



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-3806/1
JK:jld:ph

2011 ASSEMBLY BILL 680

March 8, 2012 - Introduced by Representatives STONE, SINICKI, KUGLITSCH, ZAMARRIPA, BROOKS, RICHARDS, ZEPNICK and PASCH. Referred to Committee on Ways and Means.

1 **AN ACT** *to create* 70.11 (46) of the statutes; **relating to:** creating a property tax
2 exemption for a nonprofit youth baseball association.

Analysis by the Legislative Reference Bureau

This bill creates a property tax exemption for buildings and personal property owned by; and land, not exceeding six acres, that is owned or leased by; a nonprofit youth baseball association.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 70.11 (46) of the statutes is created to read:

4 70.11 (46) NONPROFIT YOUTH BASEBALL ASSOCIATIONS. Land not exceeding 6
5 acres, the buildings on that land, and personal property, if the land is owned or leased
6 by, and the buildings and personal property are owned by, a nonprofit youth baseball

ASSEMBLY BILL 680**SECTION 1**

1 association and all the property is used exclusively for the purposes of the
2 association. Leasing all or a portion of the property does not render the property
3 taxable if all of the leasehold income is used for maintaining the leased property.

4 **SECTION 2. Initial applicability.**

5 (1) This act first applies to the property tax assessments as of January 1, 2012.

6 (END)

Fiscal Estimate - 2011 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 11-3806/1	Introduction Number AB-0680
Description Creating a property tax exemption for a nonprofit youth baseball association	
Fiscal Effect	
State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>	
Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate <div style="display: flex;"> <div style="width: 50%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 50%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> </div> </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Others <input checked="" type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Cities <u>lake, town</u> <u>sewer,</u> <u>metro</u> <u>sewer</u> </div> </div> </div> </div>	
<div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS State forestation tax </div> <div> Affected Ch. 20 Appropriations </div> </div>	
Agency/Prepared By DOR/ Daniel Huegel (608) 266-5705	Authorized Signature Paul Ziegler (608) 266-5773
Date 3/12/2012	

Fiscal Estimate Narratives

DOR 3/12/2012

LRB Number	11-3806/1	Introduction Number	AB-0680	Estimate Type	Original
Description					
Creating a property tax exemption for a nonprofit youth baseball association					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, land (not exceeding 6 acres), buildings, and personal property owned or leased by a nonprofit youth baseball association would be exempt from real and personal property taxation. The exemption would take effect for the assessment on January 1, 2012.

Based on a list of nonprofit organizations that qualify as charities for federal income tax purposes (Internal Revenue Service Publication #78), there are 101 nonprofit baseball related organizations based in Wisconsin, of which about 50 (based on the organization's name) are clearly associated with youth baseball. The IRS list includes only those organizations that have registered with the IRS and have filed sufficient information to effectively prove their tax exempt status. It is therefore possible that additional nonprofit organizations involved with youth baseball exist.

Information available to the Department of Revenue (DOR) does not permit it to identify the value of those properties which could become exempt under the bill. It is expected that most of the value potentially exempt under the bill would be for the land used by the nonprofit youth baseball associations. Assuming 50 eligible associations, 6 acres per association, and a land value of \$5,000 per acre, the bill could exempt \$1,500,000 in property from taxation. Based on an average net property tax rate of \$19.69 per \$1,000 equalized value for the 2011/12 property tax year, the bill would have shifted about \$29,500 in property taxes from the affected baseball organizations to other property owners. The State of Wisconsin imposes a property tax at a rate of about \$0.1697 per \$1,000 equalized value for forestry purposes; the bill would have reduced the state tax levy for 2011/12 by about \$255.

Costs to the DOR for updating its assessment manual and notifying assessors of the law change can be absorbed within current budgetary resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 11-3806/1		Introduction Number AB-0680	
Description Creating a property tax exemption for a nonprofit youth baseball association			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): 			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$	\$	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (State Forestation)		-255	
TOTAL State Revenues	\$	\$-255	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$-255	\$See text	
Agency/Prepared By		Authorized Signature	Date
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