Wisconsin Department of Revenue

2019
Agricultural Assessment Guide for Wisconsin Property Owners

(R. 1-19)

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I. Introduction

The purpose of this guide is to help owners of agricultural property in Wisconsin understand their real property assessments. This publication is particularly important because the Wisconsin State Constitution and state laws allow for agricultural property to be assessed differently than other classes.

II. Use-value Assessment

A. Use-value information

The standard for assessing agricultural land in Wisconsin is use-value. In a use-value assessment, the use of the land is the most important factor in determining its assessed value.

Use-value is specific to land only. Use-value requires that the assessed value of farmland is based on the income that could be generated from its rental for agricultural use. Income and rental from farming are a function of agricultural capability. Since any land can theoretically be used for agricultural purposes, statutes and administrative rules limit the benefit of use-value assessment to lands that are devoted primarily to agricultural use.

The goal of this valuation is to protect Wisconsin's farm economy and curb urban sprawl by assessing farmland based on its agricultural productivity, rather than its potential for development.

B. Agricultural land

State law defines agricultural land as land, exclusive of buildings and improvements and the land necessary for their location and convenience, which is devoted primarily to agricultural use as defined by rule.

Descriptions and definitions, including the definitions of "parcel of agricultural land" and "land devoted primarily to agricultural use," are provided in the Administrative Rule, Chapter Tax 18, Assessment of Agricultural Property.

C. Farmland Advisory Council

The Farmland Advisory Council oversees agriculture use-value. The Wisconsin Department of Revenue (DOR) Secretary chairs the ten member council. These members represent agricultural, financial, academic, assessment, environmental and governmental interests. State law (sec. 73.03(49), Wis. Stats.), directs the council to perform the following duties:

- Advise DOR on the rules and guidelines for inclusion in the Wisconsin Property Assessment Manual (WPAM) regarding implementation of use-value assessment of agricultural land
- Recommend an appropriate charge for converting agricultural land to another use
- Annually report on the effectiveness of use-value assessment as a way to preserve agricultural land and reduce its conversion to other uses
- Recommend a method of adjusting the shared revenue formula and other formulas using equalized values to compensate taxing jurisdictions adversely affected by use-value assessment
- Calculate the federal land bank's five-year average capitalization rate and per acre values for agricultural land based on estimated income generated from rental for agricultural use
- Work cooperatively with the Governor's Interagency Land Use Council

III. Classification

Classifying land by use

Since land classification directly affects its assessed value, assessors must carefully review all property classifications to ensure that each classification follows its definition, according to state law.

State law requires an assessor to classify land on the basis of use. This can involve a judgment of the predominant use.

Eight statutory classifications for real property:

1. Residential
2. Commercial
3. Manufacturing
4. Agricultural
5. Undeveloped

5m. Agricultural Forest

6. Productive Forest Land
7. Other

Drainage districts

Beginning with assessments as of January 1, 2017, 2017 Wisconsin Act 115 created the following provision for drainage district corridors: "…the assessor shall assess the land within a district corridor described under s. 88.74 in the same class under sub. (2)(a) as the land adjoining the corridor, if the adjoining land and the land within the corridor are owned by the same person."

Drainage districts are local governmental entities organized under a county drainage board for the primary purpose of draining lands for agriculture. A drainage district establishes a legal mechanism for managing drains and related facilities to ensure reliable drainage. Landowners who benefit from drainage must pay assessments to cover the cost of constructing, maintaining, and repairing district drains. Of the 72 counties in Wisconsin, 31 of them contain one or more drainage districts and can be located on an interactive map on the Wisconsin Department of Agriculture, Trade, and Consumer Protection website: Wisconsin Drainage Districts.

IV. Agricultural Land (Class 4)

Class 4 agricultural consists of all unimproved property devoted to farming, which includes land that produces a crop or supports livestock. State law defines this to include any activity listed under the NAICS Subsectors 111 and 112. Agricultural use includes growing Christmas trees or ginseng, and land eligible for enrollment in specific federal and state agricultural programs. Review Tax 18 Conservation Programs for a list of qualifying agricultural use programs under Chapter Tax 18.

A. Assessor must classify land

Under Chapter Tax 18.06(1), an assessor must classify land devoted primarily to agricultural use as agricultural. Agricultural land must have physical evidence of agricultural use (ex: furrows, crops, fencing, livestock) appropriate to the production season. If physical evidence is not sufficient to determine agricultural use, the assessor may ask the owner or owner's agent for information to determine if the land is devoted primarily to agricultural use. Assessors must consider all relevant factors and definitions to determine land classification.

Assessor will annually determine the number of acres in each category(s) of agricultural land on a parcel when the land:

- Is devoted primarily to a qualifying agricultural use during the prior year's production season
- Is compatible with agricultural use on the assessment date of January 1

Note: An assessor may check to see if the farm filed a Schedule F with its income tax return. This form can help validate the use-value eligibility claims and subsequent conversion charge deferral. Use-value claims on a domestic horse breeding operation not in possession of a current Schedule F may not validate use-value for some of the property; consequently, a deferral may not be granted without applicable use and appropriate tax fillings.

B. Agricultural land categories

1. Land productivity and grading

Land productivity varies depending on soil texture, soil structure, complement of plant nutrients, contour, water resources, moisture retention qualities and climate. Due to variability in productivity, an assessor should grade agricultural croplands using information available from the USDA Natural Resource Conservation Service (formerly the Soil Conservation Service). The grading of soils should suggest the differential and measurable qualities existing between soils.

2. Soil

Each category is based on soil productivity measured by the amount of corn yield. This amount can also be used to determine a fair price for land rental. Regardless of the crop grown, the method of valuation remains the same.

Note: The classification of land capable of being tilled but used as pasture is a function of capability use. (ex: grade 2 tillable land may be used for growing corn, beans, potatoes. Nevertheless, it remains grade 2 tillable based on its capability to grow corn).

Generally, the physical qualities and characteristics of the underlying soil affect its use. Except for tillable lands used for rotational grazing, the actual land use supports a general categorization as cropland or pasture. For cropland, assessors can use soil characteristics to determine the grade category. The grade category usually applies to the entire municipality.

An agricultural property's greatest asset is its soil. An area's soil makeup usually determines the type of farming. The soil conditions of a farm often dictate the amount and kind of soil management necessary to produce a crop. Since soil plays such an important part in rural agricultural valuation, it is essential to have sound knowledge of soil makeup and productivity. There are three categories/grades of tillable cropland based on soil survey production capabilities, slope, and erosion ratings.

Soil types:

a. 1st grade tillable

- Farm purposes that are tilled or otherwise planted
- Has the best production capabilities with suitable slope and erosion ratings
- **Includes:** Land planted in tame hay that is harvested for use on the farm or for sale, and land enrolled in federal programs

b. 2nd grade tillable

- Farm purposes that are tilled or otherwise planted
- Less production capability than 1st grade soils
- **Includes:** Lands with the best production capability, but poorer slopes and erosion ratings exclude them from being classed as 1st grade

c. 3rd grade tillable

- Poorest productivity rating or poorest slope and erosion
- Marsh or other wild land that is not cultivated
- Land entered into federal conservation programs is typically marginal (third grade tillable) cropland

d. Pasture

1) **Land devoted to grazing or feeding of livestock –** for the sale of livestock or livestock products

2) **Poor soil characteristics in productivity, slope, drainage, erosion or rockiness:**
   - » Distinct areas where livestock do not enter (ex: slope, rocks, water, or natural boundaries are classified as undeveloped or forest land)
   - » Open pasture land with first, second or third grade soil productivity ratings should be categorized as such

3) **Pasture types/information**

a) Open pasture and cut-over land

- Open pasture - is only classified as pasture if the soil cannot ever be tilled due to poor soil conditions
- Cut-over land - includes land with timber removed and its current predominant use is pasture

b) Wooded and wetland pasture

Active grazing keeps the undergrowth in check. This condition is apparent when one compares wooded/wetland pasture to un-pastured woodland or wetland. Generally, un-pastured woodland not grazed on will have much thicker undergrowth, especially during the growing season.

An assessor should consider if the predominant use of woodland or wetland is pasture. The land should be pastured daily or on a reasonably periodic basis. To be classified as pastured, a wooded area needs more evidence than a few paths or occasional use. Land with non-existent or severely limited growth is not considered pasture.

Marshland used for pasture is not classified as undeveloped (Class 5). Cultivated pastured marshland should be categorized as first, second or third grade tillable cropland.

c) Pasture eligibility

To be eligible as pastureland, the land must fit the definition in Chapter Tax 18 and meet all these requirements:

- Primary use - keeping, grazing or feeding livestock
- Land was never successfully plowed or if it was plowed, cultivation must be abandoned due to poor soil characteristics
- Land must:
  - » Be primarily used for keeping, grazing, or feeding livestock
  - » Never have been successfully plowed or if it has been plowed, cultivation has been abandoned due to poor soil characteristics
  - » Be devoted primarily to and
  - » Be predominantly used as pasture
  - » Be substantially grazed by the livestock
  - » Be fenced to adequately prevent animals from straying

3. Cropland

Generally, cropland is tilled land used for cultivating plants or agricultural produce (ex: grain, vegetables, fruit)

Examples of cropland include:

- Plowed land
- Tame hay
- Marsh hay
- Land in federal programs
- Tillable land used for rotational grazing. This land should be classified as the appropriate grade of tillable land.

4. Specialty land

Specialty land is land devoted primarily to an agricultural use that is unable to support "typical" crops or the pasturing of livestock:

- Cranberry beds are usually located on low wetlands that are not generally adaptable to other agricultural uses
- Aquaculture (also known as fish-farming) ponds used to raise fish are the "pastures" that support production of crops and livestock

C. Agricultural property classification using the North American Industry Classification System (NAICS)

For land to fit the agricultural classification, the activities and use of the property must follow the definitions under state administrative rule (tax 18.05, Wis. Adm. Code). Generally, the agricultural use of a property is obvious. Chapter Tax 18.05 refers to Subsectors 111 and 112 of the NAICS Manual of the U.S. Office of Management and Budget for defining agricultural uses. Consulting the NAICS manual definitions helps assessors determine whether a particular use is an "agricultural use" and whether the property has land devoted primarily to agricultural use.

NAICS codes:

1. Sector 11

Agricultural establishments within NAICS Sector 11 (Agriculture, Forestry, Fishing, Hunting) – are primarily engaged in agricultural production. Farms are the establishment units used for the industrial classification of agricultural production. **A farm may be:**

- Single tract of land
- Multiple tracts of land
- Owned or leased by one or more people, partnership or a corporation

Each operating establishment is assigned an industry code based on the primary product or group of products produced.

2. Subsector 111/112

- NAICS Manual classifies establishments primarily engaged in crop (Subsector 111) or livestock and livestock product (Subsector 112) production when production accounts for 50 percent or more of the total value of sales for its agricultural products
- Within a subsector, establishments are classified to a specific industry when a product or industry family of products account for 50 percent or more of the establishment's agricultural production
- Several uses of land may seem agricultural on the surface, but fail to meet the definitions under state law and are not eligible for classification as agricultural land

3. Other codes/activities that do not qualify for agricultural use

These activities listed above are commercial, not agricultural. The important distinction is that land used for any of these activities is not used for the production of crops, livestock or livestock products.

