

2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Received: 06/15/2001

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Keckhaver

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax - property

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

SDC:.....Keckhaver - CN1035,

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 06/16/2001	jdyer 06/17/2001	pgreensl 06/17/2001	_____	lrb docadmin 06/17/2001		
	jkreye 06/17/2001	jdyer 06/18/2001		_____			
/2	jkreye 06/18/2001	jdyer 06/19/2001	jfrantze 06/18/2001	_____	lrb docadmin 06/18/2001		
/3	jkreye 06/19/2001	jdyer 06/19/2001	kfollet 06/19/2001	_____	gretskl 06/19/2001		
/4			pgreensl 06/19/2001	_____	gretskl 06/19/2001		

FE Sent For:

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/2	jkreye 06/18/2001	jdyer 06/19/2001	jfrantze 06/18/2001	<u>6/19</u>	lrb docadmin 06/18/2001		
/3		14 6/19 jld	kfollet 06/19/2001	<u>8/19</u>	gretskl 06/19/2001		

FE Sent For:

6/19
ps

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/1	jkreye 06/16/2001	jdyer 06/17/2001	pgreensl 06/17/2001	_____	lrb_docadmin 06/17/2001		
	jkreye 06/17/2001	jdyer 06/18/2001		_____			
/2		1/3 6/19 jd	jfrantze 06/18/2001	_____	lrb_docadmin 06/18/2001		
			1/2 6/19	MDK 6/19			

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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<END>

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Senate Amendment (SA-SSA1-SB55)

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Definition of agricultural land for property tax purposes

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/1	jkreye 06/16/2001	jdyer 06/17/2001	pgreensl 06/17/2001	_____	lrb_docadmin 06/17/2001		

FE Sent For:

1/2 6/18 jld
 6/18 SRM/jld
 6/18
 <END>

2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Received: 06/15/2001

Received By: jkreyc

Wanted: As time permits

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Keckhaver

This file may be shown to any legislator: NO

Drafter: jkreyc

May Contact:

Addl. Drafters:

Subject: Tax - property

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

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Topic:

Definition of agricultural land for property tax purposes

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1?	jkreyc	6/17 JL	6/16	6/16 sub			

FE Sent For:

<END>

Adopt Freestanding Motion 144, which would modify the definition of agricultural land to include all land, exclusive of buildings and improvements, that is devoted primarily to an agricultural use, as defined by rule, and is located on a farm where the owner or operator has filed a form.

SHARED REVENUE AND TAX RELIEF – PROPERTY TAXATION

Definition of Agricultural Land and Other Property

Motion:

Move to modify the definition of agricultural land to include all land, exclusive of buildings and improvements, that is devoted primarily to an agricultural use, as defined by rule, and is located on a farm where the owner or operator has filed a form, as required below. Define a farm as any establishment engaged in crop production or animal production, as set forth in the North American Industry Classification System, 1997 edition, from which \$6,000 or more of agricultural products were sold or would normally be sold during the year. Specify that a farm may include leased land, if that land is devoted primarily to an agricultural use.

*one time filing
except as otherwise provided*

Provide that the form, specified above, include a description of all land owned or leased that is part of the farm and a statement whereby the owner or lessee certifies that \$6,000 or more of agricultural products were sold during the preceding year or are likely to be sold in the current year. Specify that the amount of agricultural products sold is to be measured on a per farm basis, regardless of the number of municipalities where the land is located. Require the form to be filed by the property owner or lessee with the assessor where the property is located, on or before March 1, beginning in 2002. Specify that owners or lessees are not required to file forms in subsequent years unless additional agricultural land is acquired or leased. Require owners or lessees of property classified as agricultural land to notify the clerk of the municipality where the property is located if the property no longer meets the definition of agricultural land. Provide that if owners or lessees of agricultural land fail to notify the clerk of property that no longer meets the definition of agricultural land, the difference between that property's value as agricultural land and its value in another class shall be treated as omitted property and the penalty for converting agricultural land shall be imposed from the date that the property no longer met the definition of agricultural land. Exempt property that is reclassified for the 2002 assessment year as a result of the change in the definition of agricultural land from the penalty for converting agricultural land to another use.

the lessee is not paying the property taxes

see s. 70.44

taxation district collect the difference

mon that? - technically, would be exempt anyway because property owner didn't convert use

