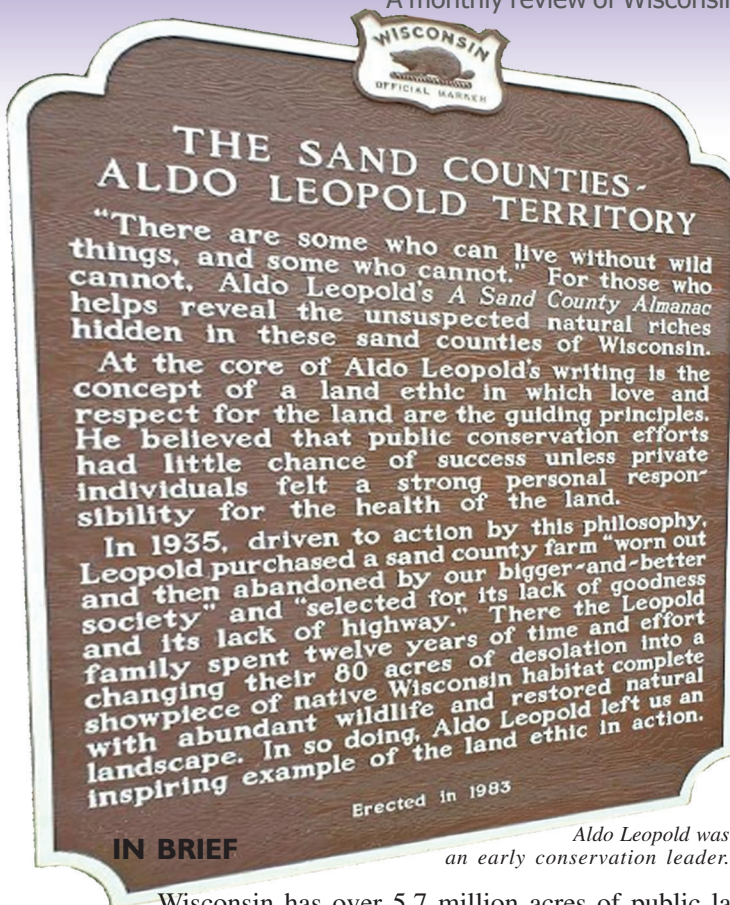


The Wisconsin Taxpayer

A monthly review of Wisconsin government, taxes, and public finance



Aldo Leopold was an early conservation leader.

Wisconsin has over 5.7 million acres of public land reserved for conservation and recreation. This acreage accounts for 16.5% of the state's total land area and is owned by federal, state, and county governments.

- As of 2006, every county had public land, with the exception of Menominee. Holdings ranged from 464,673 acres in Bayfield, to 3,112 in Kewaunee County.
- The majority of public land is located in northern Wisconsin. This reflects large federal, state, and county forests located in northern counties.
- The average price per acre the Department of Natural Resources pays for fee title land has steadily risen from under \$100 in the 1950s to \$1,800 in the 2000s.

Also in this issue:

- Private Land Forest Programs • Home Sales
- Budget Earmarks • State Budget Details



August 2009 Vol. 77 No. 8

Public Conservation Land in Wisconsin

Wisconsin covers 34.8 million acres of land. Over 5.7 million acres, or 16.5%, of that is publicly owned and used for parks, forests, trails, and natural resource protection. Federal, state, and county governments all manage public conservation land throughout the state.

Of the 5.7 million public acres,

- the federal government owns over 1.5 million acres, or 4.4% of the state's total land area;
- nearly 1.6 million acres are owned by the state, and managed by the Department of Natural Resources or Board of Commissioners of Public Lands;
- county-owned lands total 2.6 million acres, or 7.5% of the state's total land area.

Although roads, military bases, government buildings, and UW campuses are also located on public land, data on the size of these holdings are not available. This issue of *The Wisconsin Taxpayer* looks at land most closely associated with public ownership—public conservation and recreation land.

