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☞ Public hearing October 14, 2003

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WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2003-04

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Forestry...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (July 2013)

Farm Bureau Delivers!



Legislative Results for Wisconsin Agriculture

2003



*Wisconsin Farm
Bureau Federation*

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Farm Bureau's work on use value assessment of farmland continues to pay big dividends for state farmers

The Wisconsin Farm Bureau Federation maintained its commitment to provide property tax relief for farmers by defending the use value assessment law.

In 2003 Wisconsin farm families would have been billed \$273 million more in property taxes under the old market value assessment system. (see big chart below).

The use value savings per acre on cropland and pastureland have been tremendous. The average tax per acre has declined each year use value has been in place. The savings are even more remarkable when compared to what taxes per acre would have been without use value.

The average property tax savings on just two acres of farmland will more than cover your Farm Bureau dues.

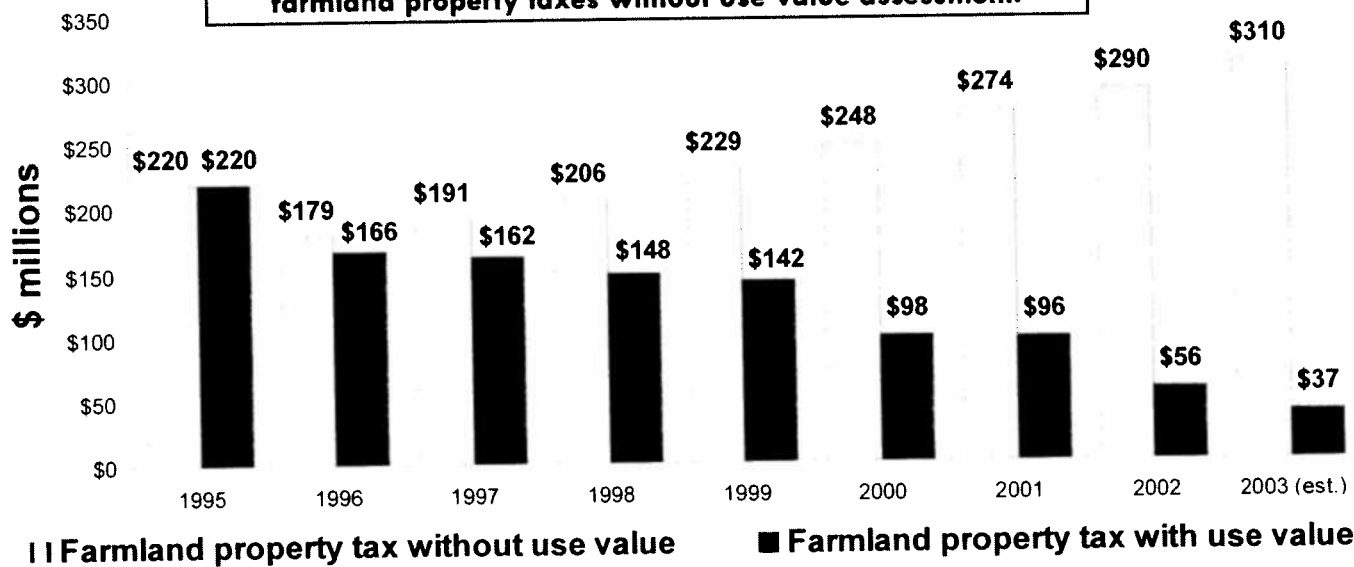
Farm property tax savings per acre

	Avg. tax/acre <u>Market Value</u>	Avg. tax/acre <u>Use Value</u>	Avg. <u>savings/acre</u>
1996	\$15.50	\$14.33	\$1.17
1997	\$17.67	\$14.17	\$3.50
1998	\$19.50	\$13.25	\$6.25
1999	\$22.58	\$12.75	\$9.83
2000	\$25.42	\$8.83	\$16.59
2001	\$31.25	\$8.75	\$22.50
2002	\$34.17	\$4.40	\$29.77
*2003	\$37.00	\$3.23	\$33.77

* (Estimated totals)

Use Value Savings Continue to Grow!

Farmland property taxes with use value compared to farmland property taxes without use value assessment.



Source: Department of Revenue

Farm Bureau maintains support for farm property tax programs

The Wisconsin Farm Bureau Federation has been the leading advocate for property tax relief for farmers. This year, as well as in previous years, the Farm Bureau has worked to extend the property tax relief to farmers to the fullest extent possible.