- Timber Tract Operations (for sale of timber), (113110)
- Forest Nurseries (for reforestation) and Gathering of Forest Products (ex: barks, needles, moss), (113210)
- Fishing preserves (114210)
- Game preserves (114210)
- Hunting preserves (114210)
- Game propagation (114210)
- Support Activities for Animal Production (115210)
  - » Boarding horses
  - » Training horses, except racing

- Support Activities for Forestry (115310)
- Animal hospitals and shelters (541940)
- Riding instruction academies & schools (611620)
- Racetrack operation (ex: horse, dog) (711212)
- Horses: race and training (711219)
- Racing stables, operation of (711219)
- Fishing piers and lakes, operation of (713990)
- Rental of saddle horses (713990)
- Riding stables (713990)
- Boarding kennels (812910)
- Training animals (812910)

D. Programs eligible for use-value assessment

Review Tax 18 Conservation Programs for a list of qualifying agricultural use programs under Chapter Tax 18.

E. Calculating municipal use-values

Assessing agricultural land

Each year, the Farmland Advisory Council adopts guideline use-values (per acre) for each land category for every Wisconsin municipality.

An assessor determines the use-value of each parcel of agricultural land in the municipality based on the published guideline use-values; To ensure equity between classes of property, an assessor must equate the use-value of each agricultural land parcel to the general assessment level in the taxation district where that parcel is located.

Chapter Tax 18 has instructions for calculating the agricultural land parcel's use-value. The published municipal guideline use-values per acre must be equated to the general level of assessment by multiplying the published guideline use-value for each category of agricultural land by the community's estimated general assessment level for the current year.

V. Undeveloped Land (Class 5)

Under state law (sec. 59.692, Wis. Stats.), undeveloped land includes bog, marsh, lowland brush, and uncultivated land zoned as shoreland, including:

- Marshes
- Swamps
- Thickets
- Bogs
- Wet meadows
- Soils that are "somewhat poorly drained," "poorly drained," or "very poorly drained," or "water"
- Areas where aquatic or semi-aquatic vegetation is dominant
- Fallow tillable land (assuming agricultural use is the land's highest and best use) for one assessment year when farming ceases or conditions prevent farming
- Road right of ways
- Ponds

- Depleted gravel pits
- Land that, because of soil or site conditions, is not producing or capable of producing commercial forest products

Undeveloped land is assessed at 50 percent of its full value. After determining the full value of qualifying undeveloped land under state law (sec. 70.32(1), Wis. Stats.), state case law and professionally accepted appraisal practices, the value is reduced by 50 percent under state law (sec. 70.32(4), Wis. Stats.).

VI. Agricultural Forest Land (Class 5m)

State law (sec. 70.32(2)(c)1d, Wis. Stats.), defines agricultural forest as land that is capable of producing commercial forest products, if the land satisfies any of the following:

- Contiguous to a parcel that is classified in whole as agricultural land. The forest land and the contiguous agricultural parcel must have the same owner. Contiguous includes separated only by a road.
- Any parcel that contains agricultural land for the January 1, 2004 assessment, and on January 1 of the current assessment year
- Where at least 50 percent of the acreage was converted to agricultural land for the January 1, 2005, assessment year or thereafter

Agricultural forest land is assessed at 50 percent of its full value. After determining the full value of qualifying agricultural forest land under state law (sec. 70.32(1), Wis. Stats.), state case law and professionally accepted appraisal practices, the value is reduced by 50 percent. Refer to the Agricultural Forest section later in this guide for classification scenarios. **Note:** See Agricultural Forest for examples.

VII. Other (Class 7)

A. Definition

State law (sec. 70.32(2)(c)1m, Wis. Stats.), defines "Other" as:

- Buildings and improvements; including any residence for the farm operator's spouse, children, parents, or grandparents; and the land necessary for the location and convenience of those buildings and improvements.
- Residences located directly on farm operator's land are classes as "Other." Residences of the farm operator's spouse, children, parents or grandparents are eligible.
- Land and improvements classified Other are valued at their market value

Important:

- Agricultural land cannot include any buildings or improvements
- Only unimproved land may be classified as agricultural
- However, minor auxiliary improvements (irrigation well or shed) not part of the farm set may only justify a nominal land allocation to "Other"

The critical factor defining "Other" property is its actual use supporting a farm enterprise. If an assessor obtains verifiable evidence that buildings on a farm are used for agricultural purposes, they qualify as "Other."

B. Farm set

Another key characteristic qualifying a group of buildings as "Other" is their ability to support farming. The property can be classified as "Other" if the improvements meet the following criteria:

1. Agricultural use is reasonably probable:

- It is a farm set
- Improvements are agricultural in nature (barn, shed, silo)
- Agricultural use is legally permissible
- Land zoned agricultural
- Farming or raising livestock is permitted
- Agricultural use is physically possible and appropriately supported
- Adequate access to cropland and/or pasture

2. Agricultural use is financially feasible – agricultural use adequately supports the farm set

C. Assessing other – Class 7

Agricultural building sites (farm sets) and residences of the farm operator's spouse, children, parents or grandparents, located directly on land that is part of the farm operator's land, now classified as "Other," must be valued at market value (sec. 70.32(1), Wis. Stats.). The assessor must apply generally acceptable appraisal practices and principles when valuing "Other" property.

The valuation of farm sets presents a unique appraisal problem to the assessor. Traditionally, the best evidence of a property's market value comes from the sale of other reasonably comparable properties. However, a farm set is part of an enterprise (farm) and does not sell without agricultural land.

The principle of highest and best use guides the assessor to the appropriate valuation approach.

VIII. Examples – Agricultural and Other Classifications

Example 1:

Scenario

- House, barn, silos and sheds are on 3 acres of an operating 40-acre farm
- Farm set is used in agriculture and meets all of the highest and best use criteria

Answer

- This farm set is classified as "Other" (Class 7)

Example 2:

Scenario

- 40-acre parcel where the owner rents 38 of the acres for agricultural use
- House and garage are located on the remaining 2 acres
- House and garage are not used in agriculture
- House is not the residence of the farm operator's spouse, children, parents or grandparents
- Highest and best use of the house and garage by themselves cannot be agricultural since they could not support a farming operation

Answer

- House and garage cannot be classified "Other" and are classified as "Residential" (Class 1)
- Remaining 38 acres are in agricultural use and qualify as "Agricultural" (Class 4) land

Example 3 – Land held for future development:

- Real estate developer purchases a 40-acre parcel of agricultural land for future development
- Developer leases the 40 acres back to the farmer and the entire 40 acres remains in agricultural production
- Forty acres continue to be a parcel of agricultural land as long as it remains in agricultural production

Example 4 – Other:

Using residential lot sales to value "Other" land where restrictive agricultural zoning would prohibit residential development would be inappropriate. In this case, the assessor must recognize the farm set as an integral part of the farm enterprise.

Analyzing agricultural sales shows information, about the agricultural land and improvements market value, the assessor might use to determine the farm set's contributory value.

IX. Conversion

A. Conversion charge

State law (sec. 74.485, Wis. Stats.), addresses the conversion of agricultural land to other uses or classifications. The statute provides direction on when a conversion charge is applied, how it is calculated, who administers the charge, sharing of the charge, and deferrals of and exceptions to the charge.

- Municipal assessor determines if a conversion charge is issued
- County treasurer is notified of the properties requiring a conversion charge
- County treasurer issues conversion charge bill to property owner who made the conversion.
  Note: May or may not be the current property owner.
- Payment must be made to the county treasurer within 30 days of receiving the bill

A conversion charge is issued when land used for agricultural purposes, changes its use. Use change to residential, commercial, or manufacturing results in a conversion charge. Land changing from agricultural (Class 4) to Classes 5, 5m, 6 or 7 is not subject to a conversion charge.

Note:

- A conversion charge is based on change of use, not classification
- When a property formerly classified as agricultural is subdivided into lots and classified as residential, but still in agricultural use, a conversion charge is not issued until the use is actually changed.

On occasion, a conversion charge is not issued due to an error. When this happens, the county treasurer is allowed to issue the conversion charge in the following year. When the conversion charge is calculated, the values for the year the conversion took place are used in the calculation. The conversion charge bill is sent to the property owner who made the conversion, regardless who currently owns the property.

Conversion charges are only issued when agricultural land is converted to another use. Conversions in the following year are not relevant.

Example:

Scenario

- Year 1 – 10 acres of agricultural land is converted to agricultural forest in the current year
- Year 2 – the 10 acres of agricultural forest land is converted to residential land

Answer

- No conversion charge is due for either year
- First conversion was to a class of property where it is allowed to convert to without a charge
- In year two, since the property being converted was not agricultural land, no conversion charge is issued

B. Conversion charge calculation

The conversion charge and number of acres is based on the total number of acres converted by the same owner in the same municipality. It is calculated based on the number of acres that are converted and when the conversion took place.

Example:

- If a seller divides a 40-acre agricultural parcel into eight 5-acre lots, but does not convert the use, no conversion charge is due
- If he converts the use and then sells one or more of the lots, a conversion charge is calculated using the number of acres that were converted to another use
  - » Seller would pay the conversion charge if he converted the use before the sale
  - » Buyer would pay the conversion charge if they converted the use after the sale

Formula for the charge for converting use under state law (sec. 74.485(2), Wis. Stats.):

Number of acres converted	**Times (x)**	County's prior year average fair market value* of an acre of agricultural land	**Minus** (-)	County's prior year average equalized value (use-value)* of an acre of agricultural land

- 5 percent (greater than 30 acres)
- 7.5 percent (between 10-30 acres)
- 10 percent (less than 10 acres)

* Provided by DOR

C. Conversion charge payment

Under state law (sec. 74.485(5), Wis. Stats.), the conversion charge must be paid to the county treasurer within 30 days after the conversion charge assessment. One percent interest per month is added to charges not paid timely. The county collects unpaid charges as a special charge against the land.

D. Exceptions

Payment is not required if:

- Calculated conversion charge is less than $25 per acre (sec. 74.485(4)(a), Wis. Stats.)
- Owner is not charged when the land is valued (sec. 70.32(2r), Wis. Stats.), and the land is converted to the following uses:
  - » 5 – Undeveloped
  - » 5m – Agricultural forest
  - » 6 – Productive forest land
  - » 7 – Other

E. Deferral

State law (sec. 74.485(4)(b), Wis. Stats.), provides for conversion charge deferral. If a conversion charge is due under sec. 74.485(2), Wis. Stats., the county treasurer may defer the payment if the land will be used as agricultural under sec. 70.32(2r), Wis. Stats., in the next tax year. If the land is not in an agricultural use in the next tax year, the owner who received a deferral must pay the conversion charge plus one percent interest per month from the deferral date to the date of payment.

F. Notice to buyers

When selling land classified as agricultural, the seller is required to provide the buyer the following:

- Land was assessed as agricultural
- Seller received:
  - » Conversion charge
  - » Payment deferral

If the seller does not disclose the above required information, the buyer of the property may pursue legal action against the seller.

For more information on conversion charge amounts by county, review the use-value conversion charge common questions.

