



2003 SENATE BILL 517

March 2, 2004 - Introduced by Senator LASSA, cosponsored by Representative SCHNEIDER. Referred to Committee on Environment and Natural Resources.

1 **AN ACT** *to renumber and amend* 77.10 (2) (c); *to amend* 77.88 (2) (am); and *to*
2 **create** 77.10 (2) (c) 1., 77.81 (1m) and 77.88 (2) (an) of the statutes; **relating**
3 **to:** withdrawing land located in the town of Rome in Adams County from the
4 forest cropland program or the managed forest land program and using the land
5 for economic development.

Analysis by the Legislative Reference Bureau

Under current law, a person may petition the Department of Natural Resources (DNR) to have the person's land designated as forest cropland. Land may be designated as forest cropland if the land is more useful for growing timber and other forest crops than for any other purpose and if the landowner agrees to engage in forestry activities on the land. The landowner does not pay property taxes on the land during the time in which the land is designated as forest cropland; however, the landowner must agree to keep the land in the forest cropland program for either 25 years or 50 years, at the landowner's option. If the landowner withdraws the land from the program before the 25-year or 50-year period expires, the landowner is subject to property taxes on the land, plus interest, from the date on which DNR first designated the land as forest cropland, unless the land is transferred to the federal government, the state, or a local governmental unit and used for a public road, railroad, utility right-of-way, park, recreational trail, wildlife or fish habitat area, or public forest.

Under this bill, land that is withdrawn from the forest cropland program before the 25-year or 50-year period expires is also not subject to property taxes and

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interest if the land is transferred to the federal government, the state, or a local governmental unit; located in the town of Rome in Adams County; and used for economic development.

Under current law, the owner of a parcel of land may petition DNR to have the parcel designated as managed forest land, if the parcel consists of at least ten contiguous acres in a single municipality and if at least 80 percent of the parcel is producing or is capable of producing a minimum of 20 cubic feet of merchantable timber per acre per year. The owner of land that is designated as managed forest land pays an annual acreage share on the land rather than property taxes. Under current law, a person who owns managed forest land may sell all or certain parts of the land to another person, but if the land no longer satisfies the eligibility requirements under the managed forest land program after the land is sold, the person who owns the land must pay a withdrawal tax. The withdrawal tax is an amount equal, in part, to the product of the total net property tax rate in the municipality where the land is located for the year prior to the year in which the land was sold and the assessed value of the land for the prior year, multiplied by the number of years that the land was designated as managed forest land.

Under the bill, land designated as managed forest land that is sold to the federal government, the state, or a local governmental unit, but that no longer satisfies the eligibility requirements under the managed forest land program, is not subject to the withdrawal tax if the land is located in the town of Rome in Adams County and will be used for economic development.

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.** 77.10 (2) (c) of the statutes is renumbered 77.10 (2) (c) 2. and
2 amended to read:

3 77.10 (2) (c) 2. Land subject to a contract under s. 77.03 that is withdrawn and
4 the ownership of which is transferred to the federal government, the state or a local
5 governmental unit, as defined in s. 66.0131 (1) (a), is not subject to the tax payment
6 calculated under par. (a) if the land will be used for a public road, railroad, utility
7 right-of-way, park, recreational trail, wildlife or fish habitat area or a public forest,
8 or if the land will be used for economic development and it consists of 240-acre
9 parcels located in the town of Rome, Adams County, described as the

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1 northwest-northwest quarter and the northeast-northwest quarter of section 17,
2 township 20, range 6 east.

3 **SECTION 2.** 77.10 (2) (c) 1. of the statutes is created to read:

4 77.10 (2) (c) 1. In this paragraph, “economic development” means development
5 that is designed to promote job growth or retention, expand the property tax base,
6 or improve the overall economic vitality of a local governmental unit, as defined in
7 s. 66.0131 (1) (a), or a region.

8 **SECTION 3.** 77.81 (1m) of the statutes is created to read:

9 77.81 (1m) “Economic development” means development that is designed to
10 promote job growth or retention, expand the property tax base, or improve the overall
11 economic vitality of a local governmental unit, as defined in s. 66.0131 (1) (a), or a
12 region.

13 **SECTION 4.** 77.88 (2) (am) of the statutes is amended to read:

14 77.88 (2) (am) If Except as provided in par. (an), if the land transferred under
15 par. (a) does not meet the eligibility requirements under s. 77.82 (1), the department
16 shall issue an order withdrawing the land from managed forest land designation and
17 shall assess against the owner a withdrawal tax under sub. (5).

18 **SECTION 5.** 77.88 (2) (an) of the statutes is created to read:

19 77.88 (2) (an) Land transferred under par. (a) to the federal government, the
20 state, or a local governmental unit, as defined in s. 66.0131 (1) (a), that does not meet
21 the eligibility requirements under s. 77.82 (1) is not subject to the withdrawal tax
22 under sub. (5) if the land will be used for economic development and it consists of 2
23 40-acre parcels located in the town of Rome, Adams County, described as the
24 northwest-northwest quarter and the northeast-northwest quarter of section 17,
25 township 20, range 6 east.

