

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 05/24/99

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau 6-8314

By/Representing: Kava

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - corp. inc. and fran.

Extra Copies:

Pre Topic:

LFB:.....Kava -

Topic:

Allow corporations to designate on their income tax or franchise tax returns additional payments for the endangered resources program

Instructions:

See Attached

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>
/?	jkreye 05/25/99	chanaman 05/26/99		_____			
/1			martykr 05/27/99	_____	lrb_docadmin 05/27/99		

FE Sent For:

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/?	jkreye	cmh /1 5/25	km 5/26	JA 5/27			

FE Sent For:

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Representative Duff

NATURAL RESOURCES AND GENERAL FUND TAXES

Corporate Tax Check-Off for Endangered Resources Program

KAVA

Motion:

Move to allow corporate income taxpayers to donate a portion of their tax refund or, if taxes are due, include an additional amount with their tax payment for the endangered resources program, consistent with provisions allowing individual taxpayer donations.

Note:

This motion would enact the endangered resources-related recommendation of the Legislative Council Special Committee on Incentives for Resource Stewardship.

In 1997-98 the endangered resources tax check-off generated \$535,200 for the endangered resources program.

MO#	Y	N
Burke	Y	N
Decker	Y	N
Jauch	Y	N
Moore	Y	N
Shibliski	Y	N
Plache	Y	N
Cowlee	Y	N
Panzer	Y	N
Gard	Y	N
Porter	Y	N
Kaufert	Y	N
Albers	Y	N
Duff	Y	N
Ward	Y	N
Huber	Y	N
Riley	Y	N

P 12-4

1 **AN ACT** to amend 20.370 (1) (fs), 20.370 (5) (aw), 20.566 (1) (hp), 23.0955 (2) (a)
2 (intro.), 23.0955 (2) (a) 3., 23.0955 (2) (b) (intro.), 25.29 (1) (a), 77.82 (2) (h), 77.84
3 (2) (a), 77.84 (2) (b) and 77.89 (2); to **repeal and recreate** 23.0955 (2) (am); and to
4 **create** 23.0955 (2) (b) 2m., 4. and 5., 23.0955 (3), 23.0956, 23.099, 71.30 (10),
5 77.82 (11c) and 77.84 (2) (am) of the statutes; **relating to:** a grant program to
6 encourage private activities that promote resource conservation, requiring the
7 department of natural resources to promulgate rules establishing policies for the
8 acceptance of contributions from private sources, adding a 15-year contract to the
9 managed forest land program, authorizing the donation of corporate income tax
10 refunds to the endangered resource program, granting rule-making authority and
11 making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the joint legislative council's special committee on incentives for resource stewardship. The joint legislative council established the special committee by a June 24, 1998 mail ballot and directed it to study "means to encourage and promote private efforts to conserve and protect the natural values of land and water through an appropriate legislative framework and the use of economic incentives". The draft:

1. Provides an annual grant to a nonprofit corporation to fund activities that encourage and assist private landowners to donate land and interests in land for conservation purposes.
2. Provides an annual grant to a nonprofit corporation to encourage corporations and other persons to undertake activities that protect and promote rare and endangered wild animals and wild plants, to encourage land management activities that promote conservation goals and to provide conservation education.

3. Revises the managed forest land program to encourage private landowners to enter land in the managed forest land program by allowing land to be entered in the program for a 15-year contract period.

4. Provides an appropriation to the department of natural resources (DNR) to contract with private foresters to prepare plans for entry of wooded land into the managed forest land program.

5. Authorizes corporations to donate income tax refunds to the DNR to preserve endangered resources.

6. Requires the DNR to promulgate administrative rules adopting policies to be followed by the DNR in accepting and using donations from private parties.

This draft is explained in more detail in SECTION notes following the relevant SECTIONS of the draft.

1 **SECTION 1.** 20.370 (1) (fs) of the statutes is amended to read:

2 20.370 (1) (fs) *Endangered resources — voluntary payments; sales, leases and fees.*

3 As a continuing appropriation, from moneys received as amounts designated under ~~s. ss.~~ 71.10
4 (5) (b) and 71.30 (10) (b), the net amounts certified under ~~s. ss.~~ 71.10 (5) (h) 4. and 71.30 (10)
5 (h) 4., all moneys received from the sale or lease of resources derived from the land in the state
6 natural areas system and all moneys received from fees collected under ss. 23.27 (3) (b),
7 29.563 (10) and 341.14 (6r) (b) 5., for the purposes of the endangered resources program, as
8 defined under s. 71.10 (5) (a) 2. Three percent of the moneys certified under ~~s. ss.~~ 71.10 (5)
9 (h) 4. and 71.30 (10) (h) 4. in each fiscal year, but not to exceed \$100,000, shall be allocated
10 for wildlife damage control and payment of claims for damage associated with endangered
11 or threatened species.

12 **SECTION 2.** 20.370 (5) (aw) of the statutes is amended to read:

13 20.370 (5) (aw) *Resource aids — nonprofit conservation organizations.* As a
14 continuing appropriation, the amounts in the schedule for a grant to a nonstock, nonprofit

1 corporation under ~~s. ss. 23.0955 (2) and 23.0956 (1)~~ for assistance to nonprofit conservation
2 organizations under ~~s. ss. 23.0955 and 23.0956.~~

3 **SECTION 3.** 20.566 (1) (hp) of the statutes is amended to read:

4 20.566 (1) (hp) *Administration of endangered resources voluntary payments.* The
5 amounts in the schedule for the payment of all administrative costs, including data processing
6 costs, incurred in administering ~~s. ss. 71.10 (5) and 71.30 (10)~~. All moneys certified under ~~s.~~
7 ~~ss. 71.10 (5) (h) 1. and 71.30 (10) (h) 1.~~ shall be credited to this appropriation.

