



2011 SENATE BILL 126

June 10, 2011 – Introduced by Senators LASSA, HOLPERIN and HANSEN, cosponsored by Representatives SPANBAUER, TURNER and BERCEAU. Referred to Committee on Agriculture, Forestry, and Higher Education.

1 **AN ACT** *to amend* 74.25 (1) (a) 6., 74.25 (1) (a) 8., 74.30 (1) (f), 74.30 (1) (h), 77.87
2 (3), 77.88 (5) (a) 1., 77.88 (5) (a) 2., 77.88 (5) (ar) 1., 77.88 (5) (ar) 2., 77.88 (5)
3 (b) 1., 77.88 (5) (b) 2. and 77.89 (2) (a); and *to create* 77.84 (2m) and 77.87 (3m)
4 of the statutes; **relating to:** the due date for payment of yield taxes on
5 merchantable timber cut on damaged managed forest land and the assessment
6 of payments per acre for damaged managed forest land.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Natural Resources (DNR) administers the managed forest land (MFL) program that exempts a landowner from payment of municipal property taxes on land in the MFL program in exchange for the landowner's payment of an acreage share, which is lower than the municipal property tax, and for the landowner's compliance with approved forestry and other conservation practices. The acreage share is generally determined based on an amount equal to a percentage of the average statewide property tax per acre. The duration of an MFL order may be either 25 or 50 years. Current law also requires an MFL owner who cuts merchantable timber on the land to pay a yield tax that is equal to 5 percent of the stumpage value of that timber. "Stumpage value" is the value of timber before it is cut as established in rules promulgated by DNR.

This bill allows an MFL owner to request that DNR extend the due date for the payment of yield taxes on the land under certain circumstances. An owner is eligible

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for an extension if a catastrophic event caused at least a 50 percent reduction in the total stumpage value of the merchantable timber on all of the tracts of land for which the owner requests an extension, if the tracts of land for which the extension is requested constitute at least 15 percent of the land under the owner's MFL order, and if a DNR forester certifies that the owner is eligible for the extension. The bill defines a "catastrophic event" as damage caused by fire, ice, snow, wind, flooding, insects, or disease. If the request is approved, DNR must extend the due date for the payment of the yield taxes on the affected land for ten years.

The bill also allows an MFL owner whose land was affected by a catastrophic event to pay, for ten years, the annual per acreage amount established at the time of the catastrophic event rather than the amount that would otherwise be payable. Under the bill, an MFL owner may pay this alternative amount if the land qualifies for an extension of the due date for the payment of yield taxes based on a catastrophic event, if the catastrophic event occurred within the 15 years immediately preceding the expiration of the owner's MFL order for the land, and if the land continues to be subject to an MFL order for the relevant ten years.

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.** 74.25 (1) (a) 6. of the statutes is amended to read:

2 74.25 (1) (a) 6. Pay to the county treasurer 20% of collections of occupational
3 taxes on coal docks, 20% of collections of the taxes imposed under ss. 77.04 and 77.84
4 (2) (a) and (am) and (2m), and all collections of payments for closed lands under s.
5 77.84 (2) (b) and (bm) and (2m).

6 **SECTION 2.** 74.25 (1) (a) 8. of the statutes is amended to read:

7 74.25 (1) (a) 8. Retain for the taxation district all woodland tax law collections
8 under s. 77.16 and 80% of collections of the taxes imposed under ss. 77.04 and 77.84
9 (2) (a) and (am) and (2m).

10 **SECTION 3.** 74.30 (1) (f) of the statutes is amended to read:

11 74.30 (1) (f) Pay to the county treasurer 20% of collections of occupational taxes
12 on coal docks, 20% of collections of the taxes imposed under ss. 77.04 and 77.84 (2)

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1 (a) and (am) and (2m), and all collections of payments for closed lands under s. 77.84
2 (2) (b) and (bm) and (2m).

3 **SECTION 4.** 74.30 (1) (h) of the statutes is amended to read:

4 74.30 (1) (h) Retain for the taxation district all woodland tax law collections
5 under s. 77.16 and 80% of collections of the taxes imposed under ss. 77.04 and 77.84
6 (2) (a) and (am) and (2m).

7 **SECTION 5.** 77.84 (2m) of the statutes is created to read:

8 77.84 (2m) DAMAGED AREAS. (a) In this subsection:

- 9 1. “Catastrophic event” has the meaning given in s. 77.87 (3m) (a) 1.
10 2. “Tract” has the meaning given in s. 77.87 (3m) (a) 2.

11 (b) Notwithstanding the amounts specified under sub. (2), if the department
12 determines that an owner’s managed forest land qualifies for an extension of the due
13 date for the payment of yield taxes under s. 77.87 (3m), and if that determination is
14 based on a catastrophic event that occurred within the 15 years immediately
15 preceding the expiration of the managed forest land order for the land, the owner
16 may pay the amount specified in this subsection instead of the amount specified
17 under sub. (2).

18 (c) For 10 years following the expiration of the managed forest land order in
19 effect at the time of the catastrophic event, an owner of managed forest land
20 described under par. (b) may pay, for those tracts that qualify for an extension of the
21 due date of yield taxes under s. 77.87 (3m), the annual per acre amount established
22 under the order in effect at the time of the catastrophic event, provided that the
23 managed forest land continues to be subject to a managed forest land order. During
24 the 10–year period described in this paragraph, sub. (2) (c) and (cm) does not apply
25 to the amount that is due and payable under this subsection.