X. Appeals

A. Assessment questions

Contact your assessor if you have questions about your assessment

- When you meet with your assessor, review your property records and discuss how your assessment was made
- Assessors maintain a record of your property, which includes a physical description and information on how your assessment was developed
- These property records are considered open records, which means the public has the right to inspect them . This right does not include information gathered under a pledge of confidentiality or where access is restricted by law, such as personal property returns
- You may also view the records for other properties
- Discussing your assessment with the assessor may eliminate the need for a formal appeal to the BOR

B. Open Book

Attend the Open Book if you are unable to meet with your assessor – highly recommended

- Open Book refers to a period of time (before BOR begins) when the completed assessment roll is open for examination
- This period of time is an opportunity to discuss your property value with the assessor and provide reason for changing the value, if appropriate
- Assessor must be present for at least two hours while the assessment roll is open
- State law (sec . 70 .45, Wis . Stats .), requires the municipal clerk (or commissioner of assessments in 1st class cities) to publish or post a notice specifying the open book date(s) at least 15 days (30 days in revaluation years) before the first day the assessment roll is open for examination
- Instructional materials on appealing your assessment to the BOR should be available at the open book
- At Open Book, the assessor is allowed to make any changes that are necessary to perfect the assessment roll
- When Open Book ends, any changes to the assessment roll (your property value) requires formal process in front of the Board of Review or circuit court
- Board of Review starts a minimum of seven days after the assessment roll is open for examination (open book) under state law (sec . 70 .45, Wis . Stats .) . (sec . 70 .47(1), Wis . Stats .)

C. Classification appeal

You may appeal your property's classification when it affects the assessed value. Classification affects the assessment of land classified as agricultural, undeveloped and agricultural forest.

The agricultural land's assessed value is based on its use in agriculture, rather than its fair market value. This valuation standard is referred to as use-value assessment. Land classified as undeveloped or agricultural forest is assessed at 50 percent of its full value.

After determining the full value of qualifying undeveloped land and agricultural forest land under state law (sec. 70.32(1), Wis. Stats.), state case law and professionally accepted appraisal practices, the value is reduced by 50 percent.

1. Appeal frequency

You may appeal your property's assessed value each year. You may also appeal the property's classification when it affects the assessed value. As an example, you may appeal to the BOR if you contend the property qualifies for agricultural classification.

2. Evidence

If you are appealing the classification of your land that was in agricultural use during the prior year, but not classified as agricultural land for assessment purposes, be prepared to present evidence to the assessor or BOR verifying its use in agriculture. Evidence of agricultural use may include leases or financial records demonstrating an attempt to produce crops or livestock.

Your parcel's agricultural use-value is determined by:

1. Guideline use-values for the current year
2. Local assessment level for your municipality

For an appeal of assessed value on agricultural land, review the example calculation in this guide.

An appeal of agricultural forest or undeveloped land must demonstrate how the land meets the appropriate definition under state law.

Note: A residential class includes most property where the predominant use is for living purposes. The residential class also includes vacant land where the most likely use would be residential development, if the land in question does not meet the definition of agricultural use.

D. Conversion charge appeal

If a person owes a conversion charge the county treasurer may defer payment of the conversion charge to the following taxable year if the land will be used as agricultural land in the following taxable year. A person who receives a deferral under this paragraph is not subject to the conversion charge under state law. If the land is not used as agricultural in the following taxable year, the person must pay the conversion charge with interest at the rate of one percent a month, or fraction of a month, from the date the treasurer granted a deferral to the date the conversion charge is paid.

For detailed information on appealing your property assessment, review our Property Assessment Appeal Guide for Wisconsin Real Property Owners.

XI. Examples and Scenarios

A. Classification examples

The following examples illustrate the considerations necessary to properly classify property with parcels of agricultural land:

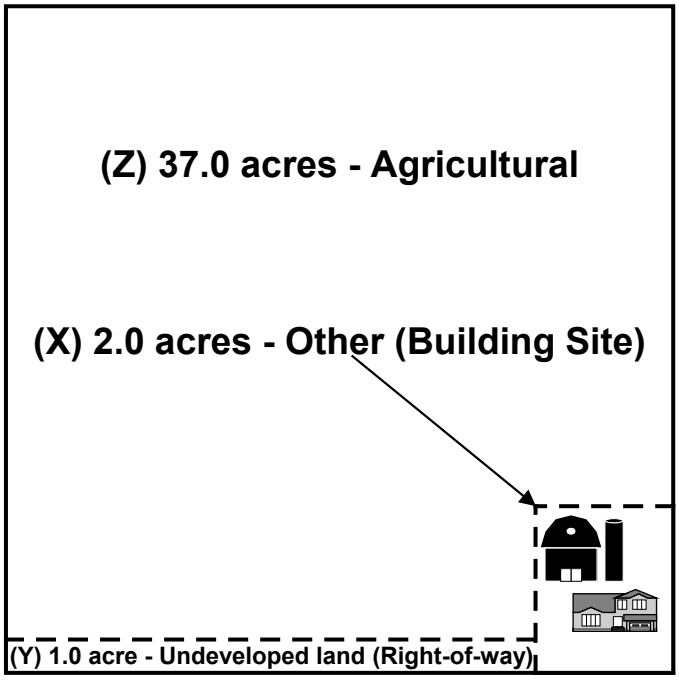
1. Example 1– Agricultural, other and undeveloped

In this example, the area under the right-of-way (Y) fronting the building site should be classified "Other." This arrangement is depicted in Figure 1.

- Farm consisting of a full quarter-quarter section (40 acres) includes an area in the southeast corner of the parcel where the house, barn, silos and auxiliary agricultural buildings are found (the building site or farm set)
- Parcel has 1,320 feet of road frontage on one side
- Farmer owns the land to the center of the roadway
- Road right-of-way extends 33 feet from the center of the road to each side. No area within the right-of-way is farmed. The building site (X) is 2.0 acres (130' x 650') with shade trees, an evergreen windbreak and a maintained lawn.

An assessor would measure and classify the parcel in Figure 1 as follows:

Figure 1



Undeveloped - Class 5 (Y)

Road Right-of-Way:

1,320' x 33'	=	43,560 sq. ft.
(less Building Site road frontage)		
130' x 33'	=	(4,290) sq. ft.
Total Undeveloped:		39,270 sq. ft. (or 0.902 acre rounded to 1.0 acre)

Other - Class 7 (X)

Building Site:		
130' x 650	=	84,500 sq. ft.
Total Other:		84,500 sq. ft. (or 1.940 acres rounded to 2.0 acres)

Agricultural - Class 4 (X)

Total Parcel Acreage:	40.0	acres
(less Other):	(2.0)	acres
(less Undeveloped):	(1.0)	acre
Total Agricultural:	37.0	acres

Figure 1 details:

When considering the classification of this parcel, the assessor must identify improvements and land that qualify as "Other." In Figure 1, 2.0 acres around the house and other improvements (X) are "necessary for their location and convenience." The farmer also maintains a lawn around the house. The lawn is "Other" as it is "in a use that is incompatible with agricultural use."

Rural parcels frequently include land under a public roadway subject to a right-of-way easement. Only areas subject to a right-of-way easement bordering a "parcel of agricultural land" and not "devoted primarily to agricultural use" should be classified as Undeveloped (Class 5).

Land under right-of way easements fronting non-agricultural lands should be classified according to the adjacent use (ex: other, forest, commercial, residential). If a farmer tills or uses land subject to a right-of-way as pasture, it should be classified as Agricultural (Class 4).

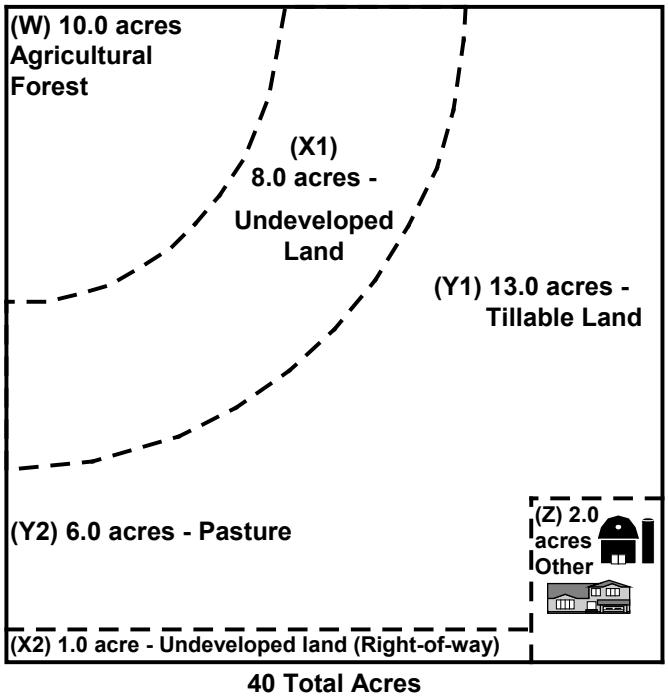
2. Example 2 – Land with several classifications

The following example illustrates a 40-acre parcel that has land with several different classifications.

- Area within each class is rounded to the nearest acre
  - » Parcel contains 10 acres of forested land (W) that qualified as agricultural forest since the parcel had agricultural land in 2004 and in the current assessment year, next to a low, swampy area (X1 - 8 acres) bordering a small stream
- Remaining acreage includes pasture, tillable cropland and a 2-acre building site
- Parcel includes a 3' wide road right-of-way of nearly 1 acre that fronts the building site, pasture, and tillable land. Figure 2 shows this arrangement

An assessor would classify the parcel in Figure 2 as follows:

Figure 2



Ag Forest (W)	10 acres
Undeveloped (X)	
- Lowland (X1-swamp)	8 acres
- Right-of-way (X2)	1 acre
Agricultural (Y)	
- Tillable (Y1)	13 acres
- Pasture (Y2)	6 acres
Other - Building Site (Z)	2 acres
Total Acres	**40 acres**

Figure 2 details:

Only the 13 acres of tillable cropland (Y1) and the 6 acres of pasture (Y2) are devoted primarily to agricultural use and are classified as agricultural land (Class 4).

Undeveloped (Class 5) is a residual land class that includes bog, marsh, lowland brush, idle cropland and pasture, and other non-productive lands not elsewhere classified. Road right-of-way fronting a parcel of agricultural land is wasteland if it is not used in agriculture. It is unlikely that all undeveloped land has the same market value. Example: the property in Figure 2 has two areas of undeveloped totaling 9 acres. The 1 acre of land found within the road right-of-way and fronting the agricultural land (X2) is not used for agriculture and has limited value to the titleholder. Therefore, the assessor should assign it a nominal or token value. The other area of undeveloped (X1) may have greater market value attributable to its potential recreational use (ex: fishing, hunting).

3. Example 3 – Lot sale and leaseback

Last spring a farmer sold 5 acres out of a 40-acre legal description.