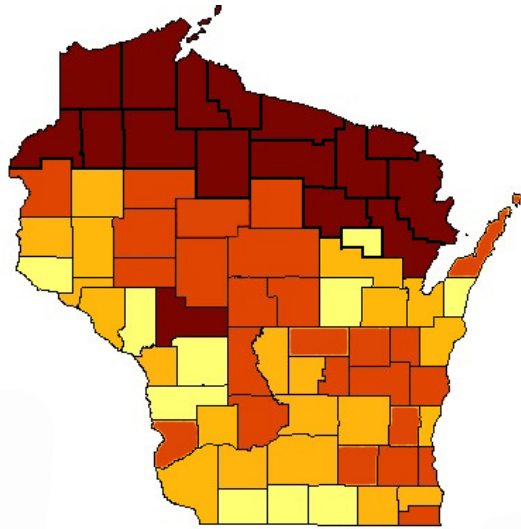
Though popular tourist destinations, public lands can be controversial, even in areas where they have limited presence. Concern over their impact on property tax bills sparks debate. Some also question the wisdom of using limited tax dollars to purchase land when state and local governments are struggling to balance budgets.

OWNERSHIP BY COUNTY

Over 5.7 million acres of conservation land was owned by federal, state, and county governments in 2006. Public land ranged from 464,673 acres in Bayfield County to none in Menominee (see table on pages four and five). Counties with the most public land were Bayfield (464,673), Forest (399,113 acres), Sawyer (336,235), Douglas (324,174), and Price (283,458). In addition to Menominee, counties with little public land were Kewaunee (3,112), Ozaukee (4,006), Pierce (4,553), and Pepin (5,765). While 20 counties had over 100,000 acres, only 12 had fewer than 10,000.

Excluding Menominee, public land ranged from 61.5% of total area in Forest County to 1.2% in Pierce. The large

**Percentage of Total Land Owned Publicly
By County, 2006**



25% and greater
 5% to 25%
 2.5% to 5%
 2.5% or less

amount in Forest County was mainly due to 345,822 acres of national forest. In addition to Forest, Iron (55.9%), Bayfield (49.2%), Vilas (46.6%), and Florence (45.1%) counties all had over 45% of their total land publicly owned.

The map above illustrates the regional distribution of public lands within the state. Of the 16 counties with at least 25% of their land owned publicly, 15 were in northern Wisconsin. This is partly due to the large federal, state, and county forests located in many northern counties.

Federal

Federal land includes national parks, forests, and trails. In Wisconsin, the largest owner of federal land is the U.S. Forest Service, which accounted for 1.5 million acres in 2006 (or 4.4% of total state area). The Forest Service owned land in 12 counties, 11 of which were located in northern Wisconsin. Forest County (345,822) had the most land, while Dane County (39) had the least.

Nearly all federal forest land in Wisconsin is located in Chequamegon-Nicolet National Forest. Though separate forests, Chequamegon and Nicolet have been managed jointly since 1993. Chequamegon is located in Ashland, Bayfield, Price, Sawyer, Taylor, and Vilas counties, while Nicolet spans Florence, Forest, Langlade, Oconto, Oneida, and Vilas counties.

Unlike the amounts of state and county land, federal forest land generally does not change from year to year.

State

As of 2006, the state owned 1.6 million acres of conservation land. Over one-third was in Vilas, Oneida, Sawyer, Iron, and Jackson counties. The land is managed by

two agencies, the Board of Commissioners of Public Lands (BCPL) and the Department of Natural Resources (DNR).

BCPL. The Board of Commissioners of Public Lands is Wisconsin's oldest state agency. Established at statehood to manage lands granted from the federal government, the agency was at one time responsible for 10 million acres. Although the majority of this land was sold over 100 years ago, BCPL continues to oversee 76,220 acres.

BCPL manages land in 34 counties. Oneida County has the most acreage (23,936), followed by Forest (17,894) and Price (9,208). BCPL trust lands generate revenue through timber management and are open to the public.