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1 **SECTION 6.** 77.87 (3) of the statutes is amended to read:

2 77.87 **(3)** PAYMENT. ~~A- Except as provided in sub. (3m),~~ a tax assessed under
3 sub. (1) or (2) is due and payable to the department on the last day of the next month
4 following the date the certificate is mailed to the owner. The department shall collect
5 interest at the rate of 12% per year on any tax that is paid later than the applicable
6 due date under this subsection or sub. (3m) (c). Amounts received shall be credited
7 to the conservation fund.

8 **SECTION 7.** 77.87 (3m) of the statutes is created to read:

9 77.87 **(3m)** EXTENSION. (a) In this subsection:

10 1. “Catastrophic event” means damage caused by fire, ice, snow, wind, flooding,
11 insects, or disease.

12 2. “Tract” means a quarter-quarter-quarter section of managed forest land.

13 (b) An owner of managed forest land may file a request with the department
14 to extend the due date for the payment of a tax assessed under sub. (1) or (2) on
15 merchantable timber cut on one or more tracts if all of the following apply:

16 1. A catastrophic event caused a 50 percent or more reduction in the total
17 stumpage value of the merchantable timber on all of the tracts for which the request
18 is filed.

19 2. The tracts for which the request is filed constitute at least 15 percent of the
20 land under the owner’s managed forest land order.

21 (c) A request under par. (b) shall be signed by the owner and a department
22 forester who certifies that the owner is eligible for an extension as provided under
23 par. (b). The department may deny a request that meets the requirements under par.
24 (b) only if the owner has failed to comply with the management plan that is in effect
25 on the date that the owner files the request for extension or if there are delinquent

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1 property or yield taxes on the land. If the request is denied, the department shall
2 state the reason for the denial in writing. If the request is approved, the department
3 shall extend the due date for the payment of taxes assessed under sub. (1) or (2) for
4 10 years following the date on which the department mails a copy of the certificate
5 of assessment to the owner.

6 **SECTION 8.** 77.88 (5) (a) 1. of the statutes is amended to read:

7 77.88 (5) (a) 1. An amount equal to the past tax liability multiplied by the
8 number of years the land was designated as managed forest land, less any amounts
9 paid by the owner under ss. 77.84 (2) (a) and (am) and (2m) and 77.87 and less any
10 amounts payable by the owner under s. 77.87 (3m).

11 **SECTION 9.** 77.88 (5) (a) 2. of the statutes is amended to read:

12 77.88 (5) (a) 2. Five percent of the stumpage value of the merchantable timber
13 on the land, less any amounts paid by the owner under ss. 77.84 (2) (a) and (am) and
14 (2m) and 77.87 and less any amounts payable by the owner under s. 77.87 (3m).

15 **SECTION 10.** 77.88 (5) (ar) 1. of the statutes is amended to read:

16 77.88 (5) (ar) 1. For the portion of the land that is designated as managed forest
17 land under the original order, an amount equal to the product of the total net
18 property tax rate in the municipality in the year prior to the year in which the
19 expanded order is approved and the assessed value of the land for the same year, as
20 computed by the department of revenue, multiplied by the number of years under the
21 original order, less any amounts paid by the owner under ss. 77.84 (2) (a) and (2m)
22 and 77.87, and less any amounts payable by the owner under s. 77.87 (3m), during
23 the time the land was designated as managed forest land under the original order.

24 **SECTION 11.** 77.88 (5) (ar) 2. of the statutes is amended to read:

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1 77.88 (5) (ar) 2. An amount equal to the product of the total net property tax
2 rate in the municipality in the year prior to this withdrawal and the assessed value
3 of the land for the same year, as computed by the department of revenue, multiplied
4 by the number of years the land was designated as land under the expanded order,
5 less any amounts paid by the owner under ss. 77.84 (2) (am) and (2m) and 77.87, and
6 less any amounts payable by the owner under s. 77.87 (3m), during the time the land
7 is designated as managed forest land under the expanded order.

8 **SECTION 12.** 77.88 (5) (b) 1. of the statutes is amended to read:

9 77.88 (5) (b) 1. An amount equal to the past tax liability multiplied by the
10 number of years since the renewal, less any amounts paid by the owner under ss.
11 77.84 (2) (a) and (am) and (2m) and 77.87 and less any amounts payable by the owner
12 under s. 77.87 (3m).

13 **SECTION 13.** 77.88 (5) (b) 2. of the statutes is amended to read:

14 77.88 (5) (b) 2. Five percent of the stumpage value of the merchantable timber
15 on the land, less any amounts paid by the owner under ss. 77.84 (2) (a) and (am) and
16 (2m) and 77.87 and less any amounts payable by the owner under s. 77.87 (3m).

17 **SECTION 14.** 77.89 (2) (a) of the statutes is amended to read:

18 77.89 (2) (a) Each municipal treasurer shall pay 20% of each payment received
19 under sub. (1) and under ss. 77.84 (2) (a) and (am) and (2m), 77.85, and 77.876 to the
20 county treasurer and shall deposit the remainder in the municipal treasury. The
21 payment to the county treasurer for money received before November 1 of any year
22 shall be made on or before the November 15 after its receipt. For money received on
23 or after November 1 of any year, the payment to the county treasurer shall be made
24 on or before November 15 of the following year.

25 **SECTION 15. Initial applicability.**