- 5-acre parcel was recorded with a new legal description
- Farmer leased the 5-acre lot back from the new owner and continued planting corn on the entire 40 acres

This arrangement is shown in Figure 3:

Figure 3

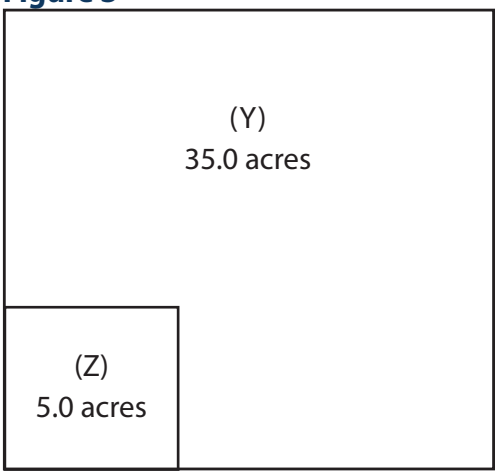


Figure 3

There are a total of 40 acres. The 35 acres owned and five acres leased by the farmer make up the economic unit (or establishment) engaged in the agricultural activity of corn farming (NAICS Industry Number 111150). Parcel (Y) meets the definition of agricultural land and must be classified as agricultural. Parcel (Z) is also a parcel of agricultural land because it is devoted primarily to agricultural use and contains no buildings or improvements.

4. Example 4 – Residence with stable and horse pasture

Figure 4

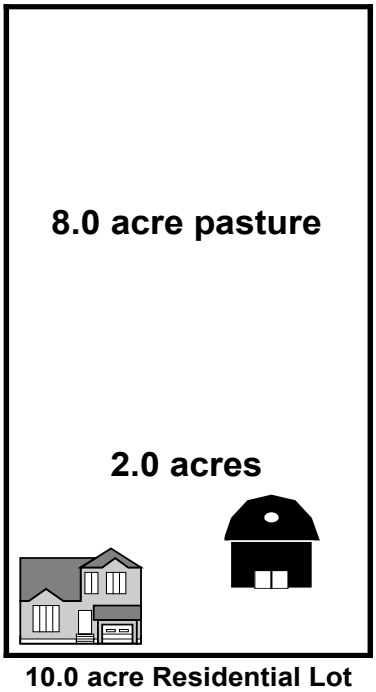


Figure 4

Shows a house on a 10-acre parcel. The owners recently built a small outbuilding to use as a stable for two horses and devoted 8 acres of their property to pasturing the horses.

Although the owners use 8 acres to pasture their horses, this is not an agricultural use since they are not primarily engaged in the production of horses for sale. The eight acre pasture is not devoted primarily to agricultural use and cannot be classified as a parcel of agricultural land. The predominant use of the property is residential and it should continue to be classified in its entirety as residential (Class 1).

5. Example 5 – Horse boarding, stable, horse pasture, riding areas and corral

Figure 5 shows a house on a 30.5-acre parcel that was previously classified residential. The owners recently built a horse boarding stable and corrals for pasturing horses that are boarded at the facility. Eight acres of their property is devoted to pasturing the horses, 2.5 acres are devoted to boarding, training and support of the operations.

Figure 5

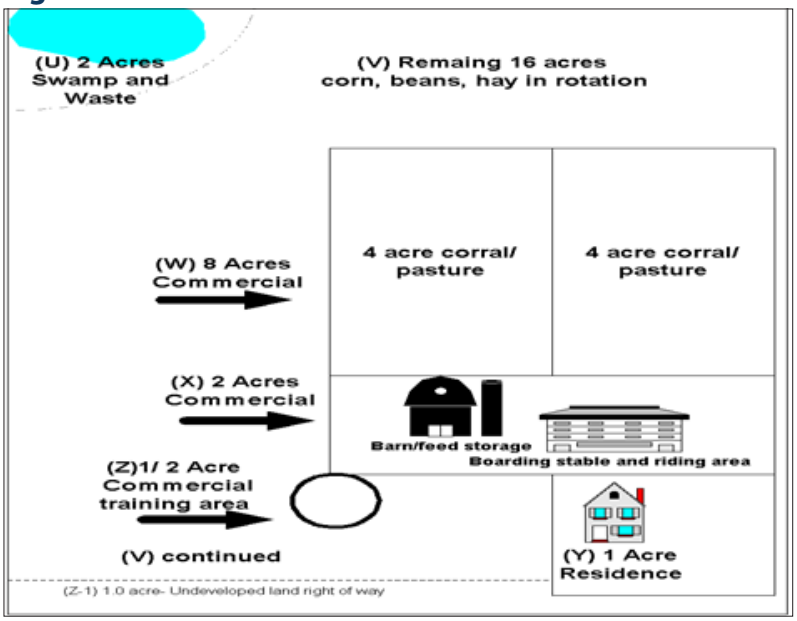


Figure 5

Assessor would classify the parcel in Figure 5 as follows:

Agricultural (V) Class 4	16 acres
Commercial (W) Class 2	10.5 acres
Residential (Y) Class 1	1.0 acre
Undeveloped (Z-1) Class 5	1.0 acre
Undeveloped (U) Class 5	2.0 acres

Agricultural use – raising horses is considered an agricultural use under NAICS. Establishments that provide foal rearing, health maintenance, controlled feeding and harvesting, for the eventual sale of the animals are considered an agricultural use.

Arts, entertaining and recreation industries – training race horses, operating riding stables, rental of saddle horses, and operating a horse race track are considered Arts, Entertaining and Recreation Industries under the NAICS.

Commercial – pasturing horses on lands with facilities primarily engaged in boarding horses classifies those lands as commercial.

B. Valuation examples

1. Example 1 – Municipal use-value

The following example shows the valuation process for a parcel of agricultural land beginning in 2000.

Municipal guideline use-values published for this town are:

Category	Guideline Value/Acre
• 1st Grade Tillable	$ 513
• 2nd Grade Tillable	$ 431
• 3rd Grade Tillable	$ 315
• Pasture	$ 126

First, the assessor analyzes DOR's Equalization Bureau's Major Class Comparison Report for the municipality and establishes the general level of assessment declined an average of five percent each year since the last revaluation.

Last year the overall assessment ratio was 85 percent. Given the recent trend and the results from an analysis of recent sales, the assessor estimates that the overall assessment level of the community this year will be 80 percent. Another source of information for estimating the assessment level is Equalization's Sales Analysis Reports.

For more information on estimating the general level of assessment, contact the Equalization Bureau District Office in your area.

Multiplying each guideline use-value by 0.80 gives the assessor equated guideline use-values of:

Category	Equated Value/Acre
• 1st Grade Tillable	$ 410
• 2nd Grade Tillable	$ 345
• 3rd Grade Tillable	$ 252
• Pasture	$ 101

2. Example 2 – Agricultural land valuation

For every parcel of agricultural land in 2000 and beyond, calculate the parcel's use-value by multiplying the current number of acres by the equated municipal use-value for each category of agricultural land. Consider the example of a 68-acre parcel of agricultural land located in a town where the equated municipal use-values were previously calculated. For this parcel of agricultural land the use-value is calculated as:

Municipal Category	Acres	Value/Acre	Use-value
#1	20	$ 410	$ 8,200
#2	21	$ 345	$ 7,245
#3	12	$ 252	$ 3,024
Pasture	$ 15	$ 101	$ 1,515
Total for Parcel of Agricultural Land:			**$ 19,984**

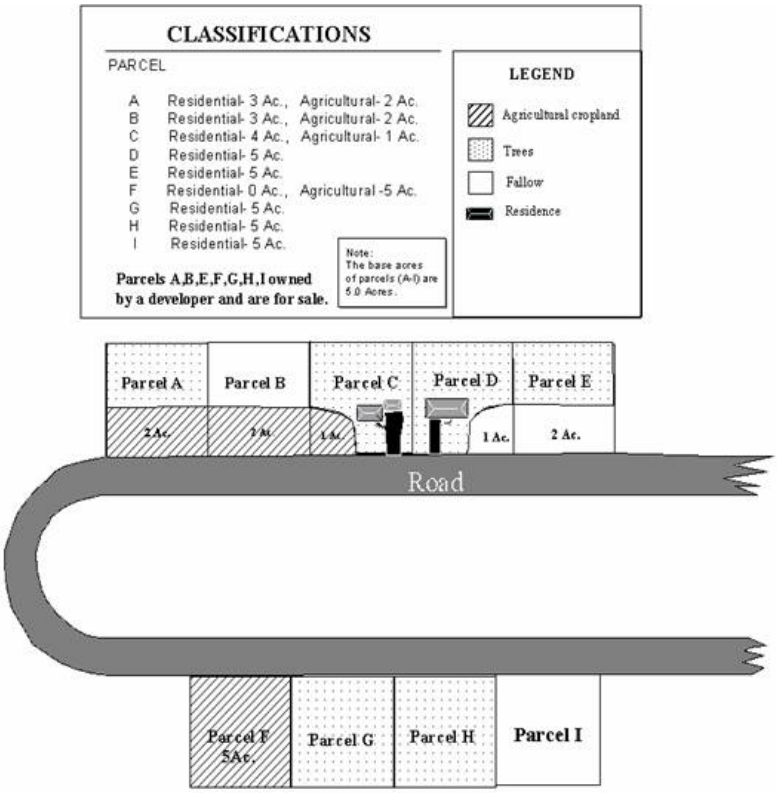
If (in addition to agricultural land) a parcel includes non-agricultural classifications, the market value of the non-agricultural land and improvements are added to the assessed value of agricultural land to arrive at the parcel's total assessed value.

3. Example 3 – Residential development

Figure 3 indicates that in a developing area residential parcels do not lose their use-value eligibility until the use changes. Parcels A, B and C retain partial use-value while F retains full use-value. In this example a conversion charge is deferred on these parcels until they are no longer have an agricultural use.

A farmer has a 120-acre farm operation with qualifying agricultural uses under Chapter Tax 18. A portion of the operation is changing its use as shown in Figure 3 below. The farmland is being developed into a residential subdivision with several parcels that are approximately 5 acres. The subdivision is located in an area showing residential growth. Utilities are available at the parcel line. Parcel sizes range from 1-10 acres. Some of the parcels have qualifying agricultural uses; others have a mixture of qualifying agricultural uses and woods; others have a mixture of land uses.

Figure 3



Parcel A – is a 5-acre parcel, partially wooded, with 2 acres devoted to crop production. The crop was harvested last fall.

- Parcel is classified as part agricultural (the 2 acres) and part residential
- Agricultural land is part of the farm operation and was used for a qualifying activity under Chapter Tax 18 in the previous growing year
- Wooded area is part of the small parcel the owner could build on and is located in an area of typical 5-acre parcel sizes

Parcel B – is located next to parcel A. It has a 2-acre field, as an extension of the field in parcel A. The balance of the 3 acres are fallow tillable.

- Parcel is classified as part agricultural and part residential
- Agricultural land is part of the farm operation and produces value from the land for the land owner
- Fallow land is part of a residential subdivision where the residential infrastructure is in place and the construction of a residence is imminent
- Advertised for sale as residential and is a typical residential parcel size for the community

Parcel C – is located next to parcel B. It has a residence on part of it with about 3 acres of trees and 1 acre of agricultural land (part of the same fields and operation as above).

- Parcel is classified as 1 acre of agricultural land
- Balance is classified as residential
- Land around the residence is used in support of the residential nature
- Trees are also in support of the residential use of the parcel

Parcel D – is mostly wooded, but has 1 acre of fallow ground and a residence

- Parcel is classified as residential as there is no agricultural activity
- Fallow land is part of a residential subdivision where the residential infrastructure is in place and the construction of a residence is imminent.
- Advertised for sale as residential and is a typical residential parcel size for the community

Parcel E – is adjacent to parcel D, and has a 2-acre fallow field with 3 acres of wooded land.

