

2001 DRAFTING REQUEST

Bill

Received: 01/18/2001

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: John Ainsworth (608) 266-3097

By/Representing: kristina

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax - property

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Definition of agricultural land for property tax purposes

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>
/1	jkreye 01/18/2001	wjackson 02/08/2001	martykr 02/09/2001	_____	lrb_docadmin 02/09/2001		
	jkreye 02/13/2001	wjackson 02/13/2001		_____			
/2	jkreye 03/21/2001	wjackson 03/21/2001	rschluct 02/13/2001	_____	lrb_docadmin 02/13/2001		S&L
/3	jkreye 03/23/2001	wjackson 03/26/2001	kfollet 03/22/2001	_____	gretskl 03/22/2001		S&L
/4			martykr 03/26/2001	_____	lrb_docadmin 03/26/2001	lrb_docadmin	S&L
						03/27/2001	

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

~~XXXXXXXXXX~~
~~03/27/2001~~

FE Sent For: 02/15/2001.

↳ ("12")

<END>

↳ "1/4" at intro

2001 DRAFTING REQUEST

Bill

Received: **01/18/2001**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **John Ainsworth (608) 266-3097**

By/Representing: **kristina**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax - property**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Definition of agricultural land for property tax purposes

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>
/1	jkreye 01/18/2001	wjackson 02/08/2001	martykr 02/09/2001	_____	lrb_docadmin 02/09/2001		
	jkreye 02/13/2001	wjackson 02/13/2001		_____			
/2	jkreye 03/21/2001	wjackson 03/21/2001	rschluct 02/13/2001	_____	lrb_docadmin 02/13/2001		S&L
/3	jkreye 03/23/2001	wjackson 03/26/2001	kfollet 03/22/2001	_____	gretskl 03/22/2001		S&L
/4			martykr 03/26/2001	_____	lrb_docadmin 03/26/2001		S&L

Vers: Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For: 02/15/2001.

<END>

2001 DRAFTING REQUEST

Bill

Received: **01/18/2001**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **John Ainsworth (608) 266-3097**

By/Representing: **kristina**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax - property**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Definition of agricultural land for property tax purposes

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>
/1	jkreye 01/18/2001	wjackson 02/08/2001	martykr 02/09/2001	_____	lrb_docadmin 02/09/2001		
	jkreye 02/13/2001	wjackson 02/13/2001		_____			
/2	jkreye 03/21/2001	wjackson 03/21/2001	rschluet 02/13/2001	_____	lrb_docadmin 02/13/2001		S&L
/3		1/4 WJ 3/26	kfollet 03/22/2001	_____	gretskl 03/22/2001		S&L

km 3/26 *2/2 km 3/26*

FE Sent For: **02/15/2001.**

2001 DRAFTING REQUEST

Bill

Received: 01/18/2001

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: John Ainsworth (608) 266-3097

By/Representing: kristina

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - property

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Definition of agricultural land for property tax purposes

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>
/1	jkreye 01/18/2001	wjackson 02/08/2001	martykr 02/09/2001	_____	lrb_docadmin 02/09/2001		
	jkreye 02/13/2001	wjackson 02/13/2001		_____			
/2		1/3 3/21 WJ	rschluet 02/13/2001	_____	lrb_docadmin 02/13/2001		S&L

FE Sent For:

kl
3/22

kl/jf
3/22

<END>

2001 DRAFTING REQUEST

Bill

Received: 01/18/2001

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: John Ainsworth (608) 266-3097

By/Representing: kristina

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - property

Extra Copies:

Pre Topic:

No specific pre topic given


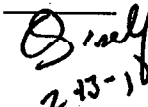
Topic:

Definition of agricultural land for property tax purposes

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>
/1	jkreye 01/18/2001	wjackson 02/08/2001	martykr 02/09/2001		lrb_docadmin 02/09/2001		
		1/2 wlj 2/13	 2-13-1	 2-13-1			
FE Sent For:				<END>			