Provide that "Other" property be defined as agricultural buildings and improvements and the land necessary for their location and convenience. Authorize the Department of Revenue to promulgate rules regarding these provisions and require the Department to prescribe the form on which owners and operators report the land included on their farm and the amount of agricultural products sold.

is this land not ag land? (need to amend s. 70.32(2)(c), 1,

Provide that these provisions first apply to property assessed as of January 1, 2002.

other is already defined that way by administrative rule

Note:

Under current law, agricultural land is defined as land, exclusive of buildings and improvements, that is devoted primarily to an agricultural use, as defined by rule. This motion would modify the definitions of "agricultural land" and "other" property. The definition for other property is identical to that specified by DOR in its Property Assessment Manual. The definition for agricultural land is based on definitions employed under the North American Industrial Classification System and by the U.S. Department of Agriculture. The proposal would require agricultural land to be located on farms and would impose a reporting requirement whereby farm operators would be required to identify the land included in the farm and to certify that \$6,000 or more of agricultural products were sold in the preceding year or are likely to be sold in the current year. This provision would allow assessors to group multiple parcels together by farm operation for purposes of applying the requirement pertaining to the amount of agricultural products sold. It would also allow assessors to track changes in the parcels included in each farm. The size of a farm may change from year to year because farmers lease land for their operation.

The motion would cause some land to be reclassified from agricultural to another class. The proposal would exempt that land from the penalty for land converted from an agricultural use. Agricultural land that is reclassified would be almost certain to have a higher value after its reclassification. As a result, the taxes on that property would be higher, as property taxes are shifted from other property to the reclassified property. Also, state forestry tax collections would increase by an unknown amount.

[Change to Base: Unknown]



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb09177

JK:.....

jdpr

SDC:.....Keckhaver – CN1035, Definition of agricultural land for property tax purposes

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

6-16-01

D-N

m

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 705, line 24: after that line insert:

3 "SECTION 2114h. 70.32 (2) (c) 1. of the statutes is amended to read:

4 70.32 (2) (c) 1. "Agricultural land" means land, exclusive of buildings and

5 improvements, that is devoted primarily to agricultural use, as defined by rule, if the

6 land is a farm, as defined in sub. (2s) (a) and the owner or lessee of the land files the

7 form under sub. (2s).

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.

8 SECTION 2114j. 70.32 (2) (c) 1m. of the statutes is created to read:

1 70.32 (2) (c) 1m. "Other" means buildings and improvements located on
2 agricultural land and the land necessary for their location and convenience."

3 2. Page 706, line 6: after that line insert:

4 "SECTION 2114p. 70.32 (2s) of the statutes is created to read:

5 70.32 (2s) (a) In this subsection:

6 1. "Department" means the department of revenue.

7 2. "Farm" means a business engaged in activities included in the North
8 American Industry Classification System, 1997 edition, published by the U.S. office
9 of management and budget under any of the following classifications, if the business
10 generated at least \$6,000 in gross receipts from such activities in the year preceding
11 the date that a form is filed under par. (b) or if the business is likely to generate at
12 least \$6,000 in gross receipts from such activities in the year following the date that
13 a form is filed under par. (b):

14 a. 111-Crop production.

15 b. 112-Animal production.

16 (b) Any person who owns or who is a lessee of land used as a farm shall file a
17 form, as prescribed by the department, with the assessor of the taxation district in
18 which the farm is located no later than March 1 that certifies that the person is the
19 owner or lessee of land used as a farm. A person who has filed a form under this
20 paragraph shall only file such a form in a subsequent year, if in that subsequent year
21 the person has acquired or leased additional land to be used as part of the farm.

22 (c) If the use of the person's land has changed so that it may no longer be
23 assessed as agricultural land under sub. (2r), the person who owns or who is the
24 lessee of the land shall notify the clerk of the taxation district in which the person's

1 land is located, on a form prescribed by the department. If the use of the person's
 2 land has changed so that it may no longer be assessed as agricultural land under sub.
 3 (2r) and the person who owns or who is the lessee of the land does not notify the clerk
 4 of the taxation district as provided under this paragraph, the taxation district shall
 5 collect from the owner of the land, as omitted property under s. 70.44, all of the
 6 following:

7 1. The difference between the value of the land assessed as agricultural land
 8 under sub. (2r) and the value of the land as assessed under the appropriate
 9 classification as provided under sub. (2) (a).

10 2. The penalty under s. 74.48."