Here is an update of those benefits farmers are receiving, and the work that Farm Bureau continues to do:

- Farmland Preservation Program**—Nearly 21,000 farmers claimed \$16.6 million in Farmland Preservation Credits in 2002. The average credit was \$797 per farmer.
- Lottery Credits**—As a direct result of Farm Bureau's lobbying efforts, farmers received a Farmland Tax Relief Credit of 30% on their 2002 property tax bills, up to a maximum credit of \$1500. The Farmland Tax Relief Credit is a state income tax credit and is funded from lottery profits.
- Use Value Formula**—Farm Bureau is working with the Governor and the Legislature to make sure that any modification to the use value formula are fair to Wisconsin's farm families.

Farm Bureau secures open space protection to reduce assessments on ag woodlots and wetland and wasteland

The Open Space Protection Act was included in the state budget to lower taxes on agricultural forest, wetlands, and wasteland. In recent years, tax assessments on this land have increased ten times more than residential property. The Open Space Protection Act will be effective for 2004 assessments.

These are the two new assessment class changes made:

1. The "swampland and wasteland" assessment class will be changed to "undeveloped land" and taxed at 50% of assessed value.
2. An "agricultural forest land" class will be created and eli-

gible parcels are taxed at 50% of assessed value. Eligibility requires that the land be:

- a. Currently classified as "productive forest land" and;
- b. Contiguous to a tax parcel that is entirely cropland or pasture and;
- c. Under the same ownership.

Note: Local tax assessors will receive training from the Department of Revenue about these new assessments. Because of the potential for confusion, please work with your local assessor.

Examples of eligibility of "ag forest" and "undeveloped" land:

EXAMPLE 1 (one parcel)

Tax Parcel
Undeveloped land
50% of assessed value

If a tax parcel is all undeveloped land, all the land is taxed at 50% of the assessed value.

EXAMPLE 2 (one parcel)

Tax Parcel	
Partial ag land	Partial productive forest
Use value assessment	100% of assessed value

Because the woodlot (productive forest) is in a tax parcel that is not contiguous to a tax parcel that is entirely cropland or pasture, the wood lot would not be reclassified as "ag forest." Because the woodlot does not get reclassified, the woodlot would be taxed at 100% of the assessed value.

EXAMPLE 3 (two parcels)

Tax Parcel #1	Tax Parcel #2
All ag land	Ag forest
Use value assessment	50% of assessed value

The tax parcel containing the woodlot (productive forest) would be reclassified as "ag forest" because the parcel is contiguous to a tax parcel that is entirely cropland or pasture. The "ag forest" tax parcel would be taxed at 50% of the assessed value.

EXAMPLE 4 (two parcels)

Tax Parcel #1	Tax Parcel #2
Partial ag land	Productive forest
Use value assessment	
Partial undeveloped land	100% of assessed value
50% of assessed value	

The tax parcel with the woodlot (productive forest) would not be reclassified as "ag forest" because the tax parcel this is contiguous to is not entirely cropland or pasture. Therefore, the productive forest tax parcel would be taxed at 100% of the assessed value. The portion of the tax parcel with the undeveloped land would be taxed at 50% of the assessed value.

EXAMPLE 5 (two parcels)

Tax Parcel #1	Tax Parcel #2
All ag land	Partial ag land
	Use value assessment
Use value assessment	Partial ag forest
	50% of assessed value

Because the tax parcel containing the woodlot (productive forest) is contiguous to a tax parcel that is entirely cropland or pasture, it would be reclassified as "ag forest" and would be taxed at 50% of the assessed value.

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Farm Bureau pushes for priority funding in state budget

Wisconsin Farm Bureau Federation focused on funding priority programs for agriculture while the state worked to erase a \$3.2 billion deficit.

- **Ag In The Classroom (AIRC)**—Provided \$100,000 funding per year for USDA's Ag in the Classroom program administered by WFBF.
- **Consumer Protection**—Kept Consumer Protection Division at the DATCP.
- **County Fair Aids**—Restored \$389,000 in county fair aids this year and \$250,000 for next year, and capped premiums paid to junior (youth) exhibitors at 50 percent, not to exceed \$10,000 per fair.