8 **SECTION 4.** 23.0955 (2) (a) (intro.) of the statutes is amended to read:

9 23.0955 (2) (a) (intro.) The department shall provide one grant of ~~\$75,000~~ \$250,000
10 in fiscal year ~~1996-97~~ 1999-2000 and an annual grant of \$500,000 beginning in fiscal year
11 2000-2001 to a nonstock, nonprofit corporation that is described under section 501 (c) (3) or
12 (4) of the ~~internal revenue code~~ Internal Revenue Code and organized in this state if the
13 corporation meets all of the following requirements:

14 **SECTION 5.** 23.0955 (2) (a) 3. of the statutes is amended to read:

15 23.0955 (2) (a) 3. The corporation has a board of directors whose members represent,
16 to the greatest extent practicable, all geographic areas of the state and that has a majority of
17 members who are representatives of nonprofit conservation organizations.

18 **SECTION 6.** 23.0955 (2) (am) of the statutes is repealed and recreated to read:

19 23.0955 (2) (am) It is the intent of the legislature to continue funding a nonstock,
20 nonprofit conservation organization that meets all of the qualifications under par. (a) with an
21 annual grant of \$500,000 in each fiscal year after the 2000-2001 fiscal year.

22 **SECTION 7.** 23.0955 (2) (b) (intro.) of the statutes is amended to read:

23 23.0955 (2) (b) (intro.) A corporation receiving a grant under this subsection shall do
24 all of the following, but shall emphasize the activities described in subds. 1. and 2.:

1 **SECTION 8.** 23.0955 (2) (b) 2m., 4. and 5. of the statutes are created to read:

2 23.0955 (2) (b) 2m. Assist nonprofit conservation organizations in acquiring property
3 for conservation purposes and in managing property acquired for conservation purposes.

4 4. Acquire a property for conservation purposes where no other nonprofit conservation
5 organization exists that is willing to assist or capable of effectively assisting in the transfer of
6 the property or that can adequately manage the property after it is acquired.

7 5. For each fiscal year, prepare a report detailing the activities for which a grant under
8 this section is expended, describing any property acquired by the corporation and explaining
9 how the acquisition of that property furthers the goal of conservation in the state. Copies of
10 the report shall be submitted to the department and to the legislature under s. 13.172 (2), stats.

11 **SECTION 9.** 23.0955 (3) of the statutes is created to read:

12 23.0955 (3) (a) Not earlier than January 1, 2004 and not later than July 1, 2004, the
13 department shall prepare a comprehensive report describing the cost of, and accomplishments
14 achieved by, activities funded with grants under this section, commencing with the grants
15 provided in the 1999-00 fiscal year. The report shall evaluate all of the following:

16 1. How grants under this section have furthered the goal of encouraging private resource
17 conservation.

18 2. The extent to which grants under this section complement the resource conservation
19 goals of the department.

20 (b) The report shall contain a recommendation to the legislature on whether the grant
21 program under this section should be continued, eliminated or revised.

22 (c) The report shall be distributed to the speaker of the Assembly and the president of
23 the Senate under s. 13.172 (3).

NOTE: This note contains information on current s. 23.0955, stats., that provides a grant to an organization that assists nonprofit conservation organizations and the changes to the current statute that are made by this draft.

Current Law

In the 1993 session, the legislature created s. 23.0955, stats. This statute provides annual funding in the form of a grant to an organization that provides assistance to nonprofit conservation organizations. The DNR determines whether the organization meets the requirements of the statute and awards the grant.

An organization known as Gathering Waters was the recipient of the first annual grant of \$75,000 in the 1994-95 fiscal year. Gathering Waters received additional grants of \$75,000 in each of the 1996-97, 1997-98 and 1998-99 fiscal years. The source of the funds for these grants is the conservation fund. Gathering Waters is not named or identified in the statute and any organization that meets the requirements of the statute may compete for the grant.

To obtain a grant under the statute, an organization must do all of the following:

1. Organize in this state.
2. Meet the requirements under s. 501 (c) (3) or (4) of the Internal Revenue Code for an organization that is exempt from federal income taxation under s. 501 (a) of the Internal Revenue Code.
3. Provide support to nonprofit conservation organizations.
4. Have a board of directors that has a majority of members who are representatives of nonprofit conservation organizations.
5. Contribute a matching amount of \$25,000 in funds to be used in conjunction with the state grant.

The key function required under the current statute for the organization that receives the grant is to provide support to nonprofit conservation organizations. "Nonprofit conservation organizations" are defined in s. 23.0955, stats., as a "nonprofit corporation, a charitable trust or other nonprofit association whose purposes include the acquisition of property for conservation purposes and that is described in section 501 (c) (3) of the internal revenue code and is exempt from federal income tax under section 501 (a) of the internal revenue code".

The organization that receives a grant under the current statute is required to do all of the following:

1. Assist in the establishment of nonprofit conservation organizations.
2. Provide technical assistance to nonprofit conservation organizations, especially in the areas of management, receiving federal tax exemptions, conservation easements and real estate transactions.
3. Conduct conferences on the subjects listed in item 2., above.