11 ^{Fix component} 3. Page 1353, line ¹ ~~20~~: ^{before} ~~insert~~ that line insert:

12 ^C "(2r) PENALTY FOR CONVERTING AGRICULTURAL LAND. Notwithstanding section
 13 70.32 (2s) (c) of the statutes, as created by this act, and section 74.48 of the statutes,
 14 land assessed as agricultural land for the property tax assessments as of January 1,
 15 2001, that may no longer be assessed as agricultural land for the property tax
 16 assessments as of January 1, 2002, because the land is not used as a farm, as defined
 17 under section 70.32 (2s) (a) 2. ^{of the statutes} is not subject to the penalty under section 74.48 of the
 18 statutes with regard to the property tax assessments as of January 1, 2001, and
 19 January 1, 2002."

20 4. Page 1407, line 6: after that line insert:

21 ^C "(26m) AGRICULTURAL LAND. The treatment of section 70.32 (2) (c) 1. and 1m.
 22 and (2s) of the statutes first applies to the property tax assessments as of January
 23 1, 2002."

24 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb09177¹dn

JK:.....
^

JLD

June 16, 2001

The instructions do not specify whether the \$6,000 should be net receipts or gross receipts. As drafted, the amendment indicates "gross receipts." Is that okay?

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0917/1dn
JK:jld:pg

June 16, 2001

The instructions do not specify whether the \$6,000 should be net receipts or gross receipts. As drafted, the amendment indicates "gross receipts." Is that okay?

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

Kreye, Joseph

From: Olin, Rick
Sent: Sunday, June 17, 2001 11:12 AM
To: Keckhaver, John; Kreye, Joseph; Worcester, Barbara
Subject: Definition of Ag Property

I am comfortable with Joe's treatment of gross receipts. The JFC motion was intended to measure sales volume of ag products, and gross receipts is consistent with that intent.

I am somewhat troubled by the definition of "Other", specifically the use of agricultural land on page 1, line 10. This seems circular to me relative to the definition of agricultural land on lines 4 through 7. Please consider, substituting the word "farms" for "agricultural land" on line 10. Also, insert "and the land necessary for their location and convenience" after "improvements" on line 5. The effect would be to have the "other" definition imbedded in the "ag land" definition. An alternative would be simply to state "exclusive of "other" property". However, that could be troublesome due to the ambiguous nature of the word "other".

Another consideration is whether or not the cross reference to NAICS codes 111 and 112 is too broad. The JFC motion contained the same problem. In DOR's Assessment Manual, they instruct assessors to exclude a number of NAICS categories, but the only one on their list that is included in 111 or 112 is:

- 111421 Nursery and Tree Production

I find this classification troublesome. Exclusion of nursery products seems alright, but this category also include sod and short rotation woody trees with a growth and harvest cycle of 10 years or less. Traditionally, sod farms and Christmas tree farms have been viewed as agricultural. You may want to check with Gene Miller at DOR on how to proceed, or I would be happy to follow up.

Finally, I am not sure that the material at the top of page 3 reflects the JFC motion as to omitted property. Please consider substituting at the end of line 2 or beginning of line 3, "treat the difference between the property's value as agricultural land and its value in another class as omitted property under s. 70.44 and shall collect from the owner of the land the penalty under s. 74.48." This combines Joe's original language, so it would replace the material through line 7. I'm not particularly wedded to the exact wording in my language, but I'm not sure that Joe understood that the value difference in the motion was related to the omitted property provision in the motion. I hope this is comprehensible. Feel free to call if it's not.



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb0917/A 2

JK:jld:pg

RM not run

SDC:.....Keckhaver - CN1035, Definition of agricultural land for property tax purposes

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

6-16-01

and the land necessary for their location and convenience

D-N

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 705, line 24: after that line insert:

3 "SECTION 2114h. 70.32 (2) (c) 1. of the statutes is amended to read:

4 70.32 (2) (c) 1. "Agricultural land" means land, exclusive of buildings and

5 improvements that is devoted primarily to agricultural use, as defined by rule, if the

6 land is a farm, as defined in sub. (2s) (a) 2., and the owner or lessee of the land files

7 the form under sub. (2s).

