

## 2013 DRAFTING REQUEST

### Bill

Received: **10/8/2012** Received By: **rkite**  
Wanted: **As time permits** Same as LRB:  
For: **Administration-Budget** By/Representing: **Stinebrink**  
May Contact: Drafter: **jkreye**  
Subject: **Nat. Res. - parks and forestry** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to:

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### Pre Topic:

DOA:.....Stinebrink, BB0097 -

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### Topic:

Payments in lieu of taxes for certain forest lands

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### Instructions:

See attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rkite 10/18/2012	evinz 10/19/2012		_____			
/1	jkreye 1/15/2013		jfrantze 10/19/2012	_____	lparisi 10/19/2012		State S&L
/2	jkreye 2/11/2013	evinz 1/15/2013	jmurphy 1/15/2013	_____	srose 1/15/2013		State S&L
/3		evinz	rschluet	_____	lparisi		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		2/11/2013	2/11/2013	_____	2/11/2013		S&L

FE Sent For:

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/2		evinz 1/15/2013	jmurphy 1/15/2013	_____	srose 1/15/2013		State S&L

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*13 eov 2/11/13*  
  
*2/11/13*

<END>

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/?	rkite 10/18/2012	evinz 10/19/2012		_____			
/1			10/19/2012	_____	lparisi 10/19/2012		State S&L

12 ccv 4/15/12  
for 4/15/13  
self

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/?	rkite	1 rev 10/10/12	1 rev 10/10/12				

FE Sent For:

<END>

**Kite, Robin**

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**From:** Hanaman, Cathlene  
**Sent:** Monday, October 08, 2012 8:49 AM  
**To:** Gibson-Glass, Mary; Kite, Robin  
**Subject:** FW: Statutory Language Drafting Request  
**Attachments:** Payment in Lieu of Taxes.docx

RNK

**From:** [Cory.Stinebrink@Wisconsin.gov](mailto:Cory.Stinebrink@Wisconsin.gov) [mailto:[Cory.Stinebrink@Wisconsin.gov](mailto:Cory.Stinebrink@Wisconsin.gov)]  
**Sent:** Wednesday, October 03, 2012 4:31 PM  
**To:** Hanaman, Cathlene  
**Cc:** Thornton, Scott - DOA; Wavrunek, Leah J - DOA; Stinebrink, Cory R - DOA  
**Subject:** Statutory Language Drafting Request

**Biennial Budget:** 2013-15

**Topic:** Payment in Lieu of Taxes Changes

**Tracking Code:** BB0097

**SBO Team:** AEJ

**SBO Analyst:** Stinebrink, Cory R - DOA  
**Phone:** (608) 266-1103  
**E-mail:** [Cory.Stinebrink@Wisconsin.gov](mailto:Cory.Stinebrink@Wisconsin.gov)

**Agency Acronym:** DNR

**Agency Number:** 370

**Priority:** Medium

**Intent:**

See Attached

**Attachments:** True

*Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)*

## Changes to State Share of Payment in Lieu of Taxes (PILT)

The Department requests statutory changes that will make the annual Payment in Lieu of Taxes (PILT) process, as defined under s. 70.114, more efficient and cost effective to administer. There are two parts to this request, which may be acted upon independent of one another. Both changes will make the PILT process more efficient and more cost efficient. There would be savings to the State while continuing to provide the same, if not a higher, level of service to the municipalities involved in the program.

1. The Department requests to modify s. 70.114 (4) to remove the state share from the annual PILT to municipalities. This amount, which is currently sent by the Department as part of the overall PILT payment, is later sent back to the Department approximately two weeks. The intent of the request is to allow the Department to deposit the state share directly into the Forestry Account before it sends the remaining PILT payment to the municipality, which will save time and resources for both parties involved.

Background: In Fiscal Year 2012, a total of 806 municipalities received PILT payments from the Department, approximately 700 of which were required to make a payment back to the Department (municipalities with a state payment amount under \$5.00 are exempted). Upon arrival, these checks are logged into a tracking system, checked against the expected amount of payment, and then deposited into the Forestry Segregated account.

2. The Department requests to modify s. 70.114 (3) so that payment dates for PILT are moved from January 31st to July 31st. This change will eliminate the duplication of effort that occurs when the Department requests mill rates from various communities in December and while the Department of Revenue (DOR) later duplicates that same process later in the year.