Most of the nonprofit conservation organizations that receive assistance under the statute are referred to as "land trusts". Many of these land trusts are organized locally, function in a limited area and are run by volunteers. It is estimated that 40 land trusts have been organized in Wisconsin, the majority of them since 1990. Local land trusts work with landowners to assure long-term protection of the natural, scenic or recreational values of land.

A primary tool for protecting land is the conservation easement. A "conservation easement" is an easement that includes as its purpose "retaining or protecting natural, scenic or open space values of real property, assuring the availability of real property for agricultural, forest, recreational or open space use, protecting natural resources, maintaining or enhancing air or water quality . . . or preserving the historical, architectural, archaeological or cultural aspects of real property". [s. 700.40, stats.] Conservation easements are frequently used to accomplish the objectives of private land stewardship, particularly when the current owner wishes to create protections applicable to the natural values of the land that will apply to and bind future owners of the land. Conservation easements are also useful because they are extremely flexible and capable of meeting most objectives of the parties to the easement.

Often conservation easements are donated to local land trusts. The donors are usually able to receive federal and state income tax benefits for the value of the donated conservation easement. If a land trust contributes funds, it is often for expert assistance or transaction costs, such as appraisals, surveys and drafting and recording the easement.

Purpose of Amending the Statute

The special committee determined that the current statute has served a valuable purpose. A number of new local land trusts have been created and, together, the land trusts have provided permanent protection for an estimated 68,000 acres of privately owned land. Land trusts are a powerful tool to preserve the natural values of land. Because land trusts are run by volunteers who are part of the community, they have a great deal of credibility. Many landowners who may be hesitant to approach a state agency or local governmental unit regarding the protection of their

land are much more likely to work with a land trust. It is clear that a modest effort by local land trusts can leverage the protection of large amounts of land.

It is also clear to the special committee that a reasonable increase in funding for the statewide organization will produce substantial additional results in land protection by enabling more support for local land trusts. With more state funding, the statewide organization will be able to broaden the base of support that it provides for land protection activities generally. For example, the organization will be able to serve as a land trust by acquiring easements in areas of the state that are not served by land trusts, provide training and technical assistance to local land trusts and local units of government and increase public awareness of the options available to protect their land.

Effect of This Draft

Under this draft, the amount of an annual grant to a nonstock, nonprofit corporation under s. 23.0955 is established at \$250,000 for fiscal year 1999-2000 and \$500,000 annually beginning in fiscal year 2000-2001. The source of this additional funding, as under the current statute, is the conservation fund. The DNR determines how to allocate this appropriation to the accounts in the conservation fund, according to the benefits accruing to particular resources or user groups under the grant program. The requirement for a \$25,000 match under the current statute is retained.

In addition, the draft makes the following changes to current s. 23.0955, stats.:

1. It authorizes the corporation receiving a grant to acquire a property for conservation purposes where no other nonprofit conservation organization exists that is willing to assist, or is capable of effectively assisting, in the transfer of the property or that can adequately manage the property after it is acquired.
2. It directs the corporation receiving a grant to assist nonprofit conservation organizations in acquiring property for conservation purposes and in managing property acquired for conservation purposes.
3. It requires a corporation receiving a grant to emphasize in its activities the establishment of nonprofit conservation organizations and the provision of technical assistance to nonprofit conservation organizations, especially in the areas of management, receiving federal tax exemptions, conservation easements and real estate transactions.

4. It requires that the corporation have a board of directors whose members represent, to the greatest extent practicable, all geographic areas of the state.

In addition, the draft requires the preparation of 2 different types of reports. The first reporting requirement, which is imposed for each fiscal year, requires the corporation receiving a grant to prepare a report detailing the activities for which the grant is expended, describing any property acquired by the corporation and explaining how the acquisition of that property furthers the goal of natural resource conservation in this state. Copies of the report are required to be submitted to the DNR and to the legislature. The 2nd type of report which is imposed only one time, is due not earlier than January 1, 2004 and not later than July 1, 2004. Under this requirement, the DNR must prepare a comprehensive report describing the cost of and accomplishments achieved by activities funded with grants under s. 23.0955, stats. The report is required to evaluate how grants under s. 23.0955, stats., have furthered the goal of encouraging private resource conservation, to evaluate the extent to which the grants complement resource conservation goals of the DNR and to recommend to the legislature whether the grant program under s. 23.0955, stats., should be continued, eliminated or revised. The report is required to be distributed to the speaker of the Assembly and president of the Senate for referral to the appropriate standing committees of the legislature.

1 **SECTION 10.** 23.0956 of the statutes is created to read:

2 **23.0956 Assistance for private conservation activities.** (1) The department shall
3 provide an annual grant of \$95,000 beginning in fiscal year 2000-01 to a nonstock, nonprofit
4 corporation that is described under section 501 (c) (3) or (4) of the Internal Revenue Code and
5 organized in the state if the corporation meets all of the following requirements:

6 (a) The corporation is exempt from taxation under section 501 (a) of the Internal
7 Revenue Code.

8 (b) The corporation was created to accept and to utilize private contributions made to
9 protect and enhance the state's natural resource heritage.

10 (2) A corporation receiving a grant under sub. (1) shall use the grant to fund the
11 following activities:

1 (a) Encourage corporations and other private entities to undertake activities, including
2 the contribution of money, which encourage management and restoration of the state's
3 endangered wild animals, wild plants and natural communities.