2001 DRAFTING REQUEST

Bill

Received: 01/18/2001

Received By: jkreya

Wanted: As time permits

Identical to LRB:

For: John Ainsworth (608) 266-3097

By/Representing: kristina

This file may be shown to any legislator: NO

Drafter: jkreya

May Contact:

Alt. Drafters:

Subject: Tax - property

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Definition of agricultural land for property tax purposes

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>
1/	jkreya	1 WLj 2/8	1/19	2/9			

FE Sent For:

<END>



John Ainsworth

State Representative • 6th Assembly District

Chair: Assembly Committee on Rural Affairs

MEMORANDUM

To: LRB Attorney Joseph Kreye

From: Representative John Ainsworth

Date: January 18, 2001

Re: Legislative draft relating to the definition of agricultural land for purposes of the property tax

Last session, Representative Brandemuehl introduced 1999 Assembly Bill 293, relating to the definition of agricultural land for purposes of the property tax. I would like to request a re-draft of this legislation – with several changes.

Under the re-draft, I would like the following land to be eligible for use-value assessment:

70.32 (2) (c) 1. b. Land, exclusive of buildings and improvements, that is within the $\frac{1}{4}$ $\frac{1}{4}$ (plat designation) section of agricultural land under subd. 1. a.; that is owned by the person that owns the $\frac{1}{4}$ $\frac{1}{4}$ agricultural land under subd. 1. a.; that is limited in acreage to not more than 25% of the acreage of that $\frac{1}{4}$ $\frac{1}{4}$ that is owned by the same person; that is so covered with trees or woody vegetation that it is impracticable to use the land for pasture land or for growing crops; and that is not eligible for the Managed Forest Law Program; and that has not been leased or rented for nonagricultural purposes during the prior taxable year.

quarter quarter

Beginning with the assessments as of January 1 after publication, agricultural land that is wooded (as defined above) will be assessed at its use value.

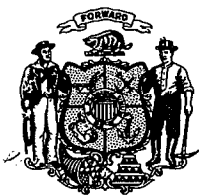
If you need any additional information to begin a preliminary draft, please do not hesitate to contact Kristina Boardman at 266-3097. Thank you in advance for your assistance.



District:
W6382 Waukechon Road
Shawano, Wisconsin 54166
(715) 526-3810

Toll-Free: (888) 529-0006
E-mail: Rep.Ainsworth@legis.state.wi.us
Printed on recycled paper

Office:
P.O. Box 8952, State Capitol
Madison, Wisconsin 53708-8952
(608) 266-3097 • Fax: (608) 282-3606



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-2137

JK:.....

WLR
RMR

in 1-18-01

GEN

1 AN ACT ...; relating to: the definition of agricultural land for property tax
2 purposes.

Analysis by the Legislative Reference Bureau

Under current law, the assessed value of agricultural land, for property tax purposes, is based on the income that could have been generated from renting the land for agricultural uses. Under current law, agricultural land is defined as land that is devoted primarily to agricultural use.

Under this bill, agricultural land, for property tax purposes, also includes land that is within the quarter quarter section of agricultural land; that is owned by the person who owns the quarter quarter section; that is limited in acreage to not more than 25% of the acreage of the quarter quarter section; that is so covered with trees or woody vegetation that it is impracticable to use the land for pasture land or for growing crops; that is not eligible for the managed forest land program under current law; and that has not been leased or rented for nonagricultural purposes in the year before the year of assessment.

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

3 SECTION 1. 70.32 (2) (c) 1. of the statutes is renumbered 70.32(2)(c)1.(intro.) and
4 amended to read:

5 70.32 (2) (c) 1. (intro.) "Agricultural land" means land, all of the following:

Barman, Mike

From: Barman, Mike
Sent: Tuesday, February 13, 2001 10:03 AM
To: Boardman, Kristina
Subject: LRB 01-2137/1



01-2137/1

Mike Barman

Mike Barman - Senior Program Asst. (PH. 608-266-3561)
(E-Mail: mike.barman@legis.state.wi.us) (FAX: 608-264-6948)

State of Wisconsin
Legislative Reference Bureau - Legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-2137/1
JK:wlj:BA

2

2001 BILL

RM
not sure

m 2-13-01
Wolay

D-N

REGEN

1 AN ACT to renumber and amend 70.32 (2) (c) 1.; and to create 70.32 (2) (c) 1.
2 b. of the statutes; relating to: the definition of agricultural land for property
3 tax purposes.

