

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # -- 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

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be Possible to Absorb
 Within Agency's Budget Yes No
 Decrease Costs

Local: No Local Government Costs

See Text of Fiscal Note

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others special districts
 School Districts WTCS Districts

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.

The wetlands exempted by the bill -- wetlands subject to county shorelands zoning -- are all in towns. Assuming the towns' share of total wetlands value is the same as the towns' share of the total value of Swamp and Waste (95.5%), about \$284 million (\$298 million x 95.5%) of wetlands are subject to county shorelands zoning and would be exempted 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 \$5.2 million (\$284 million x \$18.23 per \$1,000) from owners of wetlands to other property owners and the average town tax rate would increase by \$0.06 to \$18.29 per \$1,000 of value.

State Fiscal Effect. SEG State forestry revenues would decrease by about \$57,000 (\$284 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 Kruger, (608) 266-1310	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	11/5/99

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

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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
A. State Costs by Category		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds		
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		- 57,000
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ -57,000	\$ see text of fiscal note

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
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