4 (b) Encourage corporations and other private entities to engage in land management
5 practices that protect and preserve natural resources.

6 (c) Provide grants to nonprofit and other groups to encourage education, restoration and
7 management activities to enhance the state's natural resources.

NOTE: The draft creates s. 23.0956, stats., which requires the DNR to provide an annual grant of \$95,000 beginning in fiscal year 2000-01 to a nonstock, nonprofit corporation that is exempt from taxation under section 501 (a) of the Internal Revenue Code and that was created to accept and to utilize private contributions made to protect and enhance the state's natural resource heritage. A corporation receiving a grant must use the grant to fund the following activities:

1. Encourage corporations and other private entities to undertake activities, including the contribution of money, which encourage management and restoration of the state's endangered wild animals and plants and natural communities.

2. Encourage corporations and other private entities to engage in land management practices that protect and preserve natural resources.

3. Provide grants to nonprofit and other groups to encourage education, land acquisition, restoration and management activities to enhance the state's natural resources.

8 **SECTION 11.** 23.099 of the statutes is created to read:

9 **23.099 Contributions to department from private sources. (1) DEFINITION.** In this
10 section:

11 (a) "Contribution" means anything of value, including money, real or personal property,
12 or human effort.

13 (b) "Private source" means any individual and any entity that is not a governmental unit.

1 (2) **POLICY ON CONTRIBUTIONS; RULE REQUIRED.** The natural resources board shall
2 establish by rule policies and limitations for the acceptance and use, by the department, of
3 contributions from private sources. The rule shall include policies for all of the following:

4 (a) Procedures for the acceptance of contributions.

5 (b) Acceptance of anonymous contributions.

6 (c) Solicitation of contributions from private sources.

7 (d) Decisions regarding the use of contributions from private sources.

8 (e) Conditions imposed by the donor on the use of contributions from private sources.

9 (f) Methods for recognizing the provision of contributions from private sources.

10 (g) Granting exclusive rights or franchises in return for contributions from private
11 sources.

12 (h) Cooperative activities involving the department and any person providing
13 contributions from private sources.

14 (i) Records kept by the department regarding contributions from private sources.

15 (3) **NAMING RIGHTS.** The department may not sell the naming rights for state parks,
16 forests, trails, natural areas or wildlife areas.

NOTE: The draft creates s. 23.099, stats., which requires the natural resources board to establish by rule policies and limitations regarding the acceptance and use of contributions to the DNR from private sources.

The purpose of this rule-making is to develop policies in the DNR that will encourage and facilitate partnerships between the DNR and private organizations or individuals, enhance the ability of DNR to leverage private resources and develop policies for the public acknowledgement of private contributions to the DNR.

The rules will apply to a contribution of any type that has value, whether the contribution consists of cash, property or, in the case of individuals, physical effort from a "private source", which is defined to be mean any individual and any entity that is not a governmental unit, such as a partnership, corporation or non-governmental association.

The draft prohibits the DNR from selling the naming rights for state parks, forests, trails, natural areas or wildlife areas.

The special committee recommends that the DNR promulgate the rules for contributions from private sources in 2 stages. The first stage would build on current rules and recent internal DNR studies related to the acceptance of contributions. This portion of the rules could be promulgated soon after this SECTION of the draft is enacted into law. The 2nd stage would relate to the solicitation of contributions by the DNR.

1 **SECTION 12.** 25.29 (1) (a) of the statutes is amended to read:

2 25.29 (1) (a) Except as provided in s. 25.295, all moneys accruing to the state for or in
3 behalf of the department under chs. 26, 27, 28, 29 and 350, subchs. I and VI of ch. 77 and ss.
4 23.09 to 23.31, 23.325 to 23.42, 23.50 to 23.99, 30.50 to 30.55, 70.58 and, 71.10 (5) and 71.30
5 (10), including grants received from the federal government or any of its agencies except as
6 otherwise provided by law.

7 **SECTION 13.** 71.30 (10) of the statutes is created to read:

8 71.30 (10) ENDANGERED RESOURCES. (a) *Definitions.* In this subsection:

9 1. "Conservation fund" means the fund under s. 25.29.

10 2. "Endangered resources program" means purchasing or improving land or habitats
11 for any native Wisconsin endangered or threatened species as defined in s. 29.604 (2) (a) or
12 (b) or for any nongame species as defined in s. 29.001 (60), conducting the natural heritage
13 inventory program under s. 23.27 (3), conducting wildlife and resource research and surveys
14 and providing wildlife management services, providing for wildlife damage control or the
15 payment of claims for damage associated with endangered or threatened species and the
16 payment of administrative expenses related to the administration of this subsection.

17 (b) *Voluntary payments.* 1. 'Designation on return.' Any corporation filing an income
18 tax return may designate on the return any amount of additional payment or any amount of
19 a refund due that corporation for the endangered resources program.

1 2. 'Designation added to tax owed.' If the corporation owes any tax, the corporation
2 shall remit in full the tax due and the amount designated on the return for the endangered
3 resources program when the corporation files a tax return.

4 3. 'Designation deducted from refund.' Except as provided under par. (d) ^{and subject to attached under s. 71.75(9)} if the
5 corporation is owed a refund for that year after crediting under s. 71.75(9), the department
6 of revenue shall deduct the amount designated on the return for the endangered resources
7 program from the amount of the refund.

