

SHARED REVENUE AND TAX RELIEF -- LOCAL GOVERNMENT REVENUE OPTIONS

Premier Resort Area -- City of Rhinelander

Motion:

Move the following;

- a. provide an exemption for the City of Rhinelander in Oneida County from the statutory requirement that 40% of their equalized value be used by tourism-related retailers in order to declare themselves a premier resort area;
- b. require that in order to impose a 0.5% premier resort area tax, the City's governing body would have to adopt a resolution proclaiming its intent to impose the tax and the resolution would have to be adopted by a majority of electors in the City at a referendum held at the first spring primary or election, partisan primary, or general election occurring at least 70 days after the date the resolution is adopted;
- c. specify that the ability of the City to impose the tax would take effect on the first day of the calendar quarter beginning at least 120 days after publication of the bill; and
- d. specify that City could only expend the revenues from the tax on transportation-related infrastructure and that the City would have to expend at least the same amount of other funds on transportation-related infrastructure each year that it spent during the calendar year prior to the year in which the premier resort area tax is first imposed.

Note:

A premier resort area tax option for units of local government that meet certain eligibility criteria was created by 1997 Wisconsin Act 27. The governing body of a political subdivision can enact an ordinance or adopt a resolution declaring itself to be a premier resort area if at least 40% of the equalized value of the taxable property within the political subdivision is used by retailers that fall within certain tourism-related standard industrial classifications. Proceeds from a premier resort area tax may only be used to pay for infrastructure expenses within the jurisdiction of that premier resort area. A municipality or county, all of which is included in a premier resort area, can enact an

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ordinance to impose a tax at a rate of 0.5% on the gross receipts from the sale, lease, or rental in the municipality or county of goods or services that are taxable under current state sales tax provisions made by businesses that are included in a second list of tourism-related retailers (this list is more extensive than that used to determine whether the 40% threshold is met). Further, a county and a municipality within that county cannot each impose the tax on sales by the same tourism-related retailer. DOR administers, enforces, and collects the premier resort tax.

In 1998, the Village of Lake Delton and the City of Wisconsin Dells each enacted a 0.5% premier resort area tax under the statutory requirements. Subsequently, 2013 Wisconsin Act 20 allowed the rate in these two municipalities to be increased to 1.25%, if approved by a majority of the municipal electors.

Under 2001 Wisconsin Act 16, the City of Eagle River was exempted from the statutory requirement that 40% of its equalized value be used by tourism-related retailers in order to declare itself a premier resort area. The City of Eagle River enacted a premier resort area tax in 2006. The City of Bayfield was provided a similar exemption by 2001 Wisconsin Act 109 and enacted a premier resort area tax in 2003.

Under 2005 Wisconsin Act 440, the villages of Sister Bay and Ephraim in Door County were also provided an exemption from the statutory requirement that 40% of their equalized value be used by tourism-related retailers in order to declare themselves a premier resort area. 2013 Wisconsin Act 20 provided a similar exemption for the Village of Stockholm in Pepin County. In order to impose a premier resort area tax, each village governing body must adopt a resolution proclaiming its intent to impose the tax and the same resolution must be adopted by a majority of electors in the village at referendum. Neither village in Door County has enacted the resolution required to impose the premier resort area tax. The Village of Stockholm electors passed the resolution enacted by their village board declaring themselves a premier resort area. The Village's tax was first imposed on October 1, 2014.

This motion would provide the City of Rhinelander an exemption from the statutory requirement that 40% of their equalized value be used by tourism-related retailers in order to declare themselves a premier resort area similar to the exemption provided the other municipalities. Similar to the villages of Sister Bay, Ephraim, and Stockholm the resolution imposing the tax would have to be approved by the Village's electors at referendum. Proceeds from the tax would have to be used for transportation-related infrastructure above the current level of expenditures on such infrastructure.