

Hello All,

It has come to the attention of the Long Lake Fishing Club that there is a possibility about creating a Lake District for the area of Long Lake. We believe it is our responsibility to inform our members and community of the facts regarding a Lake District below:

## **1. WHAT IS A LAKE DISTRICT?**

A Lake District is a specialized unit of government designed to manage a lake or group of lakes. Lake Districts must comply with Chapter 33 of the Wisconsin State Statutes.

One of the major differences between a Lake District and a Lake Association is a Lake District's ability to tax property within the district.

A Lake District is NOT a club. Unlike a Lake Association, a Lake District is a governmental body with statutory responsibilities to the resource, local citizens and taxpayers.

A Lake District is guided and operated by those that live in or own property in the district.

A Lake District's day to day operations are carried out by a board of commissioners composed of three to five elected volunteers and two local officials. Commissioners are compensated and have staggered three year terms.

Unlike other governmental units, such as towns or sanitary districts, nonresident property owners have the right to vote and hold office in Lake Districts.

In Wisconsin, Lake Districts may only form on lakes that are publicly accessible.

Lake Districts can include parcels which are off lake properties that benefit by the proximity of the lake or lake's watershed.

## 2. HOW IS A LAKE DISTRICT FORMED?

A Lake District can be formed in any one of four ways:

- By Landowners petition to the county board
- By Landowners petition to the town board
- By resolution of municipal governing body
- By conversion of a sanitary district

When the proposed district lies in more than one county, the law gives jurisdiction for receiving the petition to the county with the highest equalized valuation (see definition of equalized value later in article) with the proposed district.

A petition to form a Lake District must include:

- The proposed name of the district
- Statements about the necessity and benefit of the district
- A description of the boundaries of the proposed district
- A plat or sketch indicating the approximate area and boundaries
- Signatures of petitioners with verification of the signatures

Must be signed by:

51% of the owners of land within the proposed district

OR

the owners of 51% of the land area within the proposed district

The county must:

Publish notice of the hearing, stating the boundaries of the proposed Lake District, in a Newspaper or general circulation in the county.

Mail notice of the hearing, stating the boundaries of the proposed lake district to the last known address of each landowner within the proposed district.

At the time the hearing date is set, provide written notice of the hearing to the Department of Natural Resources.

### 3. HOW DOES THE LAKE DISTRICT RAISE FUNDS?

The Legislature has authorized Lake Districts a wide variety of funding mechanisms including:

- General property tax
- Special Charges and Assessments
- Saving and Borrowing
- Grants
- Gifts

General property tax:

Lake District taxes are capped at the rate of 2.5 mills or \$ 2.50 per \$1,000 of equalized valuation. This cap applies ONLY to the costs of operations such as administrative costs like bookkeeping, printing and postage, lake studies and monitoring and other general government activities, it does NOT apply to taxes levied to pay principal and interest on debt.

All property subject to general taxes is taxable by the Lake District. Public and other property exempt from taxes may NOT be taxed by the Lake District.

What does equalized valuation mean?

The Wisconsin Department of Revenue is required to send each Lake District a “certificate of equalized value”. This certificate shows the percentage of total assessed value of district property separated by town, village and city within the district.

The Lake District must apportion the tax levy to each town, village and city within the district according to its relative proportion of the district’s tax base as shown on the Certificate.

**Example:** Blue Lake District includes territory in the towns of Trout and Bass. The WDNR certificate states the value of lake district property in Town of Trout is \$5,000,000 and in the Town of Bass is \$10,000,000. The annual Blue Lake District budget is \$ 30,000. The town of Trout treasurer receives the tax

levy to assess their property owners in the amount of \$ 10,000 ( 1/3 of the total annual budget) and the town of Bass Treasurer receives a tax levy to assess their property owners in the amount of \$ 20,000 (2/3 of the total annual budget) The overall tax levy is 2.0 mills ( \$30,000 for \$ 15,000,000 of property )

#### Special Charges:

Lake Districts are also authorized to impose additional special charges for services identified in the annual budget.

These are typically used for services such as, aquatic plant harvesting, algae control, sewer and water service and garbage pickup.

Additional Special Charges may not exceed the rate of \$ 2.50 per \$1,000 of assessed valuation and are also applied as a proportion of the total assessed value of the district.

#### Special Assessments:

Special Assessments are used for larger capital projects and may only be levied against benefited property.

#### Saving and Borrowing:

When a Lake District borrows money, additional taxes are levied to pay debt and are not subject to the tax levy limit described in the general property tax section. Lake Districts are subject to a debt limit equal to 5% of the equalized valuation of the district.

The above information was taken from the article at People of the Lakes: A Guide for Wisconsin Lake Organizations 12th edition – 2018 Chapter 4 Lake Districts

To read the entire article go to:

<https://www.uwsp.edu/cnr-ap/UWEXLakes/Pages/organizations/guide.aspx>

Or

On our website at [www.longlakefishingclub.com](http://www.longlakefishingclub.com)