8 (c) *Errors; failure to remit correct amount.* If a corporation who owes taxes fails to
9 remit an amount equal to or in excess of the total of the actual tax due, after error corrections,
10 and the amount designated on the return for the endangered resources program:

11 1. The department shall reduce the designation for the endangered resources program
12 to reflect the amount remitted in excess of the actual tax due, after error corrections, if the
13 corporation remitted an amount in excess of the actual tax due, after error corrections, but less
14 than the total of the actual tax due, after error corrections, and the amount originally designated
15 on the return for the endangered resources program.

16 2. The designation for the endangered resources program is void if the corporation
17 remitted an amount equal to or less than the actual tax due, after error corrections.

18 (d) *Errors; insufficient refund.* If a corporation who is owed a refund under s. 71.75 (9)
19 which does not equal or exceed the amount designated on the return for the endangered
20 resources program, after crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections,
21 the department shall reduce the designation for the endangered resources program to reflect
22 the actual amount of the refund the corporation is otherwise owed, after crediting under s.
23 71.75 (9) and after error corrections.

1 (e) *Conditions.* If a corporation places any conditions on a designation for the
2 endangered resources program, the designation is void.

3 (f) *Void designation.* If a designation for the endangered resources program is void, the
4 department of revenue shall disregard the designation and determine amounts due, owed,
5 refunded and received without regard to the void designation.

6 (g) *Tax return.* The secretary of revenue shall provide a place for the designations under
7 this subsection on the corporate income tax return and the secretary shall highlight that place
8 on the return by a symbol chosen by the department of revenue that relates to endangered
9 resources.

10 (h) *Certification of amounts.* Annually, on or before September 15, the secretary of
11 revenue shall certify to the department of natural resources, the department of administration
12 and the state treasurer:

13 1. The total amount of the administrative costs, including data processing costs,
14 incurred by the department of revenue in administering this subsection during the previous
15 fiscal year.

16 3. The total amount received from all designations for the endangered resources
17 program made by taxpayers during the previous fiscal year.

18 4. The net amount remaining after the administrative costs, including data processing
19 costs, under subd. 1. are subtracted from the total received under subd. 3.

20 5. From the moneys received from designations for the endangered resources program,
21 an amount equal to the sum of administrative expenses, including data processing costs,
22 certified under subd. 1. shall be deposited in the general fund and credited to the appropriation
23 under s. 20.566 (1) (hp), and the net amount remaining certified under subd. 4. shall be
24 deposited in the conservation fund and credited to the appropriation under s. 20.370 (1) (fs).

1 6. Amounts designated for the endangered resources program under this subsection are
2 not subject to refund to the taxpayer unless the taxpayer submits information to the satisfaction
3 of the department within 18 months after the date taxes are due or the date the return is filed,
4 whichever is later, that the amount designated is clearly in error. Any refund granted by the
5 department of revenue under this subdivision shall be deducted from the moneys received
6 under this subsection in the fiscal year that the refund is certified.

NOTE: The draft creates s. 71.30 (10), stats., which authorizes corporations to donate corporate income tax refunds or to pay an additional amount of income tax to the endangered resources program. Under the endangered resources program, the DNR purchases and improves habitat for native Wisconsin endangered or threatened species and for nongame species, conducts the natural heritage inventory program, conducts wildlife and research and surveys and provides wildlife management services. Under current law, only individuals are authorized to donate additional moneys or to donate income tax refunds to the endangered resources program.

7 **SECTION 14.** 77.82 (2) (h) of the statutes is amended to read:

8 77.82 (2) (h) Whether the land will be designated as managed forest land for 15, 25 or
9 50 years.

10 **SECTION 15.** 77.82 (11c) of the statutes is created to read:

11 77.82 (11c) An owner of land that is entered as managed forest land for 15 years may
12 petition the department to extend the designation to 25 or 50 years at any time before the
13 15-year designation expires. The department shall treat the petition as a petition for renewal
14 under sub. (12), except that the department shall extend the expiration date of the order to
15 either 25 or 50 years from the time of the original order entering the land for 15 years.

16 **SECTION 16.** 77.84 (2) (a) of the statutes is amended to read:

1 77.84 (2) (a) ~~Each~~ Except as provided in par. (am) and (b), each owner of managed forest
2 land shall pay to the municipal treasurer an acreage share of 74 cents per acre on or before
3 January 31.

4 **SECTION 17.** 77.84 (2) (am) of the statutes is created to read:

5 77.84 (2) (am) In addition to the payment under par. (a), each owner of land designated
6 as managed forest land for a 15-year period shall by \$1.25 per acre.

7 **SECTION 18.** 77.84 (2) (b) of the statutes is amended to read:

8 77.84 (2) (b) In addition to the payment under par. (a) and (am), each owner shall pay
9 \$1 for each acre that is designated as closed under s. 77.83. The payment shall be made to the
10 municipal treasurer on or before January 31.

NOTE: The draft amends the managed forest land program to provide for a 15-year contract for first-time entries of land in the program, commencing on January 1, 2001. Under the managed forest land program, persons owning productive forest land are provided tax incentives to manage their land in ways that promote sound forest management. Under current law, property must be entered in the managed forest land program for 25- or 50-year periods. Land entered for 15 years may be converted to 25- or 50-year entries at any time.

