



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2003 Assembly Bill 650**

**Assembly Substitute  
Amendment 1**

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Assembly Substitute Amendment 1 to 2003 Assembly Bill 650 (the “substitute amendment”) would expand the amount of wooded lands on farms that qualify for preferential property tax treatment as “agricultural forest land.”

2003 Wisconsin Act 33 (the biennial budget act) provided that agricultural forest land is assessed for property taxes at 50% of its fair market value. “Agricultural forest land” was defined as land that either is producing or is capable of producing commercial forest products (“forest land”) and that is contiguous to another parcel of land that has been classified in whole as agricultural land if both parcels of land are owned by the same person.

The definition of “agricultural forest land” in Act 33 was the result of the item veto by Governor Doyle. The language in the enrolled bill included as “agricultural forest land” land included on a parcel classified at least in part as agricultural land and land contiguous to another parcel of land classified at least in part as agricultural land, if both parcels of land are owned by the same person. In his veto message, the Governor cited as one reason for his veto of this language the concern that owners of wooded land might qualify the land for assessment as agricultural forest land by converting a small portion of nearby land to agricultural use.

The substitute amendment retains the current law definition of “agricultural forest land” but provides that the term also includes:

1. Forest land that is located on a parcel that contains land classified as agricultural land in the property tax assessment on January 1, 2004 and on January 1 of the year of the assessment.
2. Forest land that is located on a parcel at least 50% of which, by acreage, was converted to land that is classified as agricultural land in the property tax assessment on January 1, 2005, or thereafter.

Therefore, under the substitute amendment, forest land may be taxed as “agricultural forest land” if it is located on a parcel of land that was classified at least in part as agricultural land on January 1, 2004, if the forest land continues to be located on a parcel of land classified at least in part as agricultural land in the year of the assessment. If forest land was not located on a parcel classified at least in part as agricultural land on January 1, 2004, at least 50% of the parcel upon which it is located must have been converted to agricultural land in order for the forest land to be taxed as “agricultural forest land.” The substitute amendment would first apply to the 2005 assessment.

On January 21, 2004, the Assembly Committee on Ways and Means adopted the substitute amendment by a vote of Ayes, 13, Noes, 0, Absent, 1, and recommended Assembly Bill 650 for passage, as amended, by a vote of Ayes, 10, Noes, 3, Absent, 1.

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