Revenues from land management and past sales have helped support K-12 education and the UW System. In 2007 and 2008, \$64 million was distributed as aid to public school libraries. BCPL has also loaned more than \$600 million over the past five years to municipalities and school districts for public projects, including courthouse and high school renovations in Bayfield and Kewaskum, respectively, and restoration and revitalization in La Crosse.

DNR. The DNR manages most public land owned by the state, over 1.5 million acres, or 4.4% of the state's total land in 2006. With the exception of Menominee, all counties had land under DNR control, ranging from 151,147 acres in Vilas County to 356 acres in Milwaukee County. There were 34 counties with over 15,000 acres of DNR land and two, Milwaukee and Clark, with less than 1,000. DNR land averaged 21,454 acres per county.

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County

Counties own the largest amount of public conservation land in Wisconsin. As of 2006, individual counties owned 2.6 million acres, just over one million more than the state. With the exception of Menominee, all counties had county parks or forests. County land ranged from 98 acres in Richland County to 270,813 acres in Douglas. A total of 28 counties controlled over 15,000 acres each, while eight held less than 500 each.

ACQUISITION

Some lands were given to government at statehood, while others have been purchased from private owners. The DNR acquires land through both fee title and easements. Fee title means DNR purchases land directly, holds all land rights, and has complete control over its management. Easements occur when DNR purchases some land rights for conservation purposes, but the land remains privately owned, and property taxes continue to be paid by the landowner. As of 2006, nearly 90% of DNR land was purchased through fee title.

Recent Trends

DNR. Since 1990, the main vehicle for state purchases has been the Warren Knowles-Gaylord Nelson Stewardship Program, which was established in 1989. The program allows DNR to acquire lands and to provide grants to local governments and nonprofit conservation organizations to make purchases. The program has \$86 million in bonding authority for 2010, about 60% of which is allocated for land acquisition. The program's main goals are to preserve the state's significant land and water resources and to provide land for recreational facilities.

From 1990 through June 2008, DNR purchased nearly 450,000 acres through both fee title and easements. Over 142,000 of those acres have been for wild rivers and resource areas throughout the state, and about 89,000 acres have been for forest land (see table, right).

Because detailed county data are only available beginning in 1994, acquisition trends are covered from 1994 to 2006. During this time, DNR land grew 24.5%, or 1.8% annually. The largest land acquisitions occurred in Oneida (45,152), Lincoln (28,369), and Iron (23,236) counties. Only Pierce (-166) had less DNR land in 2006 than in 1994 (see table on pages four and five).

Although 2006 is the last year federal and county data are available, the DNR recently released 2009 numbers. From 2006 to March 2009, public land increased 105,054 acres statewide. The DNR added the most land in Florence County, 43,393 acres, followed by Douglas (6,751), Forest (6,276), and Barron (5,959). No counties had less DNR land in 2009 than in 2006, although acquisitions in Clark (0), Marquette (2), Calumet (7), and Pepin (10) counties were minimal. Of the 1.6 million acres in 2009, 632,000 acres (39%) were located in state forests.

More recently (August 2009), Governor Doyle announced a stewardship fund purchase of 1,103 acres in Northern Highlands State Forest for \$2.1 million. The forest is located in Vilas, Oneida, and Iron counties. The governor also announced a stewardship purchase of 400 acres around Lake Helene for \$1.72 million.

County. From 1994 to 2006, county-owned conservation lands increased 10.1%, or 0.8% per year. Oneida had the largest increase in county land (23,052), followed by Wood (22,395) and Forest (20,029) counties.

Thirty counties added less than 1,000 acres, while six (Oneida, Wood, Forest, Jackson, Price, and Ashland) added over 10,000. Because of slight definitional changes, some of the gain in county ownership may be due to reporting differences.

Combined. DNR and county lands combined increased 15% (538,424 acres) statewide from 1994 to 2006. The largest gains were in Oneida (68,204), Iron (32,462), and Lincoln (32,242) counties.

On average, counties added nearly 7,500 acres of state or county land. Eight of the top

Among counties with public lands, holdings ranged from 464,673 acres in Bayfield to 3,112 in Kewaunee.

Counties own 2.6 million acres of public land, about one million more than the state.