Analysis by the Legislative Reference Bureau

Under current law, the assessed value of agricultural land, for property tax purposes, is based on the income that could have been generated from renting the land for agricultural uses. Under current law, agricultural land is defined as land that is devoted primarily to agricultural use.

Under this bill, agricultural land, for property tax purposes, also includes land that is within the quarter quarter section of agricultural land; that is owned by the person who owns the quarter quarter section; that is limited in acreage to not more than 25% of the acreage of the quarter quarter section; that is so covered with trees or woody vegetation that it is impracticable to use the land for pasture land or for growing crops; that is not eligible for the managed forest land program under current law; and that has not been leased or rented for nonagricultural purposes in the year before the year of assessment.

FE S&L

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

4 SECTION 1. 70.32 (2) (c) 1. of the statutes is renumbered 70.32 (2) (c) 1. (intro.)
5 and amended to read:

01-2131/2 dn

date

Ainsworth

Representative Ainsworth:

4 1 This draft makes a technical correction

JK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2137/2dn
JK:wlj:rs

February 13, 2001

Representative Ainsworth:

This draft makes a technical correction.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us



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

STEPHEN H. MILLER
CHIEF

March 13, 2001

MEMORANDUM

To: Representative Ainsworth

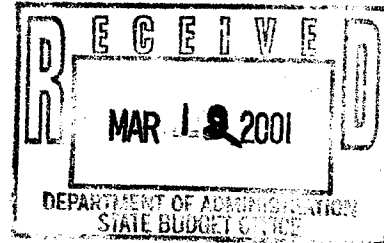
From: Joseph T. Kreye, Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to 2001 (un-introduced) (LRB 01-2137/2)

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.

MEMORANDUM

March 6, 2001



TO: Joseph Kreye
Legislative Reference Bureau

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

SUBJECT: Technical Memorandum on LRB 2137/2 regarding Assessment of Wooded Agricultural Land

We have the following concerns about the proposed legislation:

1. The author may wish to consider specifying the minimum amount of land that has to be classified agricultural under current law to qualify the wooded agricultural land on the parcel for use value assessment. The draft is not clear how a quarter quarter could be split between the wooded 25% that would qualify for use value assessment and the remainder. If a quarter quarter is divided into 25 acres of agricultural land and 15 wooded acres, would none or 10 of the 15 wooded acres be assessed under the use value law? If 10 wooded acres would be eligible for use value assessment, the assessor needs direction as to which 10 acres to assess under use value. This issue would arise if the per acre values of the 15 acres differed among themselves.
2. LRB 2137/2 does not indicate how the use value of wooded agricultural land would be calculated. The use value of wooded agricultural land is zero since the land cannot be tilled or pastured by definition. However, assessors have to place an assessment on all taxable property and so typically place a nominal value of \$100 per acre on, for example, that part of an agricultural parcel underlying a town road which is useless for agricultural purposes.

An assessment of \$100 per acre may not be appropriate under LRB 2137/2 since the per acre value of pasture in many municipalities is less than that amount. An assessor could assess the entire wooded portion at \$100. However, such an assessment may raise uniformity issues since the assessment for each wooded parcel would be \$100 regardless of whether the parcel was 1 acre or 10 acres.

If you have any questions regarding this technical memorandum, please contact Blair Kruger at 266-1310.

YEB:BPK:dls
I:\fsn01-02\bk\lrb21372.tec

307 N

ag land

another category?

not tillable; brush, grass, rock, natural vegetation

less than 10 even

not practical for building

if more than 25%? — not eligible

▷ less is assessed as ag

▷ assessment more where between pasture & mow & waste

— entitled value between the 2

redraft 60011 ————— to comply with the redraft.

