

1999 DRAFTING REQUEST

Bill

Received: **12/30/98**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB: **99-0868**

For: **Brian Burke (608) 266-8535**

By/Representing: **Barry**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters: **jkreye**

Subject: **Tax - property**

Extra Copies:

Topic:

Property tax exemption for wetlands

Instructions:

See Attached. Redraft 1997 SB 519 (LRB -5139/1).

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>
/?	shoveme 01/4/99	ygeller 01/4/99		_____			S&L Tax
/1			hhagen 01/5/99	_____	lrb_docadmin 01/5/99	lrb_docadmin 01/11/99	

FE Sent For:

2/24/99

<END>

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1/2	shoveme	1/4 JLG	1/4	1/4			

FE Sent For:

<END>

LEGISLATIVE REFERENCE BUREAU

Legal Section, 5th Floor, 100 N. Hamilton St.
 (608) 266-3561

BILL REQUEST FORM

MES
 ↘

Use of this form is optional. It is often helpful to talk directly with the LRB attorney who will draft the bill.
 Use this form only for **BILL** drafts. Attach more pages if necessary.

Date of request: 12-28-98	Legislator or agency requesting this draft: SENATOR BURKE
Name/phone number of person submitting request: BARRY, 6-8535	
Persons to contact for questions about this draft (names and phone numbers please): BARRY ASHENFELDER, 6-8535	
Describe the problem, including any helpful examples. How do you want to solve the problem? Please re-draft 1997 SB 519, LRB 5139/1 which is attached.	
If you know of any statute sections that might be affected, please list them or provide a marked (not re-typed) copy.	

Please attach a copy of any correspondence or material that may help us. You may also attach a marked (not re-typed) copy of any LRB draft, or provide its number (e.g., 1997 LRB-2345/1 or 1995 AB-67):

Requests are confidential unless stated otherwise.

May we tell others that we are working on this for you? YES NO

If yes, anyone who asks? YES NO

Any legislator? YES NO ONLY the following persons:

Do you consider this urgent? YES NO If yes, please indicate why:

Is this request of higher priority than other pending request(s) you have made?

YES NO If yes, please sign your name here:



State of Wisconsin
1997 - 1998 LEGISLATURE

LRB-5139/1

JS;jlg:km

1997 SENATE BILL 519

March 19, 1998 - Introduced by Senator BURKE, cosponsored by Representative BOCK. Referred to Joint survey committee on Tax Exemptions.

1 AN ACT *to create* 70.11 (39) and 74.485 of the statutes; **relating to:** creating a
2 property tax exemption for wetlands.

Analysis by the Legislative Reference Bureau

This bill creates a property tax exemption for lands zoned as wetlands by a county and not used for agricultural purposes. If that land becomes taxable, except as a result of remapping by the department of natural resources, the owner is required to pay the equivalent of the property taxes that were saved on the lands, based on an indexing of the most recent assessment before the wetlands became exempt, plus interest at the rate of 6% per year for each year's taxes.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to the 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:

3 SECTION 1. 70.11 (39) of the statutes is created to read:

4 70.11 (39) WETLANDS. Wetlands, as defined in s. 23.32 (1), that are subject to
5 an ordinance under s. 59.692 (1m) and that are not used for agricultural purposes,
6 as defined in s. 23.33 (1) (ag).

SENATE BILL 519

1 January 10, the municipality shall notify the department of revenue if a payment is
2 required under sub. (1).

3 (4) Any amount due under sub. (1) that is not timely paid is subject to interest
4 at the rate of 0.5% per month or part of a month.

5 **SECTION 3. Effective date.**

6 (1) This act takes effect on the January 1 after publication.