Property entered into the program is exempt from property taxation but is subject to an annual managed forest land tax of 74 cents per acre if the land is open to the public for recreational purposes and \$1.74 per acre if the land is not open to the public for recreational purposes. Under the draft, an additional \$1.25 per acre is added to the annual managed forest land tax for lands entered under a 15-year contract. The nonstatutory provisions at the end of this draft provide that the statutory changes related to the 15-year contract take effect on January 1, 2001.

11 **SECTION 19.** 77.89 (2) of the statutes is amended to read:

12 77.89 (2) **PAYMENT TO COUNTIES.** Each municipal treasurer shall pay 20% of each
13 payment received under sub. (1) or s. 77.84 (2) (a) or (am) or 77.85 to the county treasurer and
14 shall deposit the remainder in the municipal treasury. The payment to the county treasurer for
15 money received before November 1 of any year shall be made on or before the November 15

1 after its receipt. For money received on or after November 1 of any year, the payment to the
2 county treasurer shall be made on or before November 15 of the following year.

3 **SECTION 20. Appropriation changes; natural resources.**

4 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation to the
5 department of natural resources under section 20.370 (1) (mu) of the statutes, as affected by
6 the acts of 1999, the dollar amount is increased by \$300,000 for fiscal year 1999-00 and the
7 dollar amount is increased by \$300,000 for fiscal year 2000-01 to contract with private
8 foresters to prepare management plans for entry of land into the managed forest land program.

9 (2) In the schedule under section 20.005 (3) of the statutes for the appropriation to the
10 department of natural resources under section 20.370 (5) (aw) of the statutes, as affected by
11 the acts of 1999, the dollar amount is increased by \$270,000 for fiscal year 1999-00 and the
12 dollar amount is increased by \$560,000 for fiscal year 2000-01 to fund the activities of
13 organizations under sections 23.0955 and 23.0956 of the statutes, as affected by this act.

NOTE: This appropriation, from the forestry account of the conservation fund, allows the DNR to hire private forestry consultants, on a contract basis, to prepare the necessary management plans for entry of land under the managed forest law.

14 **SECTION 21. Effective dates.** This act takes effect on the day after publication, except
15 as follows:

16 (1) The treatment of sections 77.82 (2) (h) and (11c), 77.84 (2) (a), (am) and (b) and
17 77.89 (2) of the statutes takes effect on January 1, 2001.

18 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0389?

JK:.....

cmd

LFB:.....Kava - Allow corporations to designate on their income tax or franchise tax returns additional payments for the endangered resources program.

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

soon

in S-25-99

1 At the locations indicated, amend the bill as follows:

2 1. Page 401, line 24: after that line insert:

3 "SECTION 306m. 20.370 (1) (fs) of the statutes is amended to read:

4 20.370 (1) (fs) *Endangered resources - voluntary payments; sales, leases and*

5 *fees.* As a continuing appropriation, from moneys received as amounts designated

6 under s. ss. 71.10 (5) (b) and 71.30 (10) (b), the net amounts certified under s. ss. 71.10

7 (5) (h) 4. and 71.30 (10) (h) 3., all moneys received from the sale or lease of resources

8 derived from the land in the state natural areas system and all moneys received from

9 fees collected under ss. 23.27 (3) (b), 29.563 (10) and 341.14 (6r) (b) 5., for the purposes

10 of the endangered resources program, as defined under s. ss. 71.10 (5) (a) 2, and 71.30

add plain period after "2"

score period

1

(10)(a) 2. Three percent of the moneys certified under ~~s. ss.~~ ss. 71.10 (5) (h) 4. and 71.30

2

(10)(h) 3. in each fiscal year, but not to exceed \$100,000, shall be allocated for wildlife

3

damage control and payment of claims for damage associated with endangered or

4

threatened species.”

5

2. Page 467, line 23: after that line insert:

6

SECTION 594m. 20.566 (1) (hp) of the statutes is amended to read:

7

20.566 (1) (hp) Administration of endangered resources voluntary payments.

8

The amounts in the schedule for the payment of all administrative costs, including

9

data processing costs, incurred in administering ~~s. ss.~~ ss. 71.10 (5) and 71.30 (10). All

10

moneys certified under ~~s. ss.~~ ss. 71.10 (5) (h) 1. and 71.30 (10) (h) 1. shall be credited to

11

this appropriation.”

12

3. Page 498, line 23: delete that line and substitute ^g“to 30.55, 70.58 and, 71.10

13

(5) and 71.30 (10), including grants received from the federal government”.

14

4. Page 879, line 21: after that line insert:

15

SECTION 1748m. 71.30 (10) of the statutes is created to read:

16

71.30 (10) ENDANGERED RESOURCES. (a) Definitions. In this subsection:

17

1. “Conservation fund” means the fund under s. 25.29.

18

2. “Endangered resources program” means purchasing or improving land or

19

habitats for any native Wisconsin endangered or threatened species as defined in s.

20

29.604 (2) (a) or (b) or for any nongame species, as defined in s. 29.001 (60), conducting

21

the natural heritage inventory program under s. 23.27 (3), conducting wildlife and

22

resource research and surveys ~~and~~, providing wildlife management services,

23

providing for wildlife damage control or the payment of claims for damage associated

1 with endangered or threatened species[,] and the payment of administrative expenses
2 related to the administration of this subsection.

3 (b) *Voluntary payments.* 1. 'Designation on return.' A corporation filing an
4 income or franchise tax return may designate on the return any amount of additional
5 payment or any amount of a refund that is due the corporation for the endangered
6 resources program.