Cumulative DNR Purchases

January 1, 1990, through June 30, 2008

Program	Acres	% of Total
Fisheries and Streambank	38,199	8.5%
Northern Forests	83,912	18.7
Southern Forests	5,278	1.2
Parks, Trails, Rec. Areas	28,987	6.5
Wild Rivers and Resource	142,326	31.7
Wildlife Mgmt.	90,073	20.0
Natural Areas	55,248	12.3
Other	5,282	1.2
Total	449,305	

Source: Legislative Fiscal Bureau

10 counties in public land growth were in northern Wisconsin, with only Wood and Jackson counties not.

Since 1950

Over the past six decades, DNR has been particularly active in acquiring land. Since 1950, DNR fee title acquisitions have ranged from 130,305 acres in the 1980s to 300,227 acres in the 1960s (see chart on page five). However, over the past three decades, acquisition has remained fairly constant, at about 150,000 acres per decade. Currently, the agency's goal (fee title and easement) is to acquire 2.5 million acres, or 7.2% of the state's land area. According to the Legislative Fiscal Bureau, the DNR is within 64% of its goal.

Between 1994 and 2006, the majority of public land acquisition was in northern Wisconsin.

Prices Paid

During the 1950s and 1960s, DNR fee title acquisition costs were, on average, below \$100 per acre. They rose to over \$300 in the 1970s and surpassed \$600 in the 1980s. Costs continued to rise during the 1990s and 2000s, when purchases averaged \$850 and \$1,800, respectively. The sharp increase in price over the past three decades reflects rising land values and growing demand for conservation and recreational space (see page six for further discussion).

CONCERNS

Many concerns arise when discussing public lands, both for and against public land acquisition.

Public Conservation and Recreation Land by County Acres by Ownership as of 2006

County	BCPL	DNR	94-06 Chg.	County	94-06 Chg.	Federal ¹	Total Public	% Public	County	BCPL	DNR
Adams	120	15,554	3,486	813	679	0	16,487	4.0%	Marathon	0	27,444
Ashland	2,089	13,597	974	43,041	10,762	182,025	240,752	36.0	Marinette	3,400	31,897
Barron	1	7,745	1,589	16,468	1,621	0	24,214	4.4	Marquette	0	12,283
Bayfield	286	22,264	4,677	169,353	2,271	272,770	464,673	49.2	Menominee	—	—
Brown	0	3,153	893	5,807	2,079	0	8,960	2.6	Milwaukee	0	356
Buffalo	2	13,877	830	535	533	0	14,414	3.3	Monroe	40	5,905
Burnett	282	70,386	690	108,918	2,948	0	179,586	34.2	Oconto	80	6,792
Calumet	0	11,865	1,495	1,131	931	0	12,996	6.3	Oneida	23,936	105,692
Chippewa	120	11,105	2,192	33,416	1,206	0	44,641	6.9	Outagamie	0	9,625
Clark	0	882	616	133,660	789	0	134,542	17.3	Ozaukee	0	2,763
Columbia	0	21,802	2,761	815	711	0	22,617	4.6	Pepin	37	5,485
Crawford	0	18,461	10,267	579	129	0	19,040	5.2	Pierce	0	3,330
Dane	0	22,733	4,385	3,205	597	39	25,977	3.4	Polk	26	23,599
Dodge	160	25,051	2,433	1,131	934	0	26,342	4.7	Portage	40	30,239
Door	79	15,714	3,031	1,281	733	0	17,074	5.5	Price	9,208	19,262
Douglas	360	53,001	8,063	270,813	2,813	0	324,174	38.7	Racine	0	3,395
Dunn	325	15,382	2,965	1,183	1,122	0	16,890	3.1	Richland	0	11,980
Eau Claire	40	2,719	150	54,714	2,673	0	57,473	14.1	Rock	0	7,700
Florence	2,438	13,160	7,873	39,973	3,487	85,178	140,749	45.1	Rusk	160	18,724
Fond du Lac	0	28,142	7,497	1,691	753	0	29,833	6.4	Saint Croix	0	10,511
Forest	17,894	4,520	1,565	30,877	20,029	345,822	399,113	61.5	Sauk	0	28,638
Grant	0	19,504	3,251	1,070	1,011	0	20,574	2.8	Sawyer	2,404	89,134
Green	0	5,397	499	487	483	0	5,884	1.6	Shawano	1	15,170
Green Lake	0	18,536	1,045	747	483	0	19,283	8.5	Sheboygan	0	21,421
Iowa	0	21,447	3,616	381	261	0	21,828	4.5	Taylor	180	8,394
Iron	4,294	84,376	23,236	182,015	9,226	0	270,685	55.9	Trempealeau	0	7,160
Jackson	79	76,090	2,585	122,868	18,687	0	199,037	31.5	Vernon	0	6,342
Jefferson	0	18,607	4,572	661	532	0	19,268	5.4	Vilas	6,021	151,147
Juneau	90	11,255	4,914	16,240	1,936	0	27,585	5.6	Walworth	0	14,992
Kenosha	0	6,960	311	2,700	1,380	0	9,660	5.5	Washburn	436	6,884
Kewaunee	0	2,839	508	273	17	0	3,112	1.4	Washington	0	12,699
LaCrosse	42	7,649	605	3,096	1,227	0	10,787	3.7	Waukesha	0	17,473
Lafayette	0	6,139	735	278	112	0	6,417	1.6	Waupaca	0	10,540
Langlade	1,106	35,997	20,206	131,654	5,401	32,727	201,484	36.1	Waushara	0	18,914
Lincoln	444	33,004	28,369	102,664	3,873	0	136,112	24.1	Winnebago	0	12,644
Manitowoc	0	10,109	1,098	1,052	852	0	11,161	2.9	Wood	0	15,649
									State	76,220	1,523,205