7 (END)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

ATTY. PETER J. DYKMAN
ACTING CHIEF

March 30, 1998

MEMORANDUM

To: Senator Brian Burke

From: Jack Stark, Assistant Chief Counsel, (608) 266-7291

Subject: Technical Memorandum to 1997 SB 519 (LRB 97-5139/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

Yes — make these technical changes!
Stark

MEMORANDUM

March 27, 1998

TO: Jack Stark
Legislative Reference Bureau

FROM: Yeang-Eng Braun *YEB*
Department of Revenue

SUBJECT: Technical Memorandum on SB 519 - Property Tax Exemption for Lands Zoned as Wetlands

We have a number of technical and administrative comments regarding the bill:

1. Assuming the January 1 on page 2, line 10 is the January 1 before the effective date of the Act, this date is the base for the penalty calculation. However, some wetlands may become eligible after the effective date. For such property, the base for calculating the penalty would be the January 1 before the effective date, rather than the January 1 before the property became exempt. Is this the intent of the author?
2. Under proposed s. 74.485(2), penalties collected on land which loses its exemption are distributed to other taxing jurisdictions as part of the next tax settlement. We presume this to mean that each taxing jurisdiction's share of the penalty is equal to the jurisdiction's share of that year's settlement and that the shares of the penalty do not need to be calculated for each year the penalty is calculated.
3. Given that the exemption applies only to wetlands in areas under shoreland zoning of unincorporated areas, we are not sure that the reference to settlement "under subch. IX"—i.e. settlement in first class cities—is necessary (page 2, line 24).

If you have questions regarding this technical memorandum, please contact Rebecca Boldt at 266-6785.

YEB:RAB:dls
t:\fsn97-98\sb519.tec.doc

LRB or Bill No./Adm. Rule No.

SB 519

(-5139)

Amendment No. if Applicable

**FISCAL ESTIMATE
DOA-2048 N(R10/94)**

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

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 _____
 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 in areas subject to an ordinance under s. 59.692(1m) (county zoning of shorelands in unincorporated areas), and which are not used for agricultural purposes, are exempt from property taxes. Property that becomes taxable would be subject to a charge back penalty equal to the property taxes that would have been levied on the property had it been taxable plus interest for all years the current owner owned the property.

According to the Department of Natural Resources (DNR), there are approximately 4 million acres of wetlands in private ownership in the state, of which 25% to 30% are subject to an ordinance under s. 59.692(1m). It is assumed that 1 million acres of wetlands would be exempt from property taxes under the bill.

According to Department of Revenue estimates, the average value per acre of swamp and waste in 1996 was \$176, and the average tax per acre was \$2.84, of which \$.035 is the state forestry tax. It is estimated that the bill would result in a shift of approximately \$2.805 million in property taxes from owners of wetlands to other property owners (\$2.805 per acre x 1 million acres).

SEG revenues from the state forestry tax would decrease by \$35,000 (\$.035 x 1 million acres).

(continued on page two)

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department Of Revenue	Yeang-Eng Braun <i>Yeang-Eng Braun</i>	3/27/98
Rebecca Boldt, (608) 266-6785	(608) 266-2700	

1997 Session

FISCAL ESTIMATE WORKSHEET
Detailed Estimate of Annual Fiscal Effect
DOA-2047(R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB OR Bill No./Adm. Rule No.	Amendment No.
SB 519	

Subject

Property Tax Exemption for Wetlands

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 Eamed		-
FED		-
PRO/PRS		-
SEG/SEG-S State Forestry Tax		- 35,000
TOTAL State Revenues	\$	\$ - 35,000

NET ANNUALIZED FISCAL IMPACT
STATE


LOCAL

NET CHANGE IN COSTS	\$ _____	\$ see text of fiscal note
NET CHANGE IN REVENUES	\$ - 35,000	\$ _____

Agency/Prepared by: (Name & Phone No.) Wisconsin Department Of Revenue Rebecca Boldt, (608) 266-6785	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	Date 3/27/98
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-1525/1
LRB-0868/T
MES:wlj&jlg:lp
GJR
RMNR
Stays

1999 BILL

1 **AN ACT**  *to create* 70.11 (40) and 74.485 of the statutes; **relating to:** creating a
2 property tax exemption for wetlands.