8 SECTION 2114j. 70.32 (2) (c) 1m. of the statutes is created to read:

9 70.32 (2) (c) 1m. "Other" means buildings and improvements located on

10 ~~agricultural land~~ and the land necessary for their location and convenience."

farms, as defined in sub. (2s) (a) 2.,
letter

1 **2.** Page 706, line 6: after that line insert:

2 “**SECTION 2114p.** 70.32 (2s) of the statutes is created to read:

3 70.32 (2s) (a) In this subsection:

4 1. “Department” means the department of revenue.

5 2. “Farm” means a business engaged in activities included in the North
6 American Industry Classification System, 1997 edition, published by the U.S. office
7 of management and budget under any of the following classifications, if the business
8 generated at least \$6,000 in gross receipts from such activities in the year preceding
9 the date that a form is filed under par. (b) or if the business is likely to generate at
10 least \$6,000 in gross receipts from such activities in the year following the date that
11 a form is filed under par. (b):

12 a. Classification 111–Crop production.

13 b. Classification 112–Animal production.

14 (b) Any person who owns or who is a lessee of land used as a farm shall file a
15 form, as prescribed by the department, with the assessor of the taxation district in
16 which the farm is located no later than March 1 that certifies that the person is the
17 owner or lessee of land used as a farm. A person who has filed a form under this
18 paragraph shall only file such a form in a subsequent year, if in that subsequent year
19 the person has acquired or leased additional land to be used as part of the farm.

20 (c) If the use of the person’s land has changed so that it may no longer be
21 assessed as agricultural land under sub. (2r), the person who owns or who is the
22 lessee of the land shall notify the clerk of the taxation district in which the person’s
23 land is located, on a form prescribed by the department. If the use of the person’s land
24 has changed so that it may no longer be assessed as agricultural land under sub. (2r)

1 and the person who owns or who is the lessee of the land does not notify the clerk of
2 the taxation district as provided under this paragraph, the taxation district shall

3 collect from the owner of the land, ~~as omitted property under s. 70.44, all of the~~ NO # keep

4 following:

5 ~~1. The difference between the value of the land assessed as agricultural land~~
6 ~~under sub. (2r) and the value of the land as assessed under the appropriate~~
7 ~~classification as provided under sub. (2)(a).~~

8 ~~2. The~~ NO # penalty under s. 74.48." ✓

9 3. Page 1353, line 1: before that line insert:

10 "(2c) PENALTY FOR CONVERTING AGRICULTURAL LAND. Notwithstanding section
11 70.32 (2s) (c) of the statutes, as created by this act, and section 74.48 of the statutes,
12 land assessed as agricultural land for the property tax assessments as of January 1,
13 2001, that may no longer be assessed as agricultural land for the property tax
14 assessments as of January 1, 2002, because the land is not used as a farm, as defined
15 under section 70.32 (2s) (a) 2. of the statutes, is not subject to the penalty under
16 section 74.48 of the statutes with regard to the property tax assessments as of
17 January 1, 2001, and January 1, 2002."

18 4. Page 1407, line 6: after that line insert:

19 "(26c) AGRICULTURAL LAND. The treatment of section 70.32 (2) (c) 1. and 1m. and
20 (2s) of the statutes first applies to the property tax assessments as of January 1,
21 2002."

22 (END)

*treat the difference between the land's value as
agricultural land under sub. (2r) and the land's value under the
appropriate classification as provided under sub. (2)(a) as
omitted property under s. 70.44 and*

80917/2

JK:jld

D-N

date

Please review this draft carefully to ensure that it is consistent with your intent. The amendment reflects the comments by Rick Olin, except the amendment does not address the problem related to plant ^{nurseries} nurseries and tree production because that problem requires a policy choice that I am not qualified to make.

JK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0917/2dn
JK:jld:jf

June 18, 2001

Please review this draft carefully to ensure that it is consistent with your intent. The amendment reflects the comments by Rick Olin, except the amendment does not address the problem related to plant nurseries and tree production because that problem requires a policy choice that I am not qualified to make.

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

8-0917

Rick Olins - agricultural in general

#111421 Nursery*
Tree products.

include rod form, x-ner tree

ginseng form

p2 - par. (b) specifically ask for more info
on the form

reflect some of the concepts in the master

p2
2/15 assurance of each parcel
as noted.

the land included on the form

~~MM~~

create a paragraph - that says measure on a
form by form



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb0917/2
JK:jld:jf

SDC:.....Keckhaver – CN1035, Definition of agricultural land for property
tax purposes

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

in 6-18-01

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 705, line 24: after that line insert:

3 "SECTION 2114h. 70.32 (2) (c) 1. of the statutes is amended to read:

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5 improvements and the land necessary for their location and convenience, that is
6 devoted primarily to agricultural use, as defined by rule, if the land is a farm, as
7 defined in sub. (2s) (a) 2., and the owner or lessee of the land files the form under sub.
8 (2s).

