

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-0140/1	Introduction Number SB-013
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Description
 notification of changed property tax assessment for agricultural land

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input checked="" type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 2/4/2019

LRB Number	19-0140/1	Introduction Number	SB-013	Estimate Type	Original
Description notification of changed property tax assessment for agricultural land					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the assessor shall notify the person assessed when the assessor arrives at different total than the previous year's assessment for real property or any improvements taxed as personal property on managed forest land. Under the bill, the assessor is not required to provide notification for an assessment on agricultural land if the difference between the two assessments is \$300 or less.

A precise local fiscal effect is indeterminate since DOR does not have access to statewide parcel level data. Under the bill, based on 2017-18 and 2016-17 local assessed values per acre and a hypothetical 40 acre parcel, most of the 566,000 agricultural related land parcels would not receive an assessment notification. Assuming 95 percent of agricultural related parcels would not receive a notification and result in savings of \$0.84 per notification, the statewide local government savings could be approximately \$451,700. The savings may fluctuate with assessment changes in future years, and a larger land parcel may require a notification where a smaller land parcel would not.

Agricultural land (excluding other classifications) had an average statewide assessed value per acre of \$173 in 2017-18 and \$172 for 2016-17. A hypothetical 40 acre parcel consisting of only agricultural land would have had an assessed value of \$6,920 for 2017-18 and \$6,880 for 2016-17, a difference of \$40. Land parcels can have multiple assessment classifications, such as agricultural forest or undeveloped. A hypothetical parcel with 35 acres of agricultural land and 5 acres of agricultural forest (average statewide assessed value per acre of \$1,245 in 2017-18 and \$1,241 in 2016-17), would have an assessed value of \$12,280 in 2017-18 and \$12,225 in 2016-17, a difference of \$55.

Long-Range Fiscal Implications