

Fiscal Estimate Narratives

DOR 2/14/2007

LRB Number 07-0301/1	Introduction Number AB-0033	Estimate Type Original
Description The distribution of the penalty for converting agricultural land		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a person who converts land that was assessed as agricultural land to another purpose must pay a penalty to the county in which the land is located. The penalty per acre is 10.0%, 7.5% or 5.0% of the difference between the average per acre fair market value and the agricultural use value of the land, depending upon whether less than 10, 10 to 30, or over 30 acres of land, respectively, is converted. The county pays 50% of the penalty to the city, village or town where the land is located.

Under the bill, the county must pay the municipality's 50% share no later than August 20 of each year.

The bill may change the timing of payments to the city, village or town, but would not change the amount. The bill is estimated have an unknown, but minimal, fiscal effect to reflect changes in the timing of payments.

Long-Range Fiscal Implications