- Entire parcel is classified as residential
- No qualifying agricultural activity on the parcel
- Part of a residential subdivision where the residential infrastructure is in place and the construction of a residence is imminent
- Advertised for sale as residential and is a typical residential parcel size for the community

Parcel F – is a 5-acre parcel; all agricultural land, farmed last year as part of the farm operation; with no building on the parcel as of the assessment date.

- Classified as agricultural, with use-value assessment
- Primary use is a qualifying crop activity and is not in a use that is incompatible with agricultural use

Parcel G – is a 5-acre parcel adjacent to the above entirely agricultural parcel. It is covered with trees.

- Classified as residential
- Part of a residential subdivision where the residential infrastructure is in place and the construction of a residence is imminent
- Advertised for sale as residential and is a typical residential parcel size for the community

Parcel H – is an all wooded parcel next to parcel G, and adjacent to parcel I, which is fallow.

- Classified as residential
- Part of a residential subdivision
- Construction of a residence is imminent
- Advertised for sale as residential and is a typical residential parcel size for the community

Parcel I – is a fallow parcel, adjacent to the wooded parcel above.

- Classified as residential
- Part of a residential subdivision where the residential infrastructure is in place and the construction of a residence is imminent
- Advertised for sale as residential and is a typical residential parcel size for the community

XII. Agricultural Forest

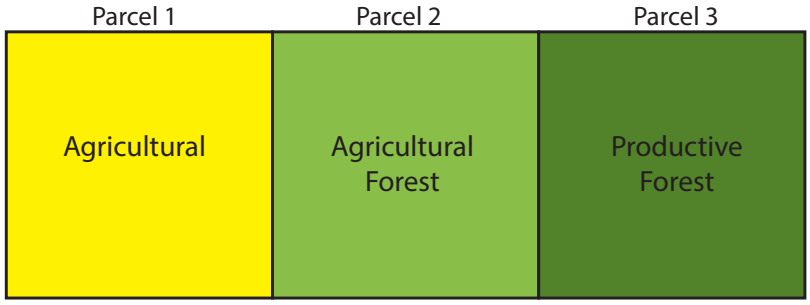
State law (sec. 70.32(2)(c)1d, Wis. Stats.), defines agricultural forest as "land that is producing or is capable of producing commercial forest products, if the land satisfies any of the following conditions:

- It is contiguous to a parcel that is classified in whole as agricultural land under this subsection, if the contiguous parcel is owned by the same person that owns the land that is producing or is capable of producing commercial forest products. In this subdivision, 'contiguous' includes separated only by a road.
- It is located on a parcel containing land classified as agricultural land in the property tax assessment on January 1, 2004, and on January 1 of the year of assessment
- It is located on a parcel at where least 50 percent (by acreage) was converted to land classified as agricultural land in the property tax assessment on January 1, 2005, or thereafter"

Classification scenarios

The following pages contain classification scenarios. In these scenarios, a solid line designates a parcel's boundary while a dashed line designates a change in classification within the same parcel.

1. Scenario 1



Scenario 1 contains three parcels with the same owner:

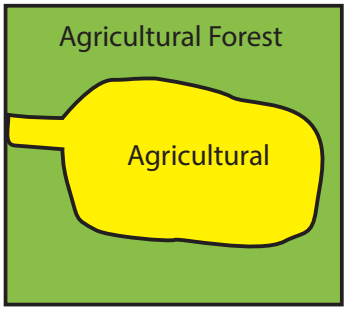
Parcel 1 – categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based on soil productivity and assessed at the corresponding use-value.

Parcel 2 – classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons.

- Produces or is capable of producing commercial forest products
- Is contiguous to parcel 1, a parcel that is classified in its entirety as agricultural
- Parcel 1 and parcel 2 have the same owner

Parcel 3 – classified as Productive Forest and is assessed at its full value since it is not contiguous to parcel 1.

2. Scenario 2



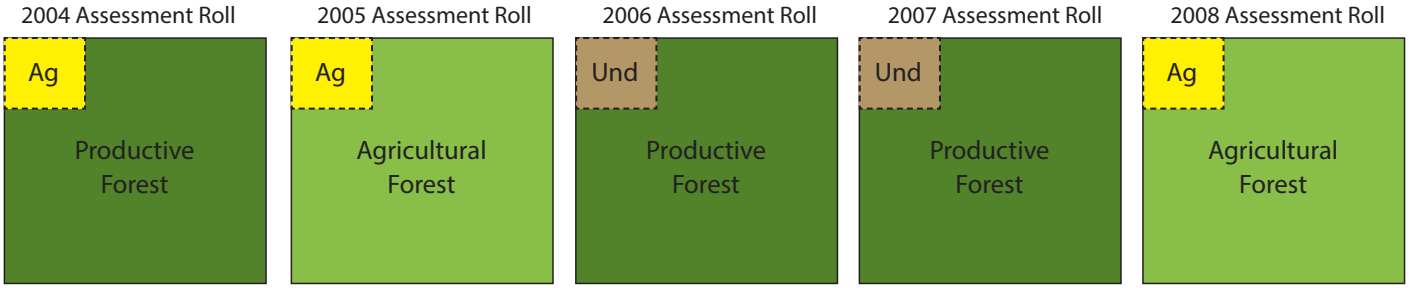
Scenario 2 contains one parcel:

Forest area – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons. The parcel:

- Produces or is capable of producing commercial forest products
- Is located on a parcel containing land classified as agricultural land for the 2004 assessment year
- Contains land classified as agricultural for the current assessment year

Agricultural acres – are categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based on soil productivity and assessed at the corresponding use-value.

3. Scenario 3



Scenario 3 contains one parcel over a five-year period:

Forest in 2005 and 2008 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons. **The areas of forest:**

- Produces or are capable of producing commercial forest products
- Located on a parcel containing land classified as agricultural land for the 2004 assessment year and the current assessment year

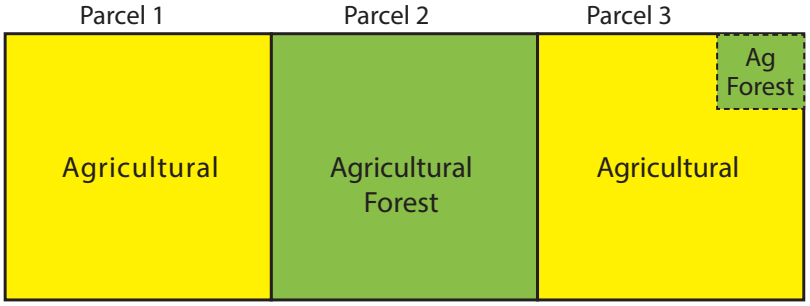
In 2004, the forest – is classified as Productive Forest and is assessed at its full value for the following reasons:

- Area of forest is not contiguous to a parcel classified in its entirety as agricultural
- 2003 Wisconsin Act 230 is effective for the 2005 assessment, not the 2004 assessment

In 2006 and 2007, the forest – is classified as Productive Forest and is assessed at its full value since the forest is not on a parcel with land classified as agricultural for the current assessment year. The land classified as undeveloped is assessed at 50 percent of its full value.

Agricultural acres in 2004, 2005, and 2008 – are categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based on soil productivity and assessed at the corresponding use-value.

4. Scenario 4



Scenario 4 contains three parcels with the same owner:

Agricultural acres in Parcel 1 and Parcel 2 – are categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based on soil productivity and assessed at the corresponding use-value.

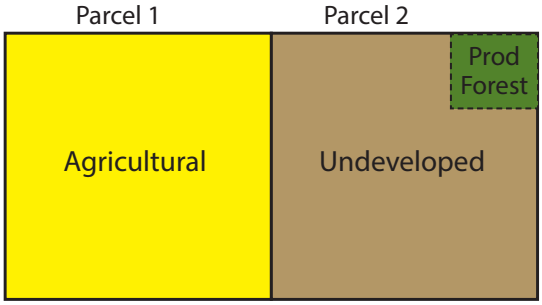
Parcel 2 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons. Parcel 2:

- Produces or is capable of producing commercial forest products
- Is contiguous to parcel 1, a parcel that is classified in its entirety as agricultural
- Has the same owner as parcel 1

Forest area of Parcel 3 – is also classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons. The area of forest:

- Produces or is capable of producing commercial forest products
- Is located on a parcel containing land classified as agricultural land for the 2004 assessment year and the current assessment year

5. Scenario 5



Scenario 5 contains two parcels with the same owner:

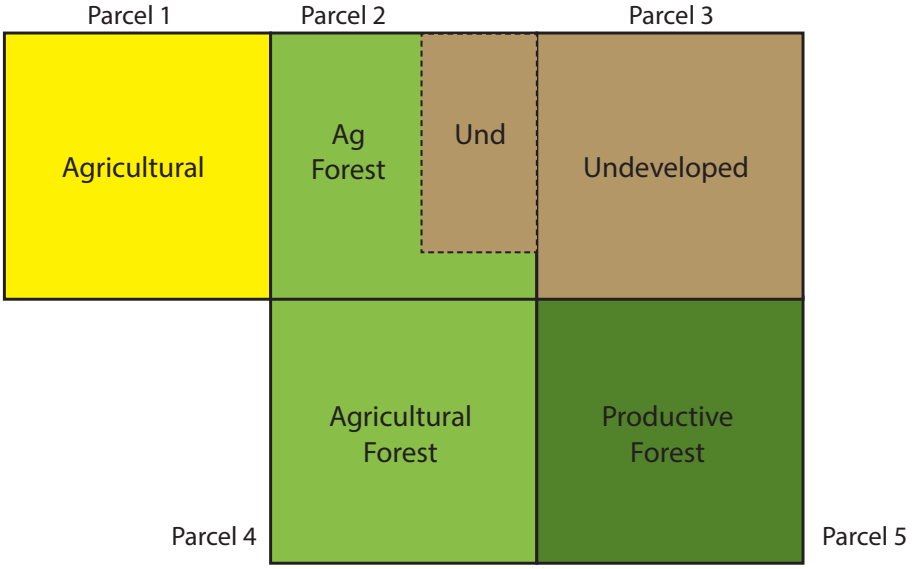
Forest area of Parcel 2 – is classified as Productive Forest and is assessed at its full value for the following reasons. The area of forest is not:

- Contiguous to a parcel that is classified in its entirety as agricultural
- Located on a parcel with land classified as agricultural for the 2004 assessment year and the current assessment year

Agricultural acres in Parcel 1 – are categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based on soil productivity and assessed at the corresponding use-value.

Land classified as undeveloped in Parcel 2 – is assessed at 50 percent of its full value.

6. Scenario 6



Scenario 6 contains five parcels with the same owner:

Parcel 1 is categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based on soil productivity and assessed at the corresponding use-value.

