

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-0380/1		Introduction Number AB-387			
Subject Property tax exemption for wetlands					
Fiscal Effect					
State:					
<input type="checkbox"/> No State Fiscal Effect					
<input type="checkbox"/> Indeterminate					
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget			
<input type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs			
Local:					
<input type="checkbox"/> No Local Government Costs					
<input checked="" type="checkbox"/> Indeterminate		5.Types of Local Government			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	Units Affected			
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Towns	<input checked="" type="checkbox"/> Village	<input checked="" type="checkbox"/> Cities	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input checked="" type="checkbox"/> Counties	<input checked="" type="checkbox"/> Others	Special districts	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> School Districts	<input checked="" type="checkbox"/> WTCS Districts		
Fund Sources Affected		Affected Ch. 20 Appropriations			
<input type="checkbox"/> GPR	<input type="checkbox"/> FED	<input type="checkbox"/> PRO	<input type="checkbox"/> PRS	<input checked="" type="checkbox"/> SEG	<input type="checkbox"/> SEGS Conservation Fund (State forestry taxes)
Agency/Prepared By		Authorized Signature		Date	
DOR/ Blair Kruger (608) 266-1310		Dennis Collier (608) 266-5773		5/17/01	

Fiscal Estimate Narratives

DOR 5/17/01

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Subject					
Property tax exemption for wetlands					

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 imposes 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 1999 full value of wetlands is about \$356 million of which about \$342 million are in towns.

According to the Department of Natural Resources, of the 5.3 million acres of wetlands, about 25-30% are subject to county shorelands zoning. Assuming that 30% of wetland value is subject to county shorelands zoning, about \$103 million ($\$342 \text{ million} \times 30\%$) would have been exempt in 1999 under the bill.

Based on the 1999 statewide town net tax rate of \$17.77 per \$1,000 of value, about \$1.8 million ($\$103 \text{ million} \times 0.01777$) in taxes would have been shifted from owners of wetlands to owners of other taxable property and the statewide town net tax rate would increase by \$0.06 to \$17.23 per \$1,000 under the bill.

State Fiscal Effect. SEG State forestry revenues would decrease by about \$20,000 ($\$103 \text{ million} \times \$0.20 \text{ per } \$1,000$) 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

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
 Corrected
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Subject Property tax exemption for wetlands	
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The bill would require minor revisions to the Wisconsin Property Assessment Manual. These costs would be absorbed.	
II. Annualized Costs:	
	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$
(FTE Position Changes)	
State Operations - Other Costs	
Local Assistance	
Aids to Individuals or Organizations	
TOTAL State Costs by Category	\$
B. State Costs by Source of Funds	
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 (Conservation)	-20,000
TOTAL State Revenues	\$
NET ANNUALIZED FISCAL IMPACT	
	State
	Local
NET CHANGE IN COSTS	\$
NET CHANGE IN REVENUE	\$-20,000
Agency/Prepared By	
Authorized Signature	
Date	
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	5/17/01