7 2. 'Designation added to tax owed.' If the corporation owes any tax, the
8 corporation shall remit in full the tax due and the amount designated on the return
9 for the endangered resources[✓] program when the corporation files a tax return.

10 3. 'Designation deducted from refund.' Except as provided under par. (d)[✓], and
11 subject to ss. 71.75[✓] (9) and 71.80[✓] (3), if the corporation is owed a refund, the
12 department[✓] shall deduct the amount designated on the return for the endangered[✓]
13 resources program from the amount of the refund.

14 (c) *Errors; failure to remit correct amount.* 1. 'Reduced designation.' If a
15 corporation remits an amount that exceeds the tax due, after error corrections, but
16 that is less than the total of the tax due, after error corrections, and the amount^{that is}
17 designated by the corporation on the return for the endangered resources program,
18 the department[✓] shall reduce the designation for the endangered resources program[✓]
19 to reflect the amount remitted that exceeds the tax due, after error corrections[✓].

20 2. 'Void designation.' The designation for the endangered resources program[✓]
21 is void if the corporation remits an amount equal to or less than the tax due, after[✓]
22 error corrections.

23 (d) *Errors; insufficient refund.* If a corporation~~that~~ is owed a refund^{that} which does^{not}
24 ~~not equal or exceed~~ the amount designated on the return for the endangered[✓]
25 resources program, after attachment and crediting under ss. 71.75[✓] (9) and 71.80[✓] (3)

1 and after error corrections, the department shall reduce the designation for the
 2 endangered resources program to reflect the actual amount of the refund the
 3 corporation is otherwise owed ~~after attachment and crediting under ss. 71.75(9) and~~
 4 ~~71.80(3) and after error corrections.~~

5 (e) *Conditions.* If a corporation places any conditions on a designation for the
 6 endangered resources program, the designation is void.

7 (f) *Void designation.* If a designation for the endangered resources program is
 8 void, the department shall disregard the designation and determine ^{the} amounts due,
 9 owed, refunded and received ~~without regard to the void designation.~~

10 (g) *Tax return.* The secretary of revenue shall provide a place for the
 11 designations under this subsection on the corporate income and franchise tax returns
 12 and the secretary shall highlight that place on the return ^S by a symbol chosen by the
 13 department that relates to endangered resources.

14 (h) *Certification of amounts.* Annually, on or before September 15, the
 15 secretary of revenue shall certify to the department of natural resources, the
 16 department of administration and the state treasurer:

17 1. The total amount of the administrative costs, including data processing
 18 costs, incurred by the department of revenue in administering this subsection during
 19 the previous fiscal year.

20 2. The total amount received from all designations for the endangered
 21 resources program made by ~~corporations~~ during the previous fiscal year.

22 3. The net amount remaining after the administrative costs, ~~including data~~
 23 ~~processing costs,~~ under subd. 1. are subtracted from the total received under subd.

24 2.

(i) Appropriations (F) par. (h)

1 From the moneys received from designations for the endangered resources
 2 program, an amount equal to the sum of administrative expenses, including data
 3 processing costs, certified under ~~subd.~~ 1. shall be deposited in the general fund and
 4 credited to the appropriation under s. 20.566 (1) (hp), and the net amount remaining
 5 certified under ~~subd.~~ 3. shall be deposited in the conservation fund and credited to
 6 the appropriation under s. 20.370 (1) (fs). (j) Refunds (F)

7 An amount designated for the endangered resources program under this
 8 subsection is not subject to refund to a corporation that designates a donation under
 9 par. (b) unless the corporation submits information to the satisfaction of the
 10 department of revenue within 18 months ~~after~~ ^{from} the date that taxes are due from the
 11 corporation ^{from} or the date that the corporation filed the return, whichever is later, that
 12 the amount designated is clearly in error. A refund granted by the department of
 13 revenue under this ~~subsection~~ ^{paragraph} shall be deducted from the moneys received under
 14 this subsection in the fiscal year that the refund is certified under 71.75 (7)."

Initial app.
the letter "g"

15 5. Page 1458, line 9: after that line insert:
 16 "(2(a)) INCOME AND FRANCHISE TAX RETURN; ENDANGERED RESOURCES DONATION. The
 17 treatment of sections 20.370 (1) (fs), 20.566 (1) (hp), 25.29 (1) (a) (as it relates to an
 18 endangered resources donation designation on a corporate income and franchise tax
 19 return) and 71.30 (10) of the statutes first applies to taxable years beginning on
 20 January 1, 2000."



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0389/1
JK:cmh:km

LFB:.....Kava - Allow corporations to designate on their income tax or franchise tax returns additional payments for the endangered resources program

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

At the locations indicated, amend the bill as follows:

1. Page 401, line 24: after that line insert:

"SECTION 306m. 20.370 (1) (fs) of the statutes is amended to read:

20.370 (1) (fs) *Endangered resources — voluntary payments; sales, leases and fees.* As a continuing appropriation, from moneys received as amounts designated under ~~s. ss.~~ 71.10 (5) (b) and 71.30 (10) (b), the net amounts certified under ~~s. ss.~~ 71.10 (5) (h) 4. and 71.30 (10) (h) 3., all moneys received from the sale or lease of resources derived from the land in the state natural areas system and all moneys received from fees collected under ~~ss.~~ 23.27 (3) (b), 29.563 (10) and 341.14 (6r) (b) 5., for the purposes of the endangered resources program, as defined under ~~s. ss.~~ 71.10 (5) (a) 2. and 71.30

(10)(a) 2. Three percent of the moneys certified under ~~s. ss. 71.10 (5) (h) 4. and 71.30 (10)(h) 3.~~ in each fiscal year, but not to exceed \$100,000, shall be allocated for wildlife damage control and payment of claims for damage associated with endangered or threatened species.”.

