

2002 Fee amount	2003 New base fee	Increase
2005 Phase-in Fee: \$1,339 (2004 fee) + \$300 (1/3 of fee increase > 100%) × 1.03* (annual IPD-GDP increase of 3%) = \$1,688		
2006 Phase-in Fee \$1,688 (2005 fee) × 1.03* (annual IPD-GDP increase of 3%) = \$1,739		

<sup>1</sup>>100% increase.

\*3% annual IPD-GDP adjustment is used for illustrative purposes only. The actual annual IPD-GDP rate would be used for each of the phase-in amounts in years 2004 through 2006.

### 33.13—Annual Adjustment of Recreation Residence Fee

Recreation residence fees shall be adjusted annually using the 2nd quarter to 2nd quarter change in the Implicit Price Deflator, Gross Domestic Product (IPD-GDP).

An annual adjustment to the base fee shall be no more than 5 percent in any single year. When the annual change to the IPD-GDP results in an annual adjustment of more than 5 percent, apply the amount of the adjustment in excess of 5 percent to the annual fee payment for the next year in which the change in the index factor is less than 5 percent.

The following two examples illustrate how annual fees are adjusted in years during which the annual change in the IPD-GDP index exceeds 5 percent:

*Example 1:* Only 1 year in which the IPD-GDP adjustment exceeds 5%.

2004 Fee = \$700

2005 IPD-GDP adjustment = 7% \* (\$700 × .07 = \$49)

Maximum adjustment/year = 5% (\$35)

2005 carryover adjustment = 2% (\$14)

2005 Fee = \$700 (2004 fee) × .05 (max. adj/yr.) = \$735

2006 IPD-GDP adjustment = 3% \*

Carryover adjustment from 2005 = \$14

2006 Fee = \$735 (2005 fee) + \$14 (2005 carryover) × 1.03 = \$771

*Example 2:* Multiple-year IPD-GDP adjustments exceeding 5%.

2004 Fee = \$700

2005 IPD-GDP adjustment = 7% \* (\$700 × .07 = \$49)

Maximum adjustment/year = 5% (\$35)

2005 carryover adjustment = 2% (\$14)

2005 Fee = \$700 (2004 fee) × 1.05 (max. adj/yr.) = \$735

2006 IPD-GDP adjustment = 7% \* (\$735 × .07 = \$51)

Maximum adjustment/year = 5% (\$37)

2006 carryover adjustment = 2% (\$14)

Total carryover (2005 & 2006) = \$28

2006 Fee = \$735 (2005 fee) × 1.05 (max. adj/yr.) = \$772

2007 IPD-GDP adjustment = 3% \*

(<max.adj/yr.)

Total 2006 & 2007 carryover = \$28

2007 Fee = \$772 (2006 fee) + \$28 (2005 & 2006 carryover) × 1.03 = \$824

(\*Annual IPD-GDP adjustments used are for illustrative purposes only)

### 33.2—Fees When Determination Is Made To Place Recreation Residence on Tenure

A recreation residence use is placed on "tenure" when the authorized officer notifies the holder of the officer's decision to discontinue the use of the lot for recreation residence purposes and to convert the use of the recreation residence lot to some alternative public purpose. When a decision is made to discontinue the recreation use, the authorized officer shall provide the holder a minimum of 10 years notice prior to the date of converting the use and occupancy to an alternative public purpose. If the holder's 20-year term special use permit expires during that 10-year period, a new annual special use permit shall be issued with an expiration date that coincides with the specified date for converting the recreation residence lot to an alternative public purpose.

When a recreation residence use had been put on tenure, the fee for the tenth year prior to the date of converting the recreation residence use to an alternative public use becomes the base fee for the remaining life of the use. The fee for each year during the last ten years of the authorization shall be one-tenth of the base fee multiplied by the number of years remaining prior to the date of conversion. For example, charge a holder with nine years remaining, 90 percent of the base fee; with eight years, 80 percent; and so forth. Do not apply annual adjustments to fees when a recreation residence has been put on tenure notice.

Use the following schedule to calculate the holder's fee during the 10-year period:

Years remaining prior to date of conversion	Percent of base fee to charge
10 .....	100
9 .....	90
8 .....	80
7 .....	70
6 .....	60
5 .....	50
4 .....	40
3 .....	30
2 .....	20
1 .....	10

Use one of the following fee determination procedures when a review of a decision to convert the recreation residence lot to an alternative public use shows that changed conditions warrant continuation of the recreation residence use beyond the determined date of conversion:

1. If a new 20-year term permit is issued, recover the amount of fees forgone while the previous permit was under notice that the recreation residence lot would be converted to an alternative public purpose. Collect this amount evenly over a 10-year period in addition to the annual fee due under the new permit. The obligation runs with the recreation residence lot and shall be charged to any subsequent purchaser of the recreation residence. The annual fee under the newly issued 20-year permit shall be the annually-indexed fee computed as though no limit on tenure had existed, plus the amount as specified in this paragraph until paid in full.

2. Do not recover past fees when a 20-year term permit is not issued and the occupancy of the recreation residence lot will be authorized for less than 10 years past the originally identified date of conversion. Determine the fee for a new permit in these situations by computing the fee as if notice that a new permit would not be issued had not been given, reduced by the appropriate percentage for the number of years of the extension. For example, a new permit with a 6-year tenure period results in a fee equal to 60 percent of the base fee.

3. When a 20-year term permit is not issued, and the occupancy of the subject recreation residence lot will be allowed to continue for more than 10 years, but less than 20 years, recover fees as outlined in the preceding paragraph 1, computed for the most recent 10-year period in which the term of the permit was limited.

### 33.3—Fee When Recreation Residence Use Is Terminated or Revoked as Result of Acts of God or Other Catastrophic Events

When the authorized officer determines that the recreation residence lot cannot be safely occupied because of an act of God or other catastrophic event, the fee obligation of the recreation residence owner shall terminate effective on the date of the occurrence of the act or event.

A prorated portion of the annual fee, reflecting the remainder of the current billing period from the date of the occurrence of the act or event, shall be refunded to the holder. In the event that the holder is authorized to occupy an in-lieu lot (sec. 41.23d), the refund amount may instead be credited to the annual fee identified in a new permit for the in-lieu lot.