

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

<b>LRB # -0776/3</b>
<b>INTRODUCTION # AB 293</b>
<b>Admin. Rule #</b>

**Subject**    **Wooded Land Defined as Agricultural for Property Tax Purposes**

**Fiscal Effect**

- State:**  No State Fiscal Effect  
Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation
- Increase Costs - May be Possible to Absorb Within Agency's Budget  Yes  No
- Increase Existing Appropriation     Increase Existing Revenues  
 Decrease Existing Appropriation     Decrease Existing Revenues  
 Create New Appropriation     Decrease Costs

- Local:**  No Local Government Costs    **see text of fiscal note**
- |  |   |   |
|--|---|---|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:<br><input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others _____ |
| 2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts   |

- Fund Sources Affected**    **Affected Ch. 20 Appropriations**
- GPR    FED    PRO    PRS    SEG    SEG-S

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

Under current law, land is classified Agricultural if it is devoted exclusively to agricultural use.

The bill extends the Agricultural classification to include land that:

1. Is contiguous to land devoted primarily to agricultural use,
2. Belongs to the same owner as the land devoted primarily to agricultural use to which it is contiguous,
3. Is not more than 75% of the total contiguous acreage owned by the same person,
4. Is so covered with trees or woody vegetation as to be impractical to use the land for pasture or crops, and
5. Is not productive forest land.

In addition, under the bill, the assessment of wooded agricultural land is frozen in 2001 at its January 1, 2000, assessment. From 2002 to 2008, wooded agricultural land is assessed according to a statutory formula based on the frozen 2000-01 assessment and the land's value in agricultural use as pasture. Beginning in 2009, wooded land that is classified Agricultural is assessed at its value in agricultural use.

**Local Fiscal Effect.** The bill's fiscal effect is the shift in property taxes that may occur as a result of reclassifying certain wooded land Agricultural and assessing such wooded agricultural land according to its value in agricultural use. To the extent that these changes reduce assessments relative to what they would be under current law, taxes are shifted from owners of wooded agricultural land to owners of other property, beginning with property taxes payable in 2002. The Department is unable to estimate the property tax shift under the bill due to a lack of information on the acreage, value and location of wooded land that would qualify for reclassification as Agricultural.

**State Fiscal Effect.** To implement the bill, the department would have to amend the administrative rule regarding use value of agricultural land. In addition, the department would have to make minor revisions to the *Wisconsin Property Assessment Manual* and training materials. The costs of these revisions would be absorbed.

**Long-Range Fiscal Implications:**

<b>Agency/Prepared by: (Name &amp; Phone No.)</b>	<b>Authorized Signature/Telephone No.</b>	<b>Date</b>
Wisconsin Department of Revenue Blair P. Kruger, (608) 266-1310	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	5/10/99

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

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**Subject**  
 Wooded Land Defined as Agricultural for Property Tax Purposes

**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:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
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. State Costs by Source of Funds</b>	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	\$	\$ -

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ see text of fiscal note	\$ 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>	5/10/99
Blair P. Kruger, (608) 266-1310	(608) 266-2700	