

**FISCAL ESTIMATE FORM**

**1999 Session**

ORIGINAL  **UPDATED**   
 CORRECTED  SUPPLEMENTAL

LRB #	99-0868/1
INTRODUCTION #	AB 511
Admin. Rule #	

**Subject**  
 Create Property Tax Exemption for Wetlands

**Fiscal Effect**

State:  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriation	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		

Local:  No Local Government Costs

**See Text Of Fiscal Note**

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Villages <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>special districts</u> <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

**Fund Sources Affected**

GPR  FED  PRO  PRS  SEG  SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate:**

Under the bill, wetlands subject to county shorelands zoning that are not used for agricultural purposes are exempt from property tax. In addition, the bill provides a penalty on the current owner of exempt wetlands that become taxable. The penalty is equal to the property taxes that would have been levied on the exempt wetlands for each year the current owner owned the property plus 6% annual interest.

Local Fiscal Effect. For property tax administration purposes, wetlands are classified Swamp and Waste. According to the Department, the 1998 full value of wetlands was about \$298 million of which about \$284 million (95.5%) was in towns.

According to the Department of Natural Resources, of the total of about 5.3 million acres of wetlands, about 25-30% are subject to county zoning. Assuming that 30% of wetland value is subject to county shorelands zoning, about \$85.3 million (\$284 million x 30%) of wetlands would have been exempt in 1998 under the bill.

Based on the 1998 average net tax rate for towns of \$18.23 per \$1,000 of value, the bill would shift about \$1.6 million (\$85.3 million x \$18.23 per \$1,000) from owners of wetlands to other property owners and the average town tax rate would increase by \$0.02 to \$18.25 per \$1,000 of value.

State Fiscal Effect. SEG State forestry revenues would decrease by about \$17,000 (\$85.3 million x \$0.20 per \$1,000) under the bill.

The bill would require minor revisions to the Wisconsin Property Assessment Manual. The cost of these revisions would be absorbed.

**Long-Range Fiscal Implications:**

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Blair P. Kruger, (608) 266-1310	Yeang-Eng Braun (608) 266-2700 <i>Yeang-Eng Braun</i>	11/15/99

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**1999 Session**

ORIGINAL

UPDATED

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CORRECTED

SUPPLEMENTAL

INTRODUCTION # AB 511

**Subject**

Create Property Tax Exemption for Wetlands

**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 State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$ -</b>
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
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 Forestry Taxes		- 17,000
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS	\$ see text of fiscal note	\$
NET CHANGE IN REVENUES	\$ - 17,000	\$ see text of fiscal note

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue	Yeang-Eng Braun <i>Yeang Eng Braun</i>	11/15/99
Blair Kruger, (608) 266-1310	(608) 266-2700	