Memo

Attached is a fiscal estimate prepared for a draft that has not yet been introduced.

LRB Number: LRB 01 - 2137

Version: "1/2"

Requested By: Ainsworth

Entered In Computer And Copy Sent To Requestor:

03/13/01

Fiscal Estimate Prepared By: (agency abbr.) DOR

To: LRB - Legal Section PA's

Subject: Fiscal Estimate Received For A Un-Introduced Draft

- If this is **re-drafted** to a new version please attach this early fiscal estimate to the back of the draft's file between the old version and the new version.
- If this draft gets **introduced** ... and the version of the attached fiscal estimate is correct ... please write the drafts intro. number below and give this fiscal estimate to Mike (or Landon) to process.

THIS DRAFT WAS INTRODUCED AS: 2001 _____

- If this draft gets **introduced** ... and the version of the attached fiscal estimate is for a previous version ... please attach this early fiscal estimate to the back of the draft's file between the old version and the new version ... and get the ball rolling on getting a fiscal estimate prepared for the introduced version.

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-2137/2

INTRODUCTION #

Admin. Rule #

Subject

Use Value Assessment of Wooded Agricultural Land

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 Special Districts
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Conservation Fund (State Forestry Taxes)

Assumptions Used in Arriving at Fiscal Estimate:

Under current law, agricultural land is assessed according to its value in agricultural use. Agricultural use includes land that is tilled, pastured or enrolled in agricultural land conservation programs specified by administrative rule.

LRB 2137/2 extends use value assessment to land that:

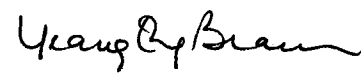
1. Is within a quarter quarter section of land (typically 40 acres) that is agricultural land under current law,
2. Is owned by the person who owns the quarter quarter section,
3. Is limited in acreage to not more than 25% of the quarter quarter section,
4. Is so covered with trees or wooded vegetation that it is impractical to till or pasture the land,
5. Is not eligible for the Managed Forest Law program, and
6. Has not been rented or leased for a non-agricultural purpose in the year before the assessment year.

A. Local Fiscal Effect

According to the Department of Agriculture, Trade and Consumer Protection, farms consisted of 16.3 million acres in 1999. According to the Department of Revenue, 12.8 million acres were classified Agricultural and 0.2 million acres were classified Other (i.e., farmhouses, barns, improvements and the underlying land) in 1999. Assuming the Agricultural and Other lands are located on farms, a maximum of about 3.3 (16.3 - 12.8 - 0.2) million acres of wooded agricultural land would be subject to use value assessment under LRB 2137/2. Under the foregoing assumptions, statewide, the number of acres of wooded agricultural land is 25.8% (3.3 million / 12.8 million) of the number of acres classified Agricultural.

(continued on page two)

Long-Range Fiscal Implications:

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 	Date 3/6/01
--	---	----------------

Estimated value of wooded agricultural land under current law. The value of the 3.3 million acres of wooded agricultural land was estimated in four steps. First, the per acre value of wooded agricultural land for each municipality was estimated as the average of the per acre value of Forest and the per acre value of Swamp and Waste in that municipality. Second, the number of wooded agricultural acres in each municipality was estimated as 25.8% of the total Agricultural acres in each municipality; this calculation assumes that wooded agricultural acreage is 25.8% of the acreage classified Agricultural in each municipality, the same as the statewide percentage. Third, the per acre value of wooded agricultural land was multiplied by the estimated number of wooded agricultural acres for each municipality to estimate the value of wooded agricultural land by municipality. Finally, summing the value of wooded agricultural land by municipality produced a statewide total value of wooded agricultural land of \$2.0 billion in 1999.

Use value of wooded agricultural land under LRB 2137/2. There are at least 2 methods by which the use value of wooded agricultural land under LRB 2137/2 may be calculated, including the \$100 nominal value per acre used in this analysis. Assuming wooded agricultural land is valued at \$100 per acre, the estimated 3.3 million acres of such land would have a statewide value of \$330 million ($\100×3.3 million).