Forest area of Parcel 2 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons:

- Area of forest is producing or is capable of producing commercial forest products
- Parcel 2 is contiguous to parcel 1, a parcel that is classified in its entirety as agricultural
- Parcel 1 and parcel 2 has the same owner

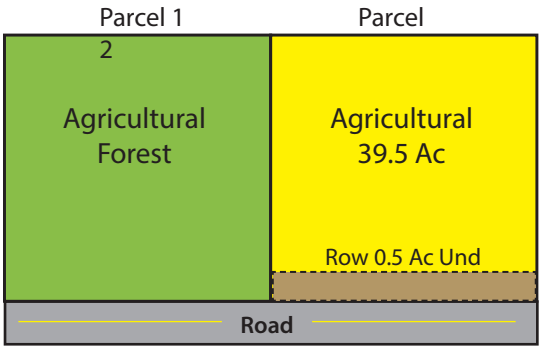
Parcel 3 and undeveloped land in Parcel 2 – are assessed at 50 percent of full value.

Parcel 4 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons. Parcel 4:

- Produces or is capable of producing commercial forest products
- Is contiguous to parcel 1, a parcel that is classified in its entirety as agricultural
- Has the same owner as parcel 1

Parcel 5 – is classified as productive forest and is assessed at its full value since it is not contiguous to parcel 1.

7. Scenario 7



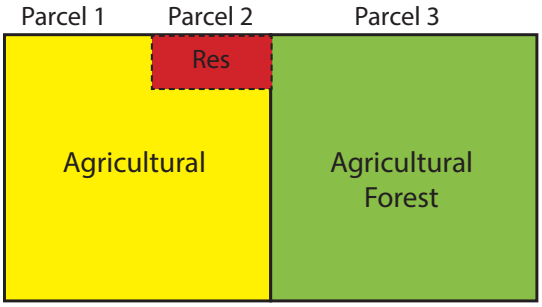
Scenario 7 contains two parcels with the same owner:

Parcel 1 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons:

- Produces or is capable of producing commercial forest products
- Contiguous to Parcel 2, a parcel that is classified as agricultural except an area of road right-of-way. **Note:** While this example does not involve separation by a roadway, the principle is the same. Since contiguity is maintained with the separation by a road, a road that runs adjacent to or bisects a parcel is treated similarly.
- Parcel 1 and Parcel 2 have the same owner

Agricultural area of Parcel 2 – is categorized as tillable grade 1, 2, or 3, or pasture based on soil productivity and assessed at the corresponding use-value. The area of undeveloped is assessed at 50 percent of its full value.

8. Scenario 8



Scenario 8 has three parcels with the same owner:

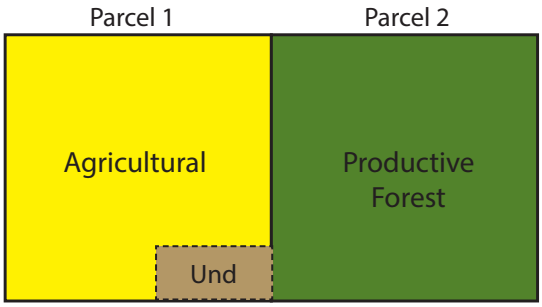
Parcel 1 – is categorized as tillable grade 1, 2 or 3, or pasture based on soil productivity and assessed at the corresponding use-value.

Parcel 2 – is assessed at its full value.

Parcel 3 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons:

- Produces or is capable of producing commercial forest products
- Contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural
- Parcel 1 and Parcel 3 have the same owner

9. Scenario 9

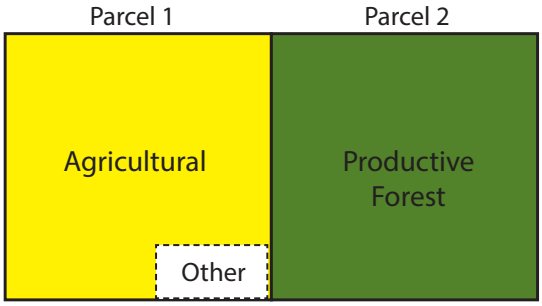


Scenario 9 has two parcels with the same owner:

Parcel 2 – is classified as Productive Forest and is assessed at its full value since Parcel 1 is not classified in its entirety as agricultural. Parcel 1 has multiple classifications, agricultural and undeveloped.

Class 4 acres of Parcel 1– are categorized as tillable grade 1, 2, 3 or pasture based on soil productivity and assessed at the corresponding use-value. The undeveloped area of Parcel 1 is assessed at 50 percent of its full value.

10. Scenario 10



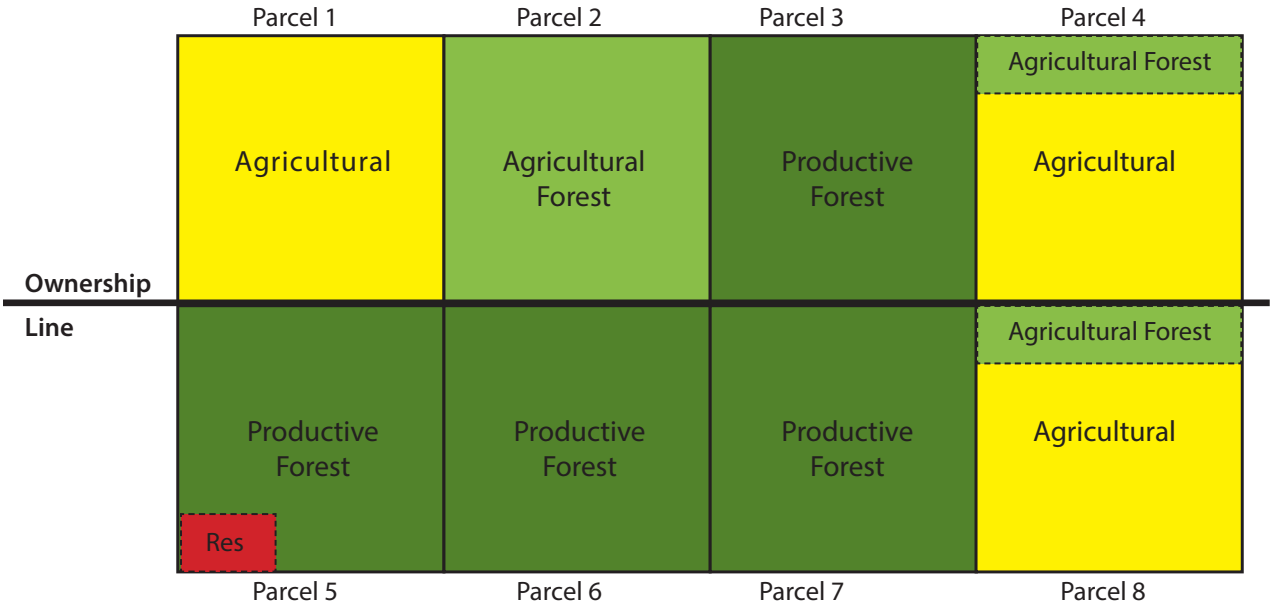
Scenario 10 contains two parcels with the same owner:

Parcel 1 – has multiple classifications: Agricultural and "Other."

Agricultural acres of Parcel 1– are categorized as tillable grade 1, 2, 3 or pasture based on soil productivity and assessed at the corresponding use-value. The area classified as "Other" is assessed at its full value.

Parcel 2 – is classified as Productive Forest and is assessed at its full value since Parcel 1 is not classified in its entirety as agricultural.

11. Scenario 11



Scenario 11 contains eight parcels with a line designating separate ownership:

Parcels 1-4 – have one owner and Parcels 5-8 have a different owner.

Parcel 2 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for the following reasons:

- Produces or is capable of producing commercial forest products
- Is contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural
- Parcel 1 and Parcel 2 have the same owner

Forest areas of Parcel 4 and Parcel 8 – are classified as Agricultural Forest and are assessed at 50 percent of their full value for all the following reasons:

- Produce or are capable of producing commercial forest products
- Located on parcels that contained land classified as agricultural land for the 2004 assessment year
- Contained land that is classified as agricultural land for the current assessment year

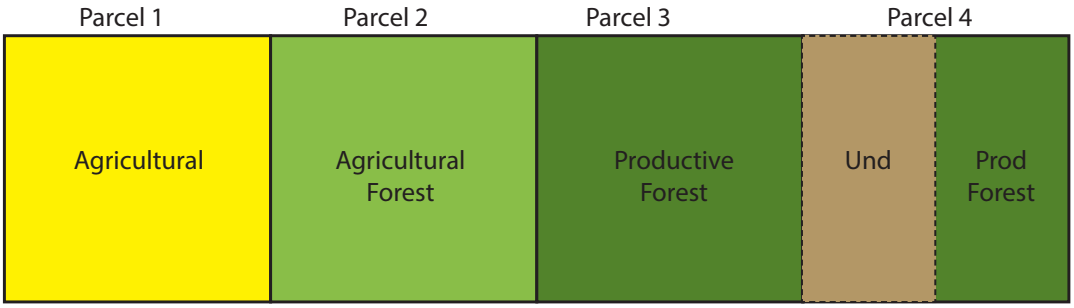
Parcel 3 – is classified as Productive Forest and is assessed at its full value since it is not contiguous to a parcel classified in its entirety as agricultural.

Parcels 6 and 7 and the forest area of Parcel 5 – are also classified as Productive Forest and are assessed at their full value. They are not contiguous to a parcel (with the same owner) that is classified in its entirety as agricultural.

Parcel 1 and the agricultural areas of Parcel 4 and Parcel 8 – are categorized as tillable grade 1, 2, 3 or pasture based on soil productivity and assessed at the corresponding use-value.

Residential area of Parcel 5 – is assessed at its full value.

12. Scenario 12



Scenario 12 contains four parcels that have the same owner:

Parcel 1 – is categorized as tillable grade 1, 2, 3 or pasture based on soil productivity and assessed at the corresponding use-value.

Parcel 2 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for the following reasons:

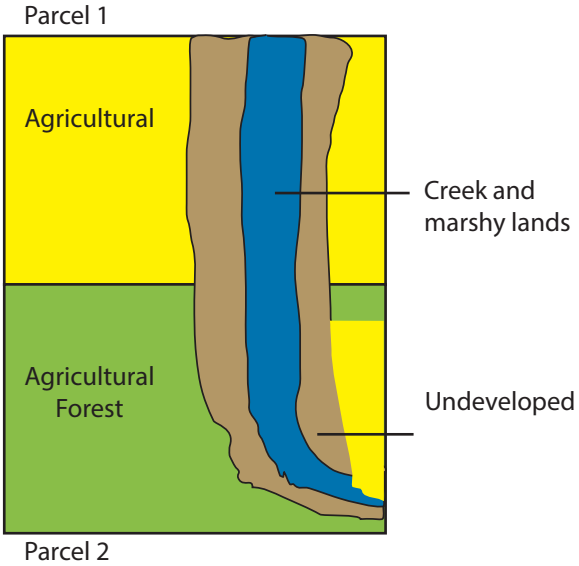
- Produces or is capable of producing commercial forest products
- Contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural
- Parcel 1 and Parcel 2 have the same owner

Parcel 3 and the forest area of Parcel 4 – are classified as Productive Forest and assessed at full value for the following reasons:

- Forest is not contiguous to a parcel that is classified in its entirety as agricultural
- Land was not classified as agricultural for the 2004 assessment year and the current assessment year

Undeveloped land – is assessed at 50 percent of full value.

