

2011 DRAFTING REQUEST

Bill

Received: **05/11/2011**

Received By: **rkite**

Wanted: **As time permits**

Companion to LRB:

For: **Julie Lassa (608) 266-3123**

By/Representing: **Danielle**

May Contact:

Drafter: **rkite**

Subject: **Nat. Res. - parks and forestry**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Yield taxes and assessment of payments on damaged managed forest land

Instructions:

See attached; same as 2009s0163

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rkite 05/11/2011 jkreye 05/11/2011	wjackson 05/13/2011		_____			S&L
/1			mduchek 05/13/2011	_____	lparisi 05/13/2011	mbarman 06/06/2011	

FE Sent For:

*alt
intro
10-10-11*

<END>

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For: **Julie Lassa (608) 266-3123**

By/Representing: **Danielle**

May Contact:

Drafter: **rkite**

Subject: **Nat. Res. - parks and forestry**

Addl. Drafters: **JK**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.wisconsin.gov**

Carbon copy (CC:) to:

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/?	rkite	/1 Wlj 5/12		_____			

FE Sent For:

<END>

Kite, Robin

From: Wilson, Danielle
Sent: Wednesday, May 11, 2011 11:11 AM
To: Kite, Robin
Subject: RE: Draft request

Ok, thank you so much!

Danielle Wilson
Office of Senator Julie Lassa
P.O. Box 7882
Madison, WI 53707-7882
(608) 266-3123
danielle.wilson@legis.wisconsin.gov

From: Kite, Robin
Sent: Wednesday, May 11, 2011 11:10 AM
To: Wilson, Danielle
Subject: RE: Draft request

I will do my best to get the draft to you by Friday. Joe Kreye is also a drafter on this draft so he will also be involved.

Robin

From: Wilson, Danielle
Sent: Wednesday, May 11, 2011 7:33 AM
To: Kite, Robin
Subject: Draft request

Please redraft 2009 SB 296 (LRB-1131/1) as amended.

Thank you for your help!

Danielle Wilson
Office of Senator Julie Lassa
P.O. Box 7882
Madison, WI 53707-7882
(608) 266-3123
danielle.wilson@legis.wisconsin.gov



Wanted Fri. 5/13

RM not run

State of Wisconsin
2009 - 2010 LEGISLATURE

- 2068/1

LRB 0163/2
RNK&JK: [initials]
WLJ

~~SENATE SUBSTITUTE AMENDMENT 1,~~

~~TO 2009 SENATE BILL 296~~

2011

January 13, 2010 - Offered by Senator LASSA.

Regen

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.

INSERT ANALYSIS →

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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

8 74.25 (1) (a) 6. Pay to the county treasurer 20% of collections of occupational
9 taxes on coal docks, 20% of collections of the taxes imposed under ss. 77.04 and 77.84
10 (2) (a) and (am) and (2m), and all collections of payments for closed lands under s.
11 77.84 (2) (b) and (bm) and (2m).

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

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

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

5 74.30 (1) (f) Pay to the county treasurer 20% of collections of occupational taxes
6 on coal docks, 20% of collections of the taxes imposed under ss. 77.04 and 77.84 (2)
7 (a) and (am) and (2m), and all collections of payments for closed lands under s. 77.84
8 (2) (b) and (bm) and (2m).

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

10 74.30 (1) (h) Retain for the taxation district all woodland tax law collections
11 under s. 77.16 and 80% of collections of the taxes imposed under ss. 77.04 and 77.84
12 (2) (a) and (am) and (2m).

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

14 77.84 (2m) DAMAGED AREAS. (a) In this subsection:

15 1. "Catastrophic event" has the meaning given in s. 77.87 (3m) (a) 1. ✓

16 2. "Tract" ~~means a quarter-quarter section of managed forest land~~ has the meaning given in s. 77.87 (3m) (a) 2. ✓

17 (b) Notwithstanding the amounts specified under sub. (2), if the department
18 determines that an owner's managed forest land qualifies for an extension of the due
19 date for the payment of yield taxes under s. 77.87 (3m), and if that determination is
20 based on a catastrophic event that occurred within the 15 years immediately
21 preceding the expiration of the managed forest land order for the land, the owner
22 ~~shall~~ ^{may} pay the amounts specified in this subsection instead of the amounts specified
23 under sub. (2).

24 (c) For 10 years following the expiration of the managed forest land order in
25 effect at the time of the catastrophic event, an owner of managed forest land

1 described under par. (b) ~~shall~~ ^{may} pay, for those tracts that qualify for an extension of the
2 due date of yield taxes under s. 77.87 (3m), the annual per acre amount established
3 under the order in effect at the time of the catastrophic event, provided that the
4 managed forest land continues to be subject to a managed forest land order. During
5 the 10-year period described in this paragraph, sub. (2) (c) and (cm) does not apply
6 to the amount that is due and payable under this subsection.

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

8 77.87 (3) PAYMENT. ~~A~~ Except as provided ⁱⁿ sub. (3m), a tax assessed under
9 sub. (1) or (2) is due and payable to the department on the last day of the ^{next} month
10 following the date the certificate is mailed to the owner. The department shall collect
11 interest at the rate of 12% per year on any tax that is paid later than the applicable
12 due date under this subsection or sub. (3m) (c). Amounts received shall be credited
13 to the conservation fund.

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

15 77.87 (3m) EXTENSION. (a) In this subsection:

16 1. "Catastrophic event" means damage caused by fire, ice, snow, wind, flooding,
17 insects, or disease.