Maximum reduction in statewide property value. The estimated value of wooded agricultural land (\$2.0 billion) minus the value of that land assessed according to use value (\$330 million) is \$1.67 billion ($\$2.0$ billion - 0.33 billion), which is the maximum reduction in the value of municipalities under LRB 2137/2.

Property tax shift. LRB 2137/2 has stringent eligibility requirements and so the entire 3.3 million acres on farms not classified Agricultural or Other is unlikely to qualify for use value assessment. However, data are not available to estimate the number of acres that would qualify for use value assessment under LRB 2137/2.

Under the assumption that 25% of the 3.3 million non-agricultural acres would be subject to use value assessment under LRB 2137/2, statewide equalized value would decrease by about \$417 million ($\1.67 billion \times 25%). At the 1999 statewide not tax rate for towns of \$17.77 per \$1,000 of value, about \$7.4 million ($\417 million \times 0.1777) of property taxes would be shifted from owners of wooded agricultural land to owners of other taxable property under LRB 2137/2.

If 50% of the 3.3 million acres became subject to use value assessment, \$14.8 million of property taxes would be shifted.

B. State Fiscal Effect

Assuming 25% of the 3.3 million non-agricultural acres would be subject to use value assessment under LRB 2137/2, SEG state forestry taxes would decrease by about \$85,000 ($\417 million \times 0.0002). The SEG tax decrease would be \$170,000 if 50% of the 3.3 million acres became subject to use value assessment.

C. State and Local Administrative Costs

Based on discussions with assessors and with Department of Revenue (DOR) appraisers, municipalities and DOR would incur costs, primarily in the first year, to identify wooded agricultural parcels that satisfy the 6 criteria for use value assessment under LRB 2137/2. Data are not available to estimate these costs.

YBB
3/6/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 2137/2

Admin. Rule #

INTRODUCTION #

Subject
Use Value Assessment of Wooded Agricultural Land

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include In annualized fiscal effect):

See text of fiscal note

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		Increased Costs	Decreased Costs
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 Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S	State forestry taxes		- see text of fiscal note
TOTAL State Revenues		\$	\$ -

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS

\$ see text of fiscal note

\$ see text of fiscal note

NET CHANGE IN REVENUES

\$ see text of fiscal note

\$ see text of fiscal note

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>	3/6/01



2001 BILL

in 3-21-01

500N

re you

1 AN ACT to renumber and amend 70.32 (2) (c) 1.; and to create 70.32 (2) (c) 1.
2 b. of the statutes; relating to: the definition of agricultural land for property
3 tax purposes.

Analysis by the Legislative Reference Bureau

Under current law, the assessed value of agricultural land, for property tax purposes, is based on the income that could have been generated from renting the land for agricultural uses. Under current law, agricultural land is defined as land that is devoted primarily to agricultural use.

Under this bill, agricultural land, for property tax purposes, also includes land that is within the quarter quarter section of agricultural land; that is owned by the person who owns the quarter quarter section; that is limited in acreage to not more than 25% of the acreage of the quarter quarter section; that is so covered with trees or woody vegetation that it is impracticable to use the land for pasture land or for growing crops; that is not eligible for the managed forest land program under current law; and that has not been leased or rented for nonagricultural purposes in the year before the year of assessment.

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:

Not

The assessed value of this new category of agricultural land is the average of the value of ^{pasture} pasture land and the value of swampland or ^{wasteland} wasteland, rounded to the nearest whole number.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2137/2ins
JK:wlj:rc

Insert 2 - 14

1 SECTION ~~1~~[#] 70.32 (2r) (c) of the statutes is renumbered 70.32 (2r) (c) 1. and
2 amended to read:

3 70.32 (2r) (c) 1. For the assessment as of the January 1 after the valuation
4 method under par. (b) no longer applies and for each assessment thereafter,
5 agricultural land under sub. (2) (c) 1. a. shall be assessed according to the income that
6 could be generated from its rental for agricultural use.

