

## Lake District Questions & Answers

The following are Q&A's about establishing a Lake District

### **Q. What is a Lake District?**

**A.** A specialized unit of government designed to manage a lake. It may only be formed on lakes that are publically accessible. Since 1974, when Wisconsin passed legislation allowing the formation of lake districts, over 200 lake communities have formed lake districts, including Pine Lake, Kentuck Lake, Post Lake, Long Lake, and Pickerel-Crane Lake.

A lake district has powers and governance provisions and is guided and operated by those who live in or own property in the district. The operation is directed by a board of commissioners composed of elected volunteers and local officials. Both resident and non-resident property owners have the right to vote and hold office in a lake district.

A lake district must follow Chapter 33 of the Wisconsin Statutes. The district does not compete with local governments, does not establish zoning or development laws. Its sole purpose is to protect the ecological integrity and environment of the lake.

### **Q. What are the advantages of forming a Lake District?**

**A.** The district is able to address lake and watershed issues that threaten the lake's ecosystem. The financial direction of the district is determined by the district residents and property owners by a budget that is submitted and approved by them at the annual meeting. The district has the ability to levy taxes, as determined by law and with the approval of the property owners, to manage the environmental issues that could challenge the health and preservation of the lake. The district is exempt from federal and state income taxes and receives Wisconsin state sales tax exempt status.

### **Q. What is the process of forming a lake district?**

- 1) Develop a Lake District Boundary.
  - a. Create a map showing all properties that would be included in the District boundary.
- 2) Conduct Information Meetings with:
  - a. County Land and Water Conservation Committee
  - b. City Council – City Needs to approve boundary of proposed District
  - c. Chamber of Commerce
  - d. Town Board of Supervisors
  - e. Public Informational Meeting for all property owners within the District boundary.
- 3) Petition every property owner in the District for their signature of approval:
  - a. Every person listed on the title and typically appears on the property tax roll.
  - b. Spouse if referred to on the tax roll, i.e., John Smith & Spouse or John Smith et ux.
  - c. Owners of more than one parcel of real estate in the established boundary may only sign once.
  - d. A partnership, corporation, trust, foundation, association, or local government is entitled to one signature by an authorized representative.
  - e. Condominium owners on the tax roll are included.

- f. The City has the ability to, by resolution, effectively sign the petition on behalf of its residents.
- 4) Approval of 51% of the land owners is required to create a Lake District, or 51% of the total land within the proposed district.
  - 5) After the petition is circulated and verified by a notary public, the petition is filed with the County Clerk.
  - 6) County Board appoints a Committee to conduct a public hearing within 30 days of filing the petition.
    - a. Publish a notice of the hearing, stating its boundaries, in the local newspaper. File as a Class 1 Notice.
    - b. Mail a Notice of Hearing, stating the boundary to each landowner.
    - c. Provide written notice of the date and time of the public hearing to the WDNR.
    - d. Any person within the District boundary may testify at the public hearing on matters pertinent to the formation of the proposed District.
    - e. Any person opposing the organization of the district may file objections with the County Clerk prior to the date of the hearing.
  - 7) Report of the Public Hearing must be submitted to the County Board within 3 months of the hearing.
  - 8) County Board is required to issue a decision within 6 months of the hearing.
  - 9) Interim Board of Commissioners if formed.

This Commission is charged with getting the District up and running and preparing for the first Annual Meeting and a proposed budget. The Commission is composed of:

- a. Three (3) landowners within the District, at least one property owner shall be a resident of the District.
  - b. One (1) member of the County Land and Water Conservation Committee or someone appointed by the County Board.
  - c. One (1) member of the governing body of the City or Town who, if possible, owns property within the Lake District.
- 10) First Annual Meeting takes place.
    - a. Approval of First Budget
    - b. Elect Board of Commissioners
    - c. District is ready for succeeding years

**Q. Can a lake district be more effective in support of preventative measures for aquatic invasive species infestation?**

A. Yes. The Lake District actually can be more proactive than an association because of more financial stability to sustain lake management and treatment programs to address invasive species such as EWM, spiny water flea, curl leaf pond weed, and VHS.