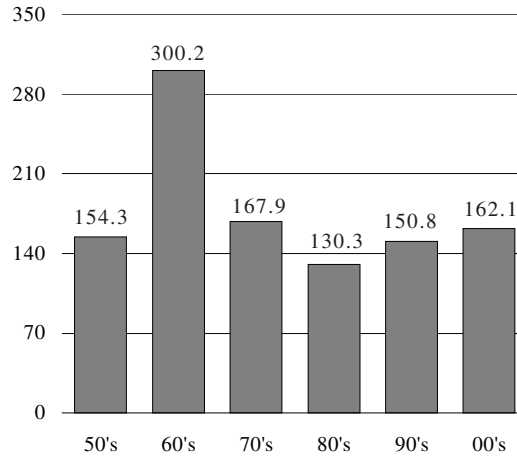
¹ Lands managed by the U.S. Forest Service.

Access

A major concern behind government land acquisition is accessibility for the public. In a state home to many thousands of hunters and fishers, any denial of public access is often scrutinized.

Under DNR rule (NR 1.61), land purchased through the stewardship fund must be open to recreational uses, including hunting and fishing except in special circumstances. As of 2006, 94% of lands acquired directly by DNR were open to public hunting. When including DNR land purchases with land purchased through grants and by nonprofits, 90% of land (431,000 acres) purchased through the stewardship program were open to hunting.

DNR Fee Title Land Acquisition by Decade
(Thousands of Acres)



The average price per acre DNR pays for land has steadily risen from under \$100 in the 1950s to \$1,800 in the 2000s.

Lost Tax Base

When lands become public and are taken off the tax rolls, property owners are understandably worried about higher taxes.

Counties. Towns with county forests receive a share of proceeds from timber harvesting to help compensate for lost property tax revenues. Of gross sales from harvesting, at least 10% is paid annually from the county to the impacted town. Although 10% is the minimum payment required, some counties pay a higher percentage.

State. Both state and federal governments make payments to help offset lost property taxes. Since 1992, when the DNR acquires land, an annual payment in lieu of taxes is made to the municipality where the land is located. The municipality is supposed to distribute these dollars among the various taxing districts (county, school, technical college, etc.) based on their share of the property tax.

