

FISCAL ESTIMATE

ORIGINAL UPDATED

DOA-2048 N(R10/98)

CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

SB 51 (99-1525/1)

Amendment No. if Applicable

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

- 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 wetlands that become taxable equal to the property taxes that would have been levied had the property been taxable plus 6% annual interest for each year the current owner owned the property.

Local Fiscal Effect. Wetlands subject to county shorelands zoning, plus other unproductive land not otherwise classified, such as town road easements on farms, are classified Swamp and Waste for property tax purposes. According to the Department, the full value of Swamp and Waste located in towns was about \$247 million in 1997.

According to state assessors, other unproductive land not otherwise classified totals about 10% of the value of Swamp and Waste statewide. Assuming that wetlands account for the remaining 90% or about \$222 million (90% x \$247 million) of the value of Swamp and Waste in towns and assuming the 1997 average net tax rate for towns of \$18.25 per \$1,000 of value, the bill would shift about \$4.1 million (\$222 million x \$18.25 per \$1,000) from owners of wetlands to other property owners.

(continued on page two)

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Blair P. Kruger, (608) 266-1310	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	3/19/99

State Fiscal Effect. SEG State forestry revenues would decrease by about \$44,000 (\$222 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.

1999 Session

FISCAL ESTIMATE
DOA-2047 N(R10/98)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. SB 51	Amendment No.
--	---------------

Subject
Create 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)	\$	\$ -
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.)		
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S State Forestry Taxes		- 44,000
TOTAL State Revenues	\$	\$ - 44,000

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - 44,000	\$ see text of fiscal note

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Blair P. Kruger, (608) 266-1310	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	Date 3/19/99
---	--	----------------------------