13. Scenario 13



Scenario 13 contains two parcels that have the same owner:

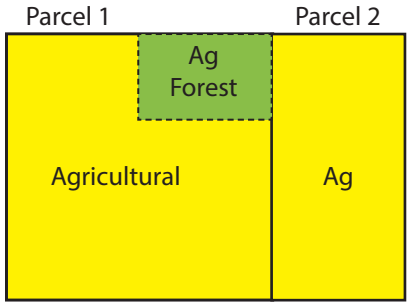
Forest area of Parcel 2 – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons:

- Produces or is capable of producing commercial forest products
- Located on a parcel that contained land classified as agricultural land for the 2004 assessment year and the current assessment year

Agricultural areas in Parcel 1 and Parcel 2 – are categorized as tillable grade 1, 2, 3 or pasture based on soil productivity and assessed at the corresponding use-value.

Creek and marshy land classified as Undeveloped is assessed at 50 percent of its full value.

14. Scenario 14



Scenario 14 contains two parcels with the same owner:

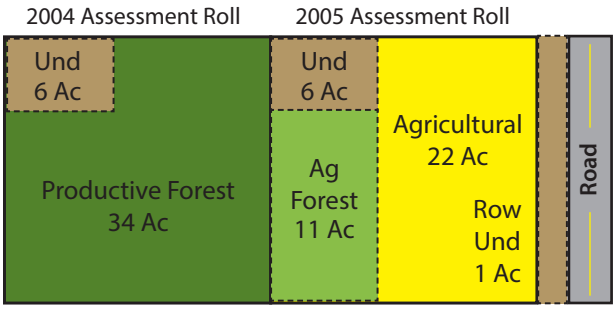
Forest area of Parcel 1– is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons:

- Produces or is capable of producing commercial forest products
- Located on a parcel that contains land classified as agricultural land for the 2004 assessment year and the current assessment year

Forest area of Parcel 1– also qualifies as Agricultural Forest since it is contiguous to Parcel 2, a parcel that is classified in its entirety as agricultural and has the same owner.

Parcel 2 and the agricultural areas in Parcel 1 – are categorized as tillable grade 1, 2, 3 or pasture based on soil productivity and assessed at the corresponding use-value.

15. Scenario 15



Scenario 15 contains one parcel over a two-year period:

2004 assessment – shows 34 acres of forest classified as Productive Forest and is assessed at its full value since it is not contiguous to a parcel that is classified in its entirety as agricultural.

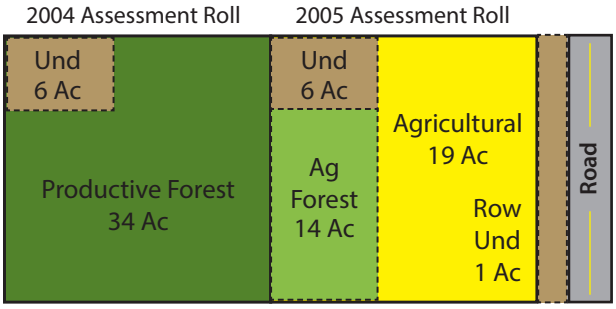
2005 assessment – 11 acres of forest classified as Agricultural Forest and is assessed at 50 percent of its full value for the following reasons:

- Produces or is capable of producing commercial forest products
- Located on a parcel where at least 50 percent of the acreage was converted to land classified as agricultural for the 2005 assessment.
- **Note:** Include any road right-of-way when determining the 50 percent agricultural acreage eligibility

Agricultural area for the 2005 assessment – is categorized as tillable grade 1, 2, 3 or pasture based on soil productivity and assessed at the corresponding use-value.

Undeveloped areas for the 2004 and 2005 assessment years – are assessed at 50 percent of full value.

16. Scenario 16



Scenario 16 contains one parcel over a two-year period:

The 2004 assessment shows 34 acres of forest classified as Productive Forest. It is assessed at its full value since it is not contiguous to a parcel that is classified in its entirety as agricultural.

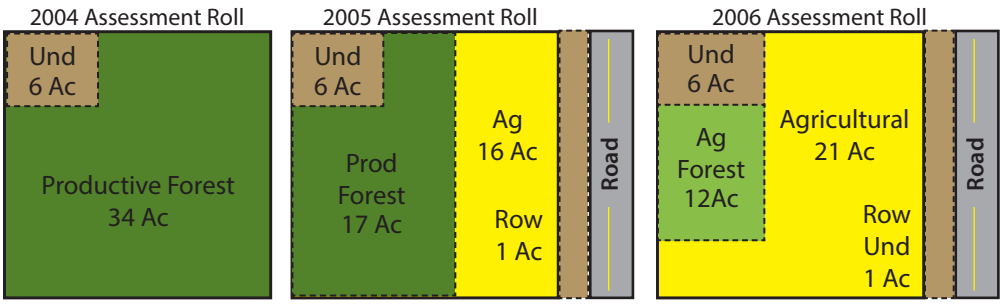
2005 assessment shows – 14 acres of forest classified as Agricultural Forest and is assessed at 50 percent of its full value for the following reasons:

- Produces or capable of producing commercial forest products
- At least 50 percent of the acreage was converted to land classified as agricultural for the 2005 assessment or thereafter
- **Note:** Include any road right-of-way when determining the 50 percent agricultural acreage eligibility

Agricultural area for the 2005 assessment – is categorized as tillable grade 1, 2, 3 or pasture based on soil productivity and assessed at the corresponding use-value.

Undeveloped areas for the 2004 and 2005 assessment years – are assessed at 50 percent of full value.

17. Scenario 17



Scenario 17 contains one parcel over a three-year period:

2004 assessment – shows 34 acres of forest classified as productive forest and is assessed at its full value since it is not contiguous to a parcel that is classified in its entirety as agricultural.

2005 assessment – shows 17 acres of forest classified as productive forest and is assessed at its full value for the following reasons:

- Not contiguous to a parcel that is classified in its entirety as agricultural
- Not located on a parcel where at least 50 percent of the acreage was converted to land that is classified as agricultural for the 2005 assessment

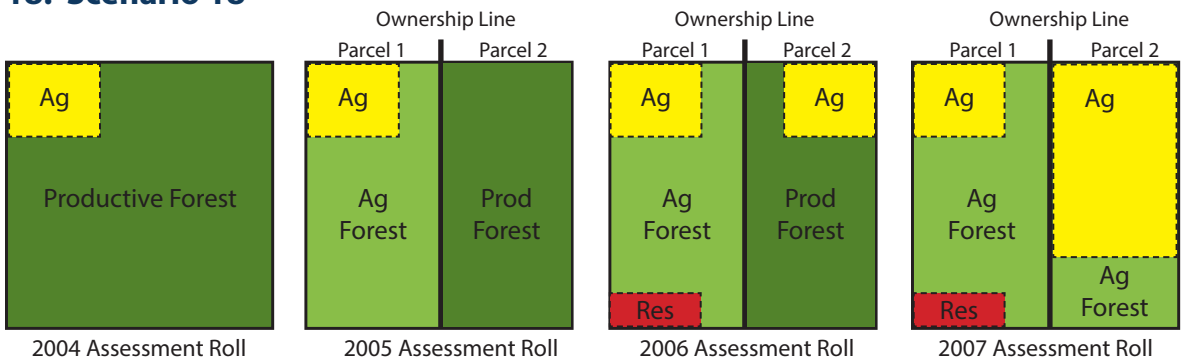
2006 assessment – shows 12 acres of forest classified as agricultural forest and is assessed at 50 percent of its full value for the following reasons:

- Produces or capable of producing commercial forest products
- At least 50 percent of the acreage was converted to land classified as agricultural for the 2006 assessment. It's classified as Agricultural Forest since more than half the acreage of the parcel is now Agricultural.

Agricultural area for the 2005 and 2006 assessments – are categorized as tillable grade 1, 2, 3, or pasture based on soil productivity and assessed at the corresponding use-value.

Undeveloped areas – are assessed at 50 percent of full value.

18. Scenario 18



Scenario 18 contains:

2004 assessment – shows 35 acres of forest that is classified as productive forest and is assessed at its full value because it is not contiguous to a parcel that is classified in its entirety as agricultural.

2005 assessment – shows that the forty acre parcel has split into two twenty acre parcels with different owners.

Forest in Parcel 1 – is classified as agricultural forest and is assessed at 50 percent of its full value for the following reasons:

- Capable of producing commercial forest products
- Located on a parcel that contains land that was classified as agricultural land for the 2004 assessment year
- Land that classified as agricultural for the current assessment year

Parcel 2 – is classified as productive forest and is assessed at its full value for the following reasons:

- Not contiguous to a parcel that is classified in its entirety as agricultural with the same owner
- Does not contain agricultural land

2006 assessment – shows a portion of Parcel 1 is now classified as residential and a portion of Parcel 2 is now classified as agricultural.

Forest in Parcel 1 – is classified as agricultural forest and is assessed at 50 percent of its full value for the following reasons:

- Capable of producing commercial forest products
- Parcel contains land that was classified as agricultural land for the 2004 assessment year
- Contains land that was classified as agricultural land for the 2004 assessment year, as well as the current year. The residential site acres do not impact this determination.

Forest area of Parcel 2 – is classified as productive forest and is assessed at its full value because the agricultural acreage does not constitute 50 percent of the total acreage.

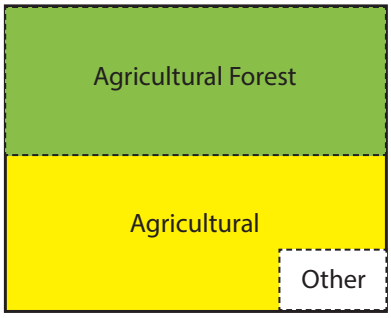
2007 assessment – shows no changes in Parcel 1 and an increase in the amount of agricultural land for Parcel 2.

Forest in Parcel 2 – is classified as agricultural forest and is assessed at 50 percent of its full value for the following reasons. The area of forest is:

- Producing or is capable of producing commercial forest products
- Located on a parcel where at least 50 percent of the acreage was converted to land that is classified as agricultural for the 2007 assessment

Forest land – is classified as Agricultural Forest, because more than half the acreage of the parcel is now Agricultural.

19. Scenario 19



Scenario 19 contains one parcel:

Forest area – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all of the following reasons:

- Capable of producing commercial forest products
- Contains land that was classified as agricultural land for the 2004 assessment year, as well as the current year

Agricultural acres – are categorized as tillable grade 1, 2, 3, or pasture based upon soil productivity and assessed at the corresponding use-value.

Area classified as "Other" – is assessed at its full value.

XIII. Definitions

Important definitions relating to the assessment of agricultural property in Chapter Tax 18.05:

1. Agricultural use means any of the following:

a. Activities included in subsector 111 Crop Production, set forth in the North American Industry Classification System (NAICS), United States, 1997, published by the executive office of the president, U.S. Office of Management and Budget.

b. Activities included in subsector 112 Animal Production, set forth in the NAICS, United States, 1997, published by the executive office of the president, U.S. Office of Management and Budget.