**Q. Is a Lake District able to spread costs over all property owners in the district?**

A. Yes. Each property owner will be assessed the same mill rate.

**Q. What will a lake district cost me as a property owner?**

A. The process in determining what the levy would be for your property is as follows: Lake District board submits a budget at the annual meeting. As a property owner, you would vote on this budget at the annual meeting. Then this budget amount would be divided out among all of the properties in the district in relation to your tax assessment.

**Q. Can a Lake District still get grants?**

A. Yes. A lake district is eligible for state and federal grants.

**Q. Can a lake association still be maintained?**

A. Yes. An association could still be maintained to work side by side with the district. However, funds from an association could help reduce the tax burden within the district.

**Q. Does a Lake District help to sustain property values?**

A. Actually, yes. It has been proven that property within a lake district is found to have greater market appeal and is, therefore, more saleable.

**Q. My Lake Association membership dues were tax deductible. Is the Lake District assessment tax deductible?**

A. Since the District Assessment is on your tax role, it may be fully deducted. \*Please check your deductibility with your tax advisor.

The next 12 Q&A's deal with operating a Lake District once it is established.

1) Does the Lake District have control of the real estate and zoning within its' boundary?

Response: The district has no authority regarding these issues. The Town or County regulations have the control.

2) Could fishing, jet skiing, boating hours and water regulations be adopted that would be unacceptable to district members?

Response: Yes, but not without property owner support. Any proposed regulations must be approved by the membership at the Annual Meeting. Public notices must be published and letters must be sent to all district property owners detailing the agenda items prior to the Annual Meeting.

3) Can a Lake District be sued?

Response: Yes, just like your church, school, city or township, a lake district can also be sued. For this reason, like the other organizations, liability insurance is a requirement for a lake district.

4) We disagree with having another government body that establishes regulations and controls.

Response: The lake district is a specialized unit of government designed to address lake and watershed issues that threaten the Lake's ecosystem, protects the beauty and the use of the lake, and protects lake

property values. A tax levy provides the financial means to manage the protection from, and control of, Aquatic Invasive Species (“AIS”).

5) How is the Lake District board of commissioners selected?

Response: Five (5) commissioners provide management direction for the district; three property owner representatives on the commission are elected by secret ballot at the annual meeting.

6) When is the Lake District annual meeting?

Response: Annual Lake District meeting must be held between May 22nd and September 8th.

6) Could the District be dissolved?

Response: Yes, by majority vote of those in attendance at the Annual Lake District meeting.

8) Are absentee or proxy voting permissible for the Annual Meeting?

Response: No, absentee and proxy voting does not provide the non-present member the benefit of hearing the discussion of an issue during the meeting.

9) Is there a limit on how much a District can tax?

Response: Yes, the levy by a Lake District is capped at 2.5 mills or \$2.50 per \$1,000 of Fair Market Value (“FMV”) for lake quality management programs.

10) Who can vote at a Lake District Annual Meeting?

Response: A person can vote if they are a U.S. citizen over 18 years of age and are either:

- a. An elector (a resident in the Lake District who is able to vote in other local/state elections). Electors do not have to own property in the district.
- b. A person whose name appears as an owner of real property on the tax roll within the district
- c. A person who owns title to real property even though the person’s name does not appear on the tax roll (i.e. a spouse)
- d. A person who is the official representative, officer or employee authorized to vote on behalf of a trust, foundation, corporation, association or other organization owning real property in the Lake District.

11) Will the Wisconsin Department of Natural Resources (“WDNR”) have a hand in the budget?

Response: No, the budget is set by the voters in the District at the annual meeting. The WDNR has no say in what the budget will be in a given year.

12) Why isn’t the WDNR responsible for controlling the problems in our lakes?

Response: There have been numerous attempts to have the control of invasive species covered by recreational fees paid to the state government, but many of them have not made it through the political process. The legislature dictates the funding provided to the WDNR. The economic/political climate has limited the funding. The WDNR provides competitive grants to a Lake District to address the AIS problem. Because NSTLRA has received WDNR funding for the past eight years for treatment programs and the fact that so many lakes throughout Wisconsin have are fighting AIS it is increasingly unlikely NSTLRA will receive funding in the future.