9 SECTION 2114j. 70.32 (2) (c) 1m. of the statutes is created to read:

1 70.32 (2) (c) 1m. "Other" means buildings and improvements located on farms,
2 as defined in sub. (2s) (a) 2., and the land necessary for their location and
3 convenience."

4 2. Page 706, line 6: after that line insert:

5 "SECTION 2114p. 70.32 (2s) of the statutes is created to read:

6 70.32 (2s) (a) In this subsection:

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8 2. "Farm" means a business engaged in activities included in the North
9 American Industry Classification System, 1997 edition, published by the U.S. office
10 of management and budget under any of the following classifications, if the business
11 generated at least \$6,000 in gross receipts from such activities in the year preceding
12 the date that a form is filed under par. (b) or if the business is likely to generate at
13 least \$6,000 in gross receipts from such activities in the year following the date that
14 a form is filed under par. (b):

15 a. Classification 111-Crop production

16 b. Classification 112-Animal production.

*including grow wood, Christmas trees,
and growing under industry number 111421,
but excluding growing nursery product
and stock under industry number 111421
industry*

17 (b) Any person who owns or who is a lessee of land used as a farm shall file a
18 form, as prescribed by the department, with the assessor of ~~the~~ ^{each} taxation district in
19 which ^{land included in} the farm is located no later than March 1 that certifies that the person is the
20 owner or lessee of land used as a farm. } A person who has filed a form under this

21 paragraph shall only file such a form in a subsequent year, if in that subsequent year
22 the person has acquired or leased additional land to be used as part of the farm.

23 (c) If the use of the person's land has changed so that it may no longer be
24 assessed as agricultural land under sub. (2r), the person who owns or who is the

INSERT A

1 lessee of the land shall notify the clerk of the taxation district in which the person's
2 land is located, on a form prescribed by the department. If the use of the person's land
3 has changed so that it may no longer be assessed as agricultural land under sub. (2r)
4 and the person who owns or who is the lessee of the land does not notify the clerk of
5 the taxation district as provided under this paragraph, the taxation district shall
6 treat the difference between the land's value as agricultural land under sub. (2r) and
7 the land's value under the appropriate classification as provided under sub. (2) (a)
8 ^{ds} omitted property under s. 70.44 and collect from the owner of the land the penalty
9 under s. 74.48."

10 **3.** Page 1353, line 1: before that line insert:

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13 land assessed as agricultural land for the property tax assessments as of January 1,
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16 under section 70.32 (2s) (a) 2. of the statutes, is not subject to the penalty under
17 section 74.48 of the statutes with regard to the property tax assessments as of
18 January 1, 2001, and January 1, 2002."

19 **4.** Page 1407, line 6: after that line insert:

20 "(26c) AGRICULTURAL LAND. The treatment of section 70.32 (2) (c) 1. and 1m. and
21 (2s) of the statutes first applies to the property tax assessments as of January 1,
22 2002."

23 (END)

h-0917/3

Insert A

NO
#

The person shall certify on the ^{form} form that the ^{farm} farm generated at least \$6,000 in gross ^{SS} receipts from the activities described under par. (a) 2. in the preceding year, or is likely to generate at least \$6,000 in gross ^{SS} receipts for such under activities in the year following the date that a

form is filed under this paragraph. For purposes of this subsection, gross receipts from the activities described under par. (a) 2. shall be calculated on a per farm basis, regardless of whether the farm is located in more than one taxation district.

On the form, the person shall specify each ^{such} activity and the gross ^{SS} receipts generated or likely to be generated from each activity.

(end ins A)

Kreye, Joseph

From: Olin, Rick
Sent: Tuesday, June 19, 2001 9:51 AM
To: Kreye, Joseph
Subject: Ag Land Definition (0917/3)

Thanks for making the changes we discussed.
However, I noticed a typo on page 2, line 15:

reads, "grow rod, Christmas trees, and ginseng"

should read, "growing sod, Christmas trees, and ginseng"

Thanks,

Rick



SDC:.....Keckhaver – CN1035, Definition of agricultural land for property tax purposes

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

in 6-19-01
Twobay

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 705, line 24: after that line insert:

3 “SECTION 2114h. 70.32 (2) (c) 1. of the statutes is amended to read:

4 70.32 (2) (c) 1. “Agricultural land” means land, exclusive of buildings and
5 improvements and the land necessary for their location and convenience, that is
6 devoted primarily to agricultural use, as defined by rule, if the land is a farm, as
7 defined in sub. (2s) (a) 2., and the owner or lessee of the land files the form under sub.
8 (2s).

