

FISCAL ESTIMATE FORM

1999 Session

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 99-1525/1

INTRODUCTION # SB 51

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 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. 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 of which about \$284 million (95.5%) was in towns.

According to the Department of Natural Resources, of the total of about 5.3 million acres of wetlands, about 25-30% are subject to county zoning. Assuming that 30% of wetland value is subject to county shorelands zoning, about \$85.3 million (\$284 million x 30%) of wetlands would have been exempt in 1998 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 \$1.6 million (\$85.3 million x \$18.23 per \$1,000) from owners of wetlands to other property owners and the average town tax rate would increase by \$0.02 to \$18.25 per \$1,000 of value.

State Fiscal Effect. SEG State forestry revenues would decrease by about \$17,000 (\$85.3 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 P. Kruger, (608) 266-1310	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	11/15/99