Note: Subsector 111 Crop Production and subsector 112 Animal Production, set forth in the North American Industry Classification System, United States, 1997, published by the executive office of the president, U.S. Office of Management and Budget, are reproduced in full in the Wisconsin Property Assessment Manual under state law (sec. 73.03(2a), Wis. Stats.). In addition, copies are on file with the department, the Secretary of State, and the revisor of statutes.

c. Growing Christmas trees or ginseng

d. Land without improvements subject to a federal or state easement or enrolled in a federal or state program if all of the following apply:

1. The land was in agricultural use under par. (a), (b), or (c) when it was entered into the qualifying easement or program, and
2. Qualifying easements and programs shall adhere to standards and practices provided under the January 31, 2014 No. 697 version of s. ATCP 50.04, 50.06, 50.71, 50.72, 50.83, 50.88, 50.91, 50.96, or 50.98.

The Wisconsin Property Assessment Manual, authorized under sec. 73.03 (2a), Wis. Stats., shall list the qualifying easements and programs according to the ATCP provisions, and

3.a. The terms of the temporary easement or program do not restrict the return of the land to agricultural use under par. (a), (b), or (c) after the easement or program is satisfactorily completed, or

3.b. The terms of an easement, contract, compatible use agreement, or conservation plan for that specific parcel authorized an agricultural use, as defined in par. (a), (b), or (c), for that parcel in the prior year.

2. **Arm's-length sale –** sale between two parties neither of whom is related to or under abnormal pressure from the other. See Market Value (Definition 7).
3. **Comparable property –** property that is similar to your property in such things as location, style, age, size and other physical features, depending on specific market preferences
4. **Council –** Farmland advisory council under state law (sec. 73.03(49), Wis. Stats.)
5. **Land devoted primarily to agricultural use –** land in an agricultural use for the production season of the prior year, and not in a use that is incompatible with agricultural use on January 1 of the assessment year.
6. **Market value –** most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
   1. Buyer and seller are typically motivated;
   2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
   3. Reasonable time is allowed for exposure in the open market;
   4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
   5. Price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
7. **Other –** agricultural buildings and improvements and the land necessary for their location and convenience
8. **Parcel of agricultural land –** land, contained within a single legal description, that is devoted primarily to agricultural use

XIV. Request to View, Trespassing and Revaluation Notice

A. Notification process with Request to View Property Notice

Sec. 70.05(4m) and (4n), Wis. Stats., requires assessors to provide property owners written notice when requesting an interior view of the residence. DOR recommends sending a letter, allowing 14 calendar days for a response. If the assessor does not receive a response, they may attempt in-person contact to obtain consent. If that step is unsuccessful, the assessor may send a certified letter including the notice. If an interior view remains necessary to complete an accurate valuation, refusal of entry can provide basis for seeking a special inspection warrant.

State law allows entry onto private property or a construction site (not including buildings, agricultural land or pasture, or livestock confinement areas)once per year (assessment cycle), for property tax assessment purposes unless the property owner authorizes additional visits. The following lists requirements under state law:

- **Purpose –** reason for the entry must be to make an assessment on behalf of the state or a political subdivision
- **Date –** entry must be on a weekday during daylight hours, or at another time as agreed upon with the property owner

- **Duration –** assessor's visit must not be more than one hour
- **Scope –** assessor must not open doors, enter through open doors, or look into windows of structures
- **Notice –** if the property owner or occupant is not present, the assessor must leave a notice on the principal building providing the owner information on how to contact them

B. Denial of entry

The assessor may not enter the premises if they received a notice from the property owner or occupant denying them entry . The assessor must leave if the property owner or occupant asks them to leave . (sec . 943 .15(1m)(f), Wis . Stats.)

If a reasonable written request (see above "Notification Process with Request to View Property Notice" for statutory notice requirements when an assessor requests an interior view of the property) to view the property is refused, the assessor should not enter the property . The assessor may seek a special inspection warrant to view the property, if necessary . The assessment should be based on the best information available – recent sale of the subject or comparable properties, building permits, or previous viewings.

Notification must be published or posted before an assessor begins a revaluation . State law (sec . 70 .05(5)(b), Wis . Stats .) provides that before a city, village or town assessor conducts a property revaluation, the city, village or town must publish a notice on its municipal website stating a revaluation will occur, listing the approximate dates . The notice should describe the assessor's authority to enter land, under sec . 943 .13 and sec . 943 .15, Wis . Stats . If a municipality does not have a website, it must post the required information in at least three public places within the city, village or town .

The city, village or town should provide a link to the above noted statutory references, so persons visiting the website can click those links and review the statutes . A sample notice is provided on the following page .

C. Sample Revaluation Notice

A revaluation of property assessments in the (municipality) shall occur for the (year) assessment year. The approximate dates of the revaluation notices being sent to property owners is expected to be in (month/year). Please also notice that the Assessor has certain statutory authority to enter land as described in state law (secs. 943.13 and 943.15, Wis. Stats.).

The ability to enter land is subject to several qualifications and limitations, as described within the foregoing statutes. Copies of the applicable statutes can be obtained at public depositories throughout the State of Wisconsin, and from the Wisconsin State Legislature website or a copy may be obtained from the municipal clerk upon payment of applicable copying charges.

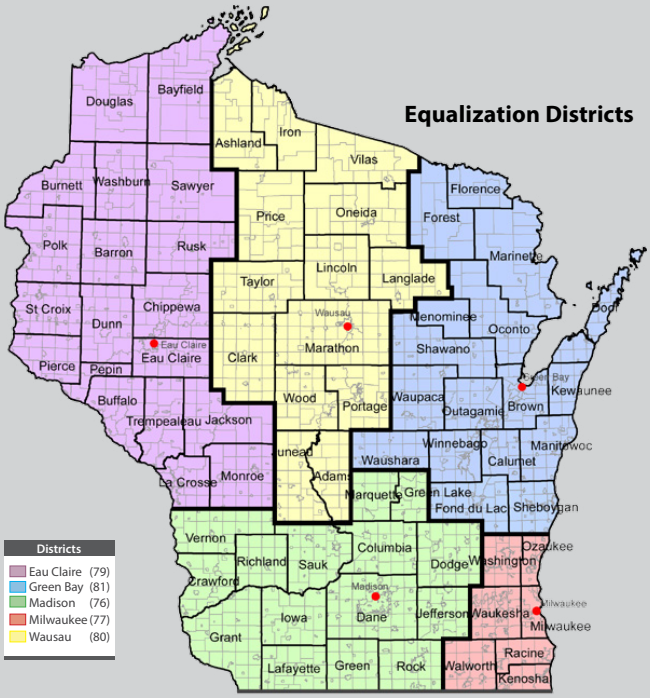
XV. Wisconsin Property Assessment Manual Standards

The Wisconsin Property Assessment Manual specifies technical, procedural and administrative practices. It also defines procedures, policies, legal decisions and assessor performance expectations. The authority for preparing the Wisconsin Property Assessment Manual comes from state law (sec. 73.03 Wis. Stats.). This statute requires that the Department of Revenue prepare a manual that "shall discuss and illustrate accepted assessment methods, techniques and practices with a view to more nearly uniform and more consistent assessments of property at the local level…The manual shall be amended by the department from time to time to reflect advances in the science of assessment, court decisions concerning assessment practices, costs and statistical and other information deemed valuable to local assessors by the department."

XVI. Resources/Contact Information

- **United States Department of Agriculture - Corn Price, Corn Yield**
  - » **National Agricultural Statistics Service**
    Room 5829-South, Washington, DC 20250; (202) 720-3878; NASS Hotline: (800) 727-9540
  - » **Economic Research Service - Corn Cost of Production**
    1800 M St., NW, Washington, DC 20036-5831; (202) 694-5050
- **Wisconsin Department of Agriculture, Trade, and Consumer Protection**
  Wisconsin Agricultural Statistics Service - Corn Price, Corn Yield; PO Box 8934, Madison, WI 53708-8934
- **Wisconsin Department of Revenue - Capitalization Rate Components**
  Division of State and Local Finance
  - » Office of Technical and Assessment Services – Agricultural Loan Rate; Capitalization Rate Components
  - » Local Government Services Bureau – Town, Village and City Taxes
  - » Equalization Bureau District Offices
- **Farmland Advisory Council Members**
  Richard G. Chandler (Chair), Secretary of Revenue; Herb Tauchen, Farmer; Amber Keller, Agricultural Lender; Kevin Bernhardt, Agricultural Economist - UW System; Tim Hanna, Mayor - City of Appleton; Jordan Lamb, Environmental Expert; Vacant, Non-Agricultural Business Person; Steven Hintz, Professor of Urban Studies; Jeff Lyon, Agribusiness Person; Michael Denor, Assessor.

Department of Revenue - Equalization District Offices



Wisconsin Counties - Alphabetical List

County Code	County Name	District Office	County Code	County Name	District Office	County Code	County Name	District Office
01	Adams	80	25	Iowa	76	48	Polk	79
02	Ashland	80	26	Iron	80	49	Portage	80
03	Barron	79	27	Jackson	79	50	Price	80
04	Bayfield	79	28	Jefferson	76	51	Racine	77
05	Brown	81	29	Juneau	80	52	Richland	76
06	Buffalo	79	30	Kenosha	77	53	Rock	76
07	Burnett	79	31	Kewaunee	81	54	Rusk	79
08	Calumet	81	32	La Crosse	79	55	St. Croix	79
09	Chippewa	79	33	Lafayette	76	56	Sauk	76
10	Clark	80	34	Langlade	80	57	Sawyer	79
11	Columbia	76	35	Lincoln	80	58	Shawano	81
12	Crawford	76	36	Manitowoc	81	59	Sheboygan	81
13	Dane	76	37	Marathon	80	60	Taylor	80
14	Dodge	76	38	Marinette	81	61	Trempealeau	79
15	Door	81	39	Marquette	76	62	Vernon	76
16	Douglas	79	72	Menominee	81	63	Vilas	80
17	Dunn	79	40	Milwaukee	77	64	Walworth	77
18	Eau Claire	79	41	Monroe	79	65	Washburn	79
19	Florence	81	42	Oconto	81	66	Washington	77
20	Fond du Lac	81	43	Oneida	80	67	Waukesha	77
21	Forest	81	44	Outagamie	81	68	Waupaca	81
22	Grant	76	45	Ozaukee	77	69	Waushara	81
23	Green	76	46	Pepin	79	70	Winnebago	81
24	Green Lake	76	47	Pierce	79	71	Wood	80

Equalization Bureau

Contact Information

Eau Claire District Office (79)
610 Gibson St, Ste. 7
Eau Claire, WI 54701-2650
eqleau@wisconsin.gov
Ph: (715) 836-2866 Fax: (715) 836-6690

Green Bay District Office (81)
200 N. Jefferson St, Ste. 126
Green Bay, WI 54301-5100
eqlgrb@wisconsin.gov
Ph: (920) 448-5195 Fax: (920) 448-5207

Madison District Office (76)
Mailing Address
PO Box 8909 #6-301
Madison, WI 53708-8909

Street Address
2135 Rimrock Rd #6-301
Madison, WI 53713-1443
eqlmsn@wisconsin.gov
Ph: (608) 266-8184 Fax: (608) 267-1355

Milwaukee District Office (77)
819 N. 6th St, Rm. 530
Milwaukee, WI 53203-1682
eqlmke@wisconsin.gov
Ph: (414) 227-4455 Fax: (414) 227-4071

Wausau District Office (80)
730 N. Third St
Wausau, WI 54403-4700
eqlwau@wisconsin.gov
Ph: (715) 842-5885 Fax: (715) 848-1033