



2009 ASSEMBLY BILL 530

October 29, 2009 – Introduced by Representatives RADCLIFFE and DANOU. Referred to Committee on Agriculture.

1 **AN ACT** *to renumber* 77.81 (1); *to renumber and amend* 77.88 (8); *to amend*
2 77.88 (1) (a); and *to create* 77.81 (1b), 77.88 (8) (a) 3. and 77.88 (8m) of the
3 statutes; **relating to:** managed forest land being converted to agricultural
4 land.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Natural Resources (DNR) administers the managed forest land (MFL) program, which exempts an owner of land that is designated MFL from payment of municipal property taxes on the land in exchange for a lower payment per acre. In exchange, the owner must comply with certain forestry practices and must allow the public on the land for hunting, fishing, and other outdoor recreational activities unless the landowner elects to pay an extra amount per acre to keep a limited number of acres closed. In addition, an owner of MFL must pay a withdrawal tax and a withdrawal fee when the owner withdraws the land from the program before the order designating the land as MFL expires. Orders are for 25 or 50 years.

Under current law, an owner is exempt from paying the withdrawal tax and the withdrawal fee if the owner withdraws the MFL to transfer the land for a public road or a utility right-of-way or to the federal or state government or a local governmental unit for a conservation purpose such as a park or public forest. This bill expands this exemption to include withdrawals to convert MFL to agricultural land if the land has been MFL for at least five years. The bill incorporates the definition of “agriculture land” that exists under current law for property tax assessment purposes.

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“Agricultural land” is land that is devoted primarily to agricultural use, as defined by rule by the Department of Revenue. “Agricultural use,” in turn, is defined in this rule to include land that is enrolled in certain federal agriculture programs and land that is subject to the stream bank protection program administered by DNR. Under the bill, MFL that is converted to agricultural land is subject to the same public recreational access requirements until the date that the MFL order would have expired (original expiration date).

The bill provides that if the owner stops using the land for agricultural use before the original expiration date, the owner must pay the withdrawal tax and the withdrawal fee that would have been payable at the time of the conversion, and the land is no longer subject to the public recreational access requirements.

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.** 77.81 (1) of the statutes is renumbered 77.81 (1d).

2 **SECTION 2.** 77.81 (1b) of the statutes is created to read:

3 77.81 (1b) “Agricultural land” has the meaning given in s. 70.32 (2) (c) 1g.

4 **SECTION 3.** 77.88 (1) (a) of the statutes is amended to read:

5 77.88 (1) (a) The department may, at the request of the owner of managed forest
6 land or of the governing body of any municipality in which any managed forest land
7 is located, ~~or at its own discretion, investigate~~ conduct an investigation to determine
8 whether the designation as managed forest land should be withdrawn. Except as
9 provided in par. (am), the department shall notify the owner of the land and the
10 mayor of the city, the chairperson of the town, or the president of the village in which
11 the land is located of the investigation. The department may also make a
12 determination to conduct such an investigation at its own discretion.

13 **SECTION 4.** 77.88 (8) of the statutes is renumbered 77.88 (8) (a) (intro.) and
14 amended to read:

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1 77.88 (8) (a) (intro.) No withdrawal tax or withdrawal fee may be assessed
2 against an owner who ~~transfers~~ withdraws managed forest land by doing any of the
3 following:

4 1. Transfers ownership of managed forest land for a public road or railroad or
5 utility right-of-way. ~~No withdrawal tax or withdrawal fee may be assessed against~~
6 ~~an owner who transfers~~

7 2. Transfers ownership of managed forest land for a park, recreational trail,
8 wildlife or fish habitat area or a public forest to the federal government, the state or
9 a local governmental unit, as defined in s. 66.0131 (1) (a).

10 (b) The department may not order withdrawal of the remainder of the land that
11 is not withdrawn under par. (a) unless the remainder fails to meet the eligibility
12 requirements under s. 77.82 (1).

13 **SECTION 5.** 77.88 (8) (a) 3. of the statutes is created to read:

14 77.88 (8) (a) 3. Converts managed forest land to agricultural land as provided
15 in sub. (8m).

16 **SECTION 6.** 77.88 (8m) of the statutes is created to read:

17 77.88 (8m) CONVERSION TO AGRICULTURAL LAND. (a) An owner is exempt from
18 payment of the withdrawal tax and withdrawal fee if the owner directly converts
19 managed forest land that has been subject to an order for more than 5 years to
20 agricultural land. The provisions under s. 77.83 apply until the date that the order
21 would have expired.

22 (b) If the owner ceases to use the land as agricultural land before the date that
23 the order would have expired, the owner shall pay the withdrawal tax and
24 withdrawal fee that would have been payable at the time of the conversion, and the
25 provisions under s. 77.83 no longer apply.