History: 1973 c. 90; 1977 c. 29, 418; 1979 c. 34; 1981 c. 20, 390; 1983 a. 36; 1983 a. 275 s. 15 (8); 1983 a. 410; 1985 a. 54, 153; 1991 a. 39, 316; 1993 a. 337; 1995 a. 27, 201, 227; 1999 a. 9.

7 SECTION ~~2~~[#] 70.32 (2r) (c) 2. of the statutes is created to read:

8 70.32 (2r) (c) 2. For the assessment as of January 1, 2002, the value of an acre
9 of agricultural land under sub. (2) (c) 1. b. shall be the average of the value of an acre
10 of pasture land and the value of an acre of swampland or wasteland, rounded to the
11 nearest whole number, except that the value of each acre of agricultural land under
12 sub. (2) (c) 1. b. that represents more than 25% of the acreage of the quarter quarter
13 section described under sub. (2) (c) 1. b. shall be determined as provided in this
14 section.

Kreye, Joseph

From: Boardman, Kristina
Sent: Thursday, March 22, 2001 4:28 PM
To: Kreye, Joseph
Subject: LRB2137

Joseph:

Thank you for your quick return on the changes to LRB2137. Representative Ainsworth has had a chance to review the draft, and would like to suggest one additional change.

On page 2 line 10:

“woody vegetation or is so highly erodable (steep, shallow, of course soil particles, of low organic matter) or so rocky that it is...”

If you have any questions regarding this request for additional language, please do not hesitate to let me know.

Thank you again for your help.

Kristina Boardman
Representative Ainsworth's Office
266-3097



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-2137/3
JK:wlj

RM not run

2001 BILL

m 3-23-01
JDOON

REGEN

1 AN ACT to renumber and amend 70.32 (2) (c) 1. and 70.32 (2r) (c); and to create
2 70.32 (2) (c) 1. b. and 70.32 (2r) (c) 2. of the statutes; relating to: the definition
3 of agricultural land for property tax purposes.

Analysis by the Legislative Reference Bureau

Under current law, the assessed value of agricultural land, for property tax purposes, is based on the income that could have been generated from renting the land for agricultural uses. Under current law, agricultural land is defined as land that is devoted primarily to agricultural use.

Under this bill, agricultural land, for property tax purposes, also includes land that is within the quarter quarter section of agricultural land; that is owned by the person who owns the quarter quarter section; that is limited in acreage to not more than 25% of the acreage of the quarter quarter section; that is so covered with trees or woody vegetation that it is impracticable to use the land for pasture land or for growing crops; that is not eligible for the managed forest land program under current law; and that has not been leased or rented for nonagricultural purposes in the year before the year of assessment. The assessed value of this new category of agricultural land is the average of the value of pasture land and the value of swampland or wasteland, rounded to the nearest whole number.

or so highly erodible because the land is steep, shallow or consisting of coarse soil or low organic matter; or so rocky;

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:

1 **SECTION 1.** 70.32 (2) (c) 1. of the statutes is renumbered 70.32 (2) (c) 1. (intro.)
2 and amended to read:

3 70.32 (2) (c) 1. (intro.) "Agricultural land" means land, all of the following:

4 a. Land, exclusive of buildings and improvements, that is devoted primarily to
5 agricultural use, as defined by rule.

6 **SECTION 2.** 70.32 (2) (c) 1. b. of the statutes is created to read:

7 70.32 (2) (c) 1. b. Land, exclusive of buildings and improvements, that is within
8 the quarter quarter section of agricultural land under subd. 1. a.; that is owned by
9 the person who owns the quarter quarter section; that is so covered with trees or
10 woody vegetation that it is impracticable to use the land for pasture land or for
11 growing crops; that is not eligible for the program under subch. VI of ch. 77; and that
12 has not been leased or rented for nonagricultural purposes in the year before the year
13 of assessment.