2. Page 467, line 23: after that line insert:

“**SECTION 594m.** 20.566 (1) (hp) of the statutes is amended to read:

20.566 (1) (hp) *Administration of endangered resources voluntary payments.*

The amounts in the schedule for the payment of all administrative costs, including data processing costs, incurred in administering ~~s. ss. 71.10 (5) and 71.30 (10).~~ All moneys certified under ~~s. ss. 71.10 (5) (h) 1. and 71.30 (10) (h) 1.~~ shall be credited to this appropriation.”.

3. Page 498, line 23: delete that line and substitute “to 30.55, 70.58 ~~and~~, 71.10 (5) and 71.30 (10), including grants received from the federal government”.

4. Page 879, line 21: after that line insert:

“**SECTION 1748m.** 71.30 (10) of the statutes is created to read:

71.30 (10) ENDANGERED RESOURCES. (a) *Definitions.* In this subsection:

1. “Conservation fund” means the fund under s. 25.29.

2. “Endangered resources program” means purchasing or improving land or habitats for any native Wisconsin endangered or threatened species, as defined in s. 29.604 (2) (a) or (b), or for any nongame species, as defined in s. 29.001 (60); conducting the natural heritage inventory program under s. 23.27 (3); conducting wildlife and resource research and surveys; providing wildlife management services; providing for wildlife damage control or the payment of claims for damage associated

with endangered or threatened species; and the payment of administrative expenses related to the administration of this subsection.

(b) *Voluntary payments.* 1. ‘Designation on return.’ A corporation filing an income or franchise tax return may designate on the return any amount of additional payment or any amount of a refund that is due the corporation for the endangered resources program.

2. ‘Designation added to tax owed.’ If the corporation owes any tax, the corporation shall remit in full the tax due and the amount designated on the return for the endangered resources program when the corporation files a tax return.

3. ‘Designation deducted from refund.’ Except as provided under par. (d), and subject to ss. 71.75 (9) and 71.80 (3), if the corporation is owed a refund, the department shall deduct the amount designated on the return for the endangered resources program from the amount of the refund.

(c) *Errors; failure to remit correct amount.* 1. ‘Reduced designation.’ If a corporation remits an amount that exceeds the tax due, after error corrections, but that is less than the total of the tax due, after error corrections, and the amount that is designated by the corporation on the return for the endangered resources program, the department shall reduce the designation for the endangered resources program to reflect the amount remitted that exceeds the tax due, after error corrections.

2. ‘Void designation.’ The designation for the endangered resources program is void if the corporation remits an amount equal to or less than the tax due, after error corrections.

(d) *Errors; insufficient refund.* If a corporation is owed a refund that is less than the amount designated on the return for the endangered resources program, after attachment and crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections,

the department shall reduce the designation for the endangered resources program to reflect the actual amount of the refund the corporation is otherwise owed.

(e) *Conditions.* If a corporation places any conditions on a designation for the endangered resources program, the designation is void.

(f) *Void designation.* If a designation for the endangered resources program is void, the department shall disregard the designation and determine the amounts due, owed, refunded and received.

(g) *Tax return.* The secretary of revenue shall provide a place for the designations under this subsection on the corporate income and franchise tax returns and the secretary shall highlight that place on the returns by a symbol chosen by the department that relates to endangered resources.

(h) *Certification of amounts.* Annually, on or before September 15, the secretary of revenue shall certify to the department of natural resources, the department of administration and the state treasurer:

1. The total amount of the administrative costs, including data processing costs, incurred by the department of revenue in administering this subsection during the previous fiscal year.

2. The total amount received from all designations for the endangered resources program made by corporations during the previous fiscal year.

3. The net amount remaining after the administrative costs under subd. 1. are subtracted from the total received under subd. 2.

(i) *Appropriations.* From the moneys received from designations for the endangered resources program, an amount equal to the sum of administrative expenses certified under par. (h) 1. shall be deposited into the general fund and credited to the appropriation under s. 20.566 (1) (hp), and the net amount remaining

certified under par. (h) 3. shall be deposited into the conservation fund and credited to the appropriation under s. 20.370 (1) (fs).

(j) *Refunds.* An amount designated for the endangered resources program under this subsection is not subject to refund to a corporation that designates a donation under par. (b) unless the corporation submits information to the satisfaction of the department within 18 months from the date that taxes are due from the corporation or from the date that the corporation filed the return, whichever is later, that the amount designated is clearly in error. A refund granted by the department under this paragraph shall be deducted from the moneys received under this subsection in the fiscal year that the refund is certified under 71.75 (7).”.

5. Page 1458, line 9: after that line insert:

“(2g) INCOME AND FRANCHISE TAX RETURN; ENDANGERED RESOURCES DONATION. The treatment of sections 20.370 (1) (fs), 20.566 (1) (hp), 25.29 (1) (a) (as it relates to an endangered resources donation designation on a corporate income and franchise tax return) and 71.30 (10) of the statutes first applies to taxable years beginning on January 1, 2000.”.

(END)