



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION (608) 266-3561  
REFERENCE SECTION (608) 266-0341  
FAX (608) 264-6948

STEPHEN R. MILLER  
CHIEF

December 5, 2011

## MEMORANDUM

**To:** Representative Ballweg

Terry Anderson (Legislative Council)

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

Robin N. Kite, Sr. Legislative Attorney, (608) 266-7291

Mary Gibson-Glass, Sr. Legislative Attorney, (608) 267-3215

**Subject:** Technical Memorandum to **2011 AB 402** (LRB-3460/1) by **DOR**

---

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

December 5, 2011

**TO:** Mary Gibson-Glass  
Robin N. Kite  
Joseph T. Kreye  
Legislative Reference Bureau

**FROM:** Paul Ziegler  
Department of Revenue

**SUBJECT:** Technical Memorandum on 2011 AB 402 -- Joint Legislative Council Bill  
Regarding Changes to the Managed Forest Law (MFL)

The Department of Revenue has the following concerns regarding the bill:

(1) The language in Section 27 of the bill is unclear. The bill should clearly state the percentages of the total closure fee that is remitted to the DNR, to the county, and retained by the municipality. As written, the bill could be interpreted as allowing municipal treasurers to keep 52% of the closure fees it receives, and for the county to share 20% of the 48% it receives with the state.

(2) There are several problems with the calculation of the new closure fee on Page 13, Lines 8 to 15. (a) There is no "full value" for land enrolled under the MFL program. We suggest that the assessed value be used. (b) Since there is no "full value", the "full value effective rate of taxation" would not apply. We suggest that the assessed value tax rate that would have been applicable to the parcel be applied. In addition, we recommend that the prior year tax rate be used in order to facilitate the preparation of tax bills and tax rolls. (c) The "5%" and "20%" calculations both relate to the full value of the MFL times the full value effective rate in the same taxation district. We suggest that summing these two amounts be eliminated and replaced with a calculation based on 25% of the relevant amount.

(3) On Page 19, Line 5, we believe that the reference to s. 20.370 (1) (ow) should be to s. 20.370 (1) (cw).

If you have any questions on this technical memorandum, please contact Daniel Huegel at 266-5705.

cc: Representative Jeffrey Mursau