



**Fiscal Estimate Narratives**

**DOR 05/14/2001**

LRB Number <b>01-1375/1</b>	Introduction Number <b>AB-276</b>	Estimate Type <b>Original</b>
<b>Subject</b> Barns and agricultural outbuildings		

**Assumptions Used in Arriving at Fiscal Estimate**

The bill exempts from property tax a barn or agricultural outbuilding if:

1. The owner files an affidavit with the taxation district assessor attesting that the structure was built before 1950,
2. The structure is unused, used for an agricultural purpose, or used for a nonagricultural purpose that generates less than \$2,000 annually,
3. The structure is not used as a residence, and
4. The structure satisfies State Historical Society criteria regarding the structure's age, condition, use, attributes, and significance to the rural landscape.

The exemption under the bill applies to barns and outbuildings only; the land underlying the structures remains taxable.

The bill also provides a penalty of \$10 for every \$1,000 of property taxes avoided by filing a false affidavit.

Local Fiscal Effect. Based on a survey of assessors, barns built before 1950 have values ranging up to about \$10,000. Assuming an average value of \$5,000 per barn, at the 1999 town tax rate of \$17.77 per \$1,000 of value, about \$90 ( $\$5,000 \times 0.01777$ ) in property taxes would be shifted to owners of other taxable property for each barn exempted under the bill.

The State Historical Society has not yet specified criteria for exemption under the bill so the number of barns and agricultural outbuildings that would be exempted cannot be determined.

Taxation district assessors would incur the costs of processing and storing affidavits filed by owners of barns and agricultural outbuildings under the bill.

State Fiscal Effect. Based on the assumptions above, state forestry taxes would decrease by about \$1 ( $\$5,000 \times 0.0002$ ) for each barn exempted under the bill.

The bill would require minor revisions to the Wisconsin Property Assessment Manual. The cost of the revisions would be absorbed.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

LRB Number <b>01-1375/1</b>		Introduction Number <b>AB-276</b>	
<b>Subject</b>			
Barns and agricultural outbuildings			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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