Background: The Department is required by 70.114 to make payments to the municipalities by January 31st of each year. In order to facilitate this, the Department must request the mill rate information from each community in the program, and enter that manually into the PILT payment system. As with all data collection and entry processes, there is a certain amount of error and missing information that must be dealt with in order for the program to function. Later in the year, the DOR collects the same information for use in the annual tax process.

Suggested language for s. 70.114 (3) is as follows (changes in bold):

(3) ASCERTAINING RATE. Each year, the department shall ascertain ~~from the clerks of the taxation district~~ the aggregate net general property tax rate for taxation districts to which aids are paid under this section.

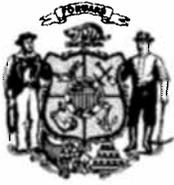
10/18/12 - Tel conf -

Kurt Byfield - DNR - (608)6-4535 -  
better to send e-mail

State is a "taxing jurisdiction" under  
S. 70.114

wants DNR to deduct its share before  
distribution to taxing jurisdictions

re: 70.114(3) - wants to be able to  
ascertain tax rates from sources other  
than clerks if clerks do not provide  
this info



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-3034/1

JK:bjk:rs  
Leev  
stays

0228/1

m 10-18-12

~~2009 BILL~~

SA  
xref

NATURAL RESOURCES  
OTHER NATURAL RESOURCES

the budget

don't gen

1 AN ACT *to amend* 70.114 (1) (f), 70.114 (3) and 70.114 (4) (a); and *to create* 70.114  
2 (4) (c) of the statutes; **relating to:** the distribution of aids on certain lands  
3 purchased by the Department of Natural Resources

*Analysis by the Legislative Reference Bureau*

Under current law, by January 31 of each year, the Department of Natural Resources (DNR) pays a taxation district an amount for each parcel of land located in the district that has been purchased by DNR. The amount is based on the estimated assessed value of the parcel. The taxation district then pays each taxing jurisdiction, including the state, an amount based on the taxing jurisdiction's proportionate share of property taxes that would have otherwise been levied on the land. Under current law, the state is considered a taxing jurisdiction because it levies a forestation state property tax. The forestation state property tax revenue is deposited into the conservation fund and used, generally, for acquiring, preserving, and developing state forests.

Under this bill, DNR makes its payment to the taxation district by July 31 of each year, but withholds from the payment an amount equal to the forestation state property tax that would otherwise have been levied on the land and deposits that amount into the conservation fund.

**BILL**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           <sup>JK</sup>  
SECTION 1. 70.114 (1) (f) of the statutes is amended to read:

2           70.114 (1) (f) "Taxing jurisdiction" means any entity, not including the state,  
3 authorized by law to levy taxes on general property, as defined in s. 70.02, that are  
4 measured by the property's value.

5           <sup>JK</sup>  
SECTION 2. 70.114 (3) of the statutes is amended to read:

6           70.114 (3) ASCERTAINING RATE. Each year, the department shall ascertain ~~from~~ ←  
7 ~~the clerks of the taxation district~~ department of revenue the aggregate net general  
8 property tax rate for taxation districts to which aids are paid under this section.

9           <sup>JK</sup>  
SECTION 3. 70.114 (4) (a) of the statutes is amended to read:

10          70.114 (4) (a) ~~On~~ Except as provided under par. (c), on or before January July  
11 31, the department shall pay to each treasurer of a taxation district, with respect to  
12 each parcel of land acquired by the department within the taxation district on or  
13 before January 1 of the preceding year, an amount determined by multiplying each  
14 parcel's estimated value equated to the average level of assessment in the taxation  
15 district by the aggregate net general property tax rate that would apply to the parcel  
16 of land if it were taxable, as shown on property tax bills prepared for that year under  
17 s. 74.09.

18          <sup>JK</sup>  
SECTION 4. 70.114 (4) (c) of the statutes is created to read:

19          70.114 (4) (c) The department shall withhold from the payment amount  
20 determined under par. (a) an amount equal to the amount determined under par. (a)

insert 2-17

**BILL**

9332

1 multiplied by the rate of the forestation state tax under s. 70.58 and shall deposit that  
2 amount into the conservation fund.

Natural Resources

3 **SECTION 5 Initial applicability**

4 (1) This act first applies to payments made in 2010.