14 **SECTION 3.** 70.32 (2r) (c) of the statutes is renumbered 70.32 (2r) (c) 1. and
15 amended to read:

16 70.32 (2r) (c) 1. For the assessment as of the January 1 after the valuation
17 method under par. (b) no longer applies and for each assessment thereafter,
18 agricultural land under sub. (2) (c) 1. a. shall be assessed according to the income that
19 could be generated from its rental for agricultural use.

20 **SECTION 4.** 70.32 (2r) (c) 2. of the statutes is created to read:

not so highly erodible because the land is steep, shallow, ^{or} consisting
of ~~poor~~ ^{coarse} soil or low organic matter, or so rocky;

BILL

1 70.32 (2r) (c) 2. For the assessment as of January 1, 2002, the value of an acre
2 of agricultural land under sub. (2) (c) 1. b. shall be the average of the value of an acre
3 of pasture land and the value of an acre of swampland or wasteland, rounded to the
4 nearest whole number, except that the value of each acre of agricultural land under
5 sub. (2) (c) 1. b. that represents more than 25% of the acreage of the quarter quarter
6 section described under sub. (2) (c) 1. b. shall be determined as provided in this
7 section.

8

(END)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN H. MILLEH
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

March 26, 2001

MEMORANDUM

To: Representative Ainsworth

From: Joseph T. Kreye, Legislative Attorney

Re: LRB-2137 Definition of agricultural land for property tax purposes

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-2263 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.



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

STEPHEN R. MILLER
CHIEF

November 21, 2001

MEMORANDUM

To: Representative Ainsworth

From: Joseph T. Kreye, Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to 2001 AB-629 (LRB-2137/4)

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.

MEMORANDUM

November 21, 2001

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Brian Pahnke
Department of Revenue

SUBJECT: Technical Memorandum on AB 629 - Define Agricultural Land for Property Tax Purposes

The bill limits the treatment of wooded or swampland on farms to no more than 25% of the quarter quarter section of the agricultural land; acreage in excess of the 25% would continue to be assessed per current law. It is unclear how the assessor would determine which acres would be assessed under the bill's valuation method and which acres would be assessed according to current law in the case where more than 25% of the acres on the quarter quarter meets all the required criteria.

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



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

STEPHEN R. MILLER
CHIEF

November 28, 2001

MEMORANDUM

To: Representative Ainsworth

From: Joseph T. Kreye, Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2001 AB-629** (LRB-2137/4)

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.

MEMORANDUM

November 26, 2001

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Brian Pahnke
Department of Revenue

SUBJECT: Technical Memorandum on AB 629 - Define Agricultural Land for Property Tax Purposes

The department has several concerns regarding this bill.

First, the bill first applies to assessments as of January 1, 2002. This provides little time for the Department to inform and train assessors on how to assess affected property. This is particularly troubling given the complexity of the bill and the many criteria the assessor would have to review to determine which property qualifies under the bill.

Second, under the bill, property that meets the specified criteria is to be valued at the average of the value of an acre of pasture land and the value of an acre of swampland or wasteland. The bill does not specify which year should be used to determine the valuation. The author may wish to specify that the value of pasture and swampland in the prior year would be used to determine the value of affected property. It is unclear if the value of swampland or wasteland is to be the average value of all property classified as swamp and waste or the average value of land that is true swampland or wasteland. To the extent that the swamp and waste classification includes land that is not true swampland or wasteland, the distinction will affect the valuation under the bill. Almost 40% of the acres classified as swamp and waste is not true swamp or waste. Twenty-four percent of acres classified as swamp and waste is in fact fallow agricultural land; 11% is road frontage. The author may wish to specify more explicitly what property is to be included in the value of swampland or wasteland to ensure consistency in administration.

The bill limits the treatment of wooded or swampland on farms to no more than 25% of the quarter quarter section of the agricultural land; acreage in excess of the 25% would continue to be assessed per current law. It is unclear how the assessor would determine which acres would be assessed under the bill's valuation method and which acres would be assessed according to current law in the case where more than 25% of the acres on the quarter quarter meets all the required criteria.

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