9 SECTION 2114j. 70.32 (2) (c) 1m. of the statutes is created to read:

1 70.32 (2) (c) 1m. "Other" means buildings and improvements located on farms,
2 as defined in sub. (2s) (a) 2., and the land necessary for their location and
3 convenience."

4 **2.** Page 706, line 6: after that line insert:

5 **"SECTION 2114p.** 70.32 (2s) of the statutes is created to read:

6 70.32 (2s) (a) In this subsection:

7 1. "Department" means the department of revenue.

8 2. "Farm" means a business engaged in activities included in the North
9 American Industry Classification System, 1997 edition, published by the U.S. office
10 of management and budget under any of the following classifications, if the business
11 generated at least \$6,000 in gross receipts from such activities in the year preceding
12 the date that a form is filed under par. (b) or if the business is likely to generate at
13 least \$6,000 in gross receipts from such activities in the year following the date that
14 a form is filed under par. (b):

15 a. Classification 111–Crop production including ~~growing~~ *growing sod* ✓, Christmas trees, and
16 ginseng under industry number 111421, but excluding growing nursery product and
17 stock under industry number 111421.

18 b. Classification 112–Animal production.

19 (b) Any person who owns or who is a lessee of land used as a farm shall file a
20 form, as prescribed by the department, with the assessor of each taxation district in
21 which land included in the farm is located no later than March 1 that certifies that
22 the person is the owner or lessee of land used as a farm. The person shall certify on
23 the form that the farm generated at least \$6,000 in gross receipts from the activities
24 described under par. (a) 2. in the preceding year, or is likely to generate at least

1 \$6,000 in gross receipts from such activities in the year following the date that a form
2 is filed under this paragraph. On the form, the person shall specify each such activity
3 and the gross receipts generated or likely to be generated from each activity. For
4 purposes of this subsection, gross receipts from the activities described under par. (a)
5 2. shall be calculated on a per farm basis, regardless of whether the farm is located
6 in more than one taxation district. A person who has filed a form under this
7 paragraph shall only file such a form in a subsequent year, if in that subsequent year
8 the person has acquired or leased additional land to be used as part of the farm.

9 (c) If the use of the person's land has changed so that it may no longer be
10 assessed as agricultural land under sub. (2r), the person who owns or who is the
11 lessee of the land shall notify the clerk of the taxation district in which the person's
12 land is located, on a form prescribed by the department. If the use of the person's land
13 has changed so that it may no longer be assessed as agricultural land under sub. (2r)
14 and the person who owns or who is the lessee of the land does not notify the clerk of
15 the taxation district as provided under this paragraph, the taxation district shall
16 treat the difference between the land's value as agricultural land under sub. (2r) and
17 the land's value under the appropriate classification as provided under sub. (2) (a)
18 as omitted property under s. 70.44 and collect from the owner of the land the penalty
19 under s. 74.48."

20 **3.** Page 1353, line 1: before that line insert:

21 "(2c) PENALTY FOR CONVERTING AGRICULTURAL LAND. Notwithstanding section
22 70.32 (2s) (c) of the statutes, as created by this act, and section 74.48 of the statutes,
23 land assessed as agricultural land for the property tax assessments as of January 1,
24 2001, that may no longer be assessed as agricultural land for the property tax

1 assessments as of January 1, 2002, because the land is not used as a farm, as defined
2 under section 70.32 (2s) (a) 2. of the statutes, is not subject to the penalty under
3 section 74.48 of the statutes with regard to the property tax assessments as of
4 January 1, 2001, and January 1, 2002.”

5 **4.** Page 1407, line 6: after that line insert:

6 “(26c) AGRICULTURAL LAND. The treatment of section 70.32 (2) (c) 1. and 1m. and
7 (2s) of the statutes first applies to the property tax assessments as of January 1,
8 2002.”

9 (END)

SDC:.....Keckhaver – CN1035, Definition of agricultural land for property tax purposes

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