee on Finance

Paper #747

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

CURRENT LAW

Tourism has administered the Kickapoo Valley Reserve since 1996 after the federal government in the 1970s ended a project to dam the Kickapoo River and create a reservoir. As state-owned land, the Reserve is exempt from property taxation, but the state makes payments in lieu of property taxes to three municipalities in which the Reserve is located. Payments are made in January of each year from a sum-sufficient appropriation of the forestry account of the segregated conservation fund. Payments are based on the estimated value of the land when it was transferred to state ownership. Annual adjustments are made to reflect the equalized assessed value of all land, excluding improvements, and the tax rate by district. The municipalities forward appropriate payments to Vernon County and school districts based on the district levy.

GOVERNOR

Maintain base funding of \$334,800 SEG annually in 2009-10 and in 2010-11.

MODIFICATION

Reestimate payments by \$47,200 in 2009-10 and by \$67,200 in 2010-11 to reflect anticipated aids in lieu of property tax payments for the Reserve.

Explanation: For 2009-10 and 2010-11, the bill would reflect the base amount of \$334,800. However, the payment made in January, 2009, for tax year 2008 was \$364,200. The statutes require annual payments to reflect the estimated value of Reserve property and local property tax rates. The modified amounts reflect approximately a 5% increase per year over the actual 2008-09 payment. Forestry account SEG payments would be estimated at \$382,000 in 2009-10 and \$402,000 in 2010-11.

Change to Bill	
Funding	
SEG	\$114,400

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