Analysis by the Legislative Reference Bureau

This bill creates a property tax exemption for lands zoned as wetlands by a county and not used for agricultural purposes. If that land becomes taxable, except as a result of remapping by the department of natural resources, the owner is required to pay the equivalent of the property taxes that were saved on the lands, based on an indexing of the most recent assessment before the wetlands became exempt, plus interest at the rate of 6% per year for each year's taxes.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to the 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:

3 **SECTION 1.** 70.11 (40) of the statutes is created to read:
4 **70.11 (40) WETLANDS.** Wetlands, as defined in s. 23.32 (1), that are subject to
5 an ordinance under s. 59.692 (1m) and that are not used for agricultural purposes,
6 as defined in s. 23.33 (1) (ag).

BILL

SECTION 2. 74.485 of the statutes is created to read:

74.485 Interest and penalty on rezoned wetlands. (1) If property that is exempt under s. 70.11 (40) becomes taxable, except as a result of remapping by the department of natural resources, the current owner, on or before January 15, shall pay to the taxation district in which the wetlands are located an amount calculated as follows: *Except for property described under par. (b),*

(a) *(a)* Increase the assessed value of the property, as determined as of the January 1 before the effective date of this paragraph ... [revisor inserts date], by the increase in the consumer price index, all items, U.S. city average, as determined by the U.S. department of labor, for the year beginning on January 1 and determine the property taxes that would have been due on the property if it had been assessed at that amount and if it had been taxable.

(b) For each subsequent year that the property *described under par. (a) or (b)* was exempt, increase the value determined for the property for the previous year by the increase during the previous year in the consumer price index, all items, U.S. city average, as determined by the U.S. department of labor, and determine the property taxes that would have been due on the property if it had been assessed at that amount and if it had been taxable.

(c) For each of the years for which an amount is calculated under par. (a) *or (b)*, add interest at the rate of 6% per year beginning with the year for which the amount is calculated under par. (a) *or (b)* and ending with the year during which the property is no longer exempt.

(e) Add the amounts determined under pars. (a) to *(d)* for all of the years during which the current owner owned the property.

(2) As part of the next settlement of taxes under s. 74.25 or 74.30 (1) *or under* ~~subch. 11K~~, the taxation district shall distribute to each taxing jurisdiction for which

(NS) 2-12-03

(22)

(24)

(25)

BILL

1 it collects property taxes its share of the amount collected under sub. (1). On or before
2 January 10, the taxation district shall notify the department of revenue if a payment
3 is required under sub. (1).

4 (3) Any amount due under sub. (1) that is not timely paid is subject to interest
5 at the rate of 0.5% per month or part of a month.

6 **SECTION 3. Effective date.**

7 (1) This act takes effect on the first January 1 after publication.

8 (END) ✓

INS 2-12

MES

old

#(b), increase the assessed value^{ss} of
of the property, as determined as of the

For property that becomes eligible
for the exemption under s. 70.11(40) on
or after the effective date of this
paragraph.... [revisor inserts date],

→ (b) January 1 before the
property became exempt under s. 70.11
(40), by the increase in the consumer
price index, all items, U.S. city average,
as determined by the U.S. department of labor,
for the year beginning on January 1 and
determine the property taxes that would have
been due on the property if it had been
assessed at that amount and if it had
been taxable.

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and **sign** on the appropriate line(s) below.

Date: 1/5/99

To: Senator Burke

Relating to LRB drafting number: LRB-1525

Topic

Property tax exemption for wetlands

Subject(s)

Tax - property

1. **JACKET** the draft for introduction LS Burke
in the **Senate** or the **Assembly** _____ (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT**. See the changes indicated or attached _____.
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____.
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Marc E. Shovers, Senior Legislative Attorney
Telephone: (608) 266-0129