2013

5 (END)

\* AIDS ON CERTAIN LANDS<sup>(S)</sup>, the treatment of section  
70.114 (1)(F), (3)<sub>3</sub> and (4)(a) and (c) of the statutes

Insert 2-17

Section #. 70.114 (4) (b) of the statutes is amended to read:

70.114 (4) (b) On or before ~~February~~ <sup>August</sup> 15, the taxation district treasurer shall pay to the treasurer of each taxing jurisdiction, from the amount received under par. (a), the taxing jurisdiction's proportionate share of the tax that would be levied on the parcel if it were taxable.

History: 1989 a. 336; 1991 a. 39; 1997 a. 248; 2011 a. 32.

*end of insert*

## Kreye, Joseph

---

**From:** Stinebrink, Cory R - DOA <Cory.Stinebrink@wisconsin.gov>  
**Sent:** Tuesday, January 15, 2013 11:53 AM  
**To:** Kreye, Joseph  
**Subject:** BB0097 - LRB-0228

The draft for Payment in Lieu of Taxes for certain forest lands needs a redraft. There were two parts to the original request. The first part was to modify s.70.114(4) to remove the state share from annual PILT payments to municipalities. The 2<sup>nd</sup> part was to modify s.70.114(3) so that payment dates for PILT are moved from January 31<sup>st</sup> to July 31<sup>st</sup>.

Under this redraft, we would like to not have the 2<sup>nd</sup> part included. So, only this part of the original request:

1. The Department requests to modify s. 70.114 (4) to remove the state share from the annual PILT to municipalities. This amount, which is currently sent by the Department as part of the overall PILT payment, is later sent back to the Department approximately two weeks. The intent of the request is to allow the Department to deposit the state share directly into the Forestry Account before it sends the remaining PILT payment to the municipality, which will save time and resources for both parties involved.

Background: In Fiscal Year 2012, a total of 806 municipalities received PILT payments from the Department, approximately 700 of which were required to make a payment back to the Department (municipalities with a state payment amount under \$5.00 are exempted). Upon arrival, these checks are logged into a tracking system, checked against the expected amount of payment, and then deposited into the Forestry Segregated account.

Let me know if you have any questions.

Thanks,

Cory Stinebrink  
Executive Policy and Budget Analyst  
State Budget Office  
(608)266-1103



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0228/A 2

JK:eev:jf

STAB RMR

DOA:.....Stinebrink, BB0097 - Payments in lieu of taxes for certain forest lands

**FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION**

PWR  
11/5/13  
jam

in 1-15-13

don't gen

1 AN ACT *don't gen*; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**NATURAL RESOURCES**

**OTHER NATURAL RESOURCES**

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 70.114 (1) (f) of the statutes is amended to read:

2           70.114 (1) (f) "Taxing jurisdiction" means any entity, not including the state,  
3 authorized by law to levy taxes on general property, as defined in s. 70.02, that are  
4 measured by the property's value.

5           **SECTION 2.** 70.114 (3) of the statutes is amended to read:

6           70.114 (3) ASCERTAINING RATE. Each year, the department shall ascertain ~~from~~  
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2 on the parcel if it were taxable.

3 **SECTION 5.** 70.114 (4) (c) of the statutes is created to read:

4 70.114 (4) (c) The department shall withhold from the payment amount  
5 determined under par. (a) an amount equal to the amount determined under par. (a)  
6 multiplied by the rate of the forestation state tax under s. 70.58 and shall deposit that  
7 amount into the conservation fund.

8 **SECTION 9332. Initial applicability; Natural Resources.**

9 (1) AIDS ON CERTAIN LANDS. The treatment of section 70.114 (1) (f), (3), and (4)  
10 (a), (b), and (c) of the statutes first applies to payments made in 2013.

11 (END)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0228/2

JK:eev:jm

Stays RMR

3

DOA:.....Stinebrink, BB0097 – Payments in lieu of taxes for certain forest lands

**FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION**

in 2-11-13

don't gen

1 AN ACT .; relating to: the budget.

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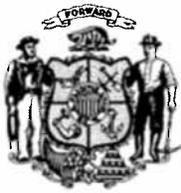
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State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0228/3

JK:eev:rs

DOA:.....Stinebrink, BB0097 – Payments in lieu of taxes for certain forest lands

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

1 **AN ACT** ...; relating to: the budget.

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