18 2. "Tract" means a quarter-quarter-quarter section of managed forest land.

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

22 1. A catastrophic event caused a 50 percent or more reduction in the total
23 stumpage value of the merchantable timber on all of the tracts for which the petition ^{request}
24 is filed.

1 2. The tracts for which the ~~petition~~^{request} is filed constitute at least 15 percent of the
2 land under the owner's managed forest land order.

3 (c) A ~~petition~~^{request} under par. (b) shall be signed by the owner and a department
4 forester who certifies that the owner is eligible for an extension as provided under
5 par. (b). The department may deny a ~~petition~~^{request} that meets the requirements under par.
6 (b) only if the owner has failed to comply with the management plan that is in effect
7 on the date that the owner files the ~~petition~~^{request} for extension or if there are delinquent
8 property or yield taxes on the land. If the ~~petition~~^{request} is denied, the department shall
9 state the reason for the denial in writing. If the ~~petition~~^{request} is approved, the department
10 shall extend the due date for the payment of taxes assessed under sub. (1) or (2) for
11 a period of 10 years following the date on which the department mails a copy of the
12 certificate of assessment to the owner.

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

14 77.88 (5) (a) 1. An amount equal to the past tax liability multiplied by the
15 number of years the land was designated as managed forest land, less any amounts
16 paid by the owner under ss. 77.84 (2) (a) and (am) and (2m) and 77.87 and less any
17 amounts payable by the owner under s. 77.87 (3m).

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

19 77.88 (5) (a) 2. Five percent of the stumpage value of the merchantable timber
20 on the land, less any amounts paid by the owner under ss. 77.84 (2) (a) and (am) and
21 (2m) and 77.87 and less any amounts payable by the owner under s. 77.87 (3m).

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

23 77.88 (5) (ar) 1. For the portion of the land that is designated as managed forest
24 land under the original order, an amount equal to the product of the total net
25 property tax rate in the municipality in the year prior to the year in which the

1 expanded order is approved and the assessed value of the land for the same year, as
2 computed by the department of revenue, multiplied by the number of years under the
3 original order, less any amounts paid by the owner under ss. 77.84 (2) (a) and (2m)
4 and 77.87, and less any amounts payable by the owner under s. 77.87 (3m), during
5 the time the land was designated as managed forest land under the original order.

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

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

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

15 77.88 (5) (b) 1. An amount equal to the past tax liability multiplied by the
16 number of years since the renewal, less any amounts paid by the owner under ss.
17 77.84 (2) (a) and (am) and (2m) and 77.87, ~~and~~ and less any amounts payable by the owner
18 under s. 77.87 (3m).

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

20 77.88 (5) (b) 2. Five percent of the stumpage value of the merchantable timber
21 on the land, less any amounts paid by the owner under ss. 77.84 (2) (a) and (am) and
22 (2m) and 77.87, ~~and~~ and less any amounts payable by the owner under s. 77.87 (3m).

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

24 77.89 (2) (a) Each municipal treasurer shall pay 20% of each payment received
25 under sub. (1) and under ss. 77.84 (2) (a) and (am) and (2m), 77.85, and 77.876 to the

1 county treasurer and shall deposit the remainder in the municipal treasury. The
2 payment to the county treasurer for money received before November 1 of any year
3 shall be made on or before the November 15 after its receipt. For money received on
4 or after November 1 of any year, the payment to the county treasurer shall be made
5 on or before November 15 of the following year.

6 **SECTION 15. Initial applicability.**

7 (1) This act first applies to merchantable timber damaged on land that is
8 subject to a managed forest land order on the effective date of this subsection.

9 (END)

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2068/?ins
RNK:.....

INSERT ANALYSIS

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 ~~allows~~ MFL owners who cut merchantable timber on the land to pay a yield tax that is equal to ~~50%~~ 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.

requires an

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 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 ~~a period of 10 years.~~ *e ten*

ten

The bill also allows an MFL owner whose land was affected by a catastrophic event to pay, for ~~a period of 10 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 ~~10 year period.~~ *e Year*

ten

e Year

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2068/1dn

RNK:/:....

Wlj

Date

STET

This is a redraft of Senate Substitute Amendment 1 to 2009 Senate Bill 296. This draft extends the due date for the payment of yield taxes on managed forest land (MFL) after a catastrophic event. It also allows an MFL owner, for a period of 10 years, to pay the annual per acre amount established at the time of the catastrophic event instead of the annual per acre amount that would otherwise be due on the land. Under last session's substitute amendment, the owner was required to pay this alternative amount if the owner and the land met certain qualifications. In this version of the draft, I have provided that the owner has the option to pay this alternative amount. I made this change so that if the annual per acre amount decreases over time so that it is less than the amount established at the time of the catastrophic event, the owner will not be required to pay the higher amount. Please give me a call if you would like to discuss this issue or any other aspect of the draft.

Robin N. Kite
Senior Legislative Attorney
Phone: (608) 266-7291
E-mail: robin.kite@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2068/1dn
RNK:wlj:md

May 13, 2011

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Robin N. Kite
Senior Legislative Attorney
Phone: (608) 266-7291
E-mail: robin.kite@legis.wisconsin.gov

Barman, Mike

From: Wilson, Danielle

Sent: Monday, June 06, 2011 2:34 PM

To: LRB.Legal

Subject: Draft Review: LRB 11-2068/1 Topic: Yield taxes and assessment of payments on damaged managed forest land

Please Jacket LRB 11-2068/1 for the SENATE.

6/6/2011