- **Ethanol Incentive Program**—Funded the ethanol incentive program at \$1.9 million annually.
- **Integrated Dairy Program**—Authorized \$8.3 million in bonding for the UW's Integrated Dairy Program in Madison, Marshfield and Arlington.
- **Wisconsin Veterinary Diagnostic Lab**—Provided an additional \$4.9 million in bonding authority to construct a new diagnostic lab on the UW-Madison Campus.
- **World Dairy Expo**—Restored \$23,700 annually to continue the state's support for the World Dairy Expo.

Farm Bureau focuses on health care for farmers

"We Care About Health Care"—The Farm Bureau Women's Committee undertook an initiative to have farm women contact legislators informing them of the costs of health care, and the challenge of obtaining quality, affordable health care.



State health program eligibility—WFBF introduced legislation to open up the state employees insurance pool to Wisconsin farm families and testified at two public hearings supporting this initiative.

Rural health care purchasing alliance—WFBF is supporting legislation and a pilot project by the Wisconsin Federation of Cooperatives to create rural health purchasing alliances.

Private Employer Health Care Program—WFBF is supporting this program to create a statewide health insurance pool for farmers and small businesses.

BadgerCare—WFBF is supporting legislation to exclude depreciation from income so more Wisconsin farm families would qualify for the BadgerCare program.

Farm Bureau still active on other issues

These are some of the issues WFBF continues to work on:

Nonproductive Farmland—Working to expand the eligibility of agricultural woodlots to qualify for prorated assessment.

Ethanol—Working with the industry to increase funding for the incentive program to encourage and assist in the start up of more ethanol plants.

Siting Legislation—Drafting legislation to assist producers and local units of government in the siting of livestock operations.

Investment Tax Credit—Supporting legislation to create investment tax credits for farmers who invest in their farming operation.

Rural Finance Authority—Working to establish a rural finance authority at DATCP to assist agricultural development in Wisconsin.

More accomplishments by Farm Bureau in 2003

- **MTBE Ban**—Legislation was signed into law that bans the use of MTBE in Wisconsin beginning in August of 2004. This could expand the use of ethanol.
- **Producer Indemnity Fund**—Reforms the producer security programs at DATCP. This new law will give greater protection to dairy, grain and vegetable producers so that they will be paid for their products if their buyer defaults.
- **Stray Voltage**—Farm Bureau joined the Dairy Business Association and Wisconsin NFO as a "friend of the court" in a state Supreme Court ruling that upheld an award to a Waupaca dairy farm family.

Property Values and Taxes Comparison
Statewide Totals

1996 to 2002
DOR Information - December Tax Bills

	1996 Assessed Value	2002 Assessed Value	Percent Change
Residential	\$145,787,359,600	\$243,006,703,300	+ 167%
Commercial	\$ 37,122,019,500	\$ 59,165,698,000	+ 159%
Manufacturing	\$ 7,409,440,500	\$ 10,968,742,900	+ 148%
Swamp and Waste	\$ 224,380,700	\$ 1,546,886,100	+ 689%
Forest Land	\$ 2,911,917,200	\$ 8,742,796,500	+ 300%
Ag Land	\$ 8,512,764,700	\$ 2,769,877,600	- 68%
Other (Ag Buildings)	\$ 5,928,586,900	\$ 8,377,173,400	+ 141%
State Totals	\$207,896,469,100	\$325,577,877,800	+ 157%
	1996 Property Taxes	2002 Property Taxes	Percent Change
Residential	\$ 3,533,874,111	\$ 5,081,097,804	+ 144%
Commercial	\$ 1,013,779,838	\$ 1,391,799,359	+ 137%
Manufacturing	\$ 193,497,476	\$ 260,619,387	+ 135%
Swamp and Waste	\$ 3,976,756	\$ 23,853,766	+ 600%
Forest Land	\$ 54,370,749	\$ 132,644,034	+ 244%
Ag Land	\$ 191,486,621	\$ 60,664,745	- 68%
Other (Ag Buildings)	\$ 141,287,483	\$ 180,556,745	+ 128%
State Totals	\$ 5,132,273,034	\$ 7,131,235,840	+ 139%

Note: The statewide average mill rate in 1996 was \$24.78. In 2002 it was \$21.95. This is 11.4% decline. Also, the acres per category vary from year to year. Do not have this data. Lastly, these numbers are before any state property tax credits are applied. That's why the ag land numbers vary from the "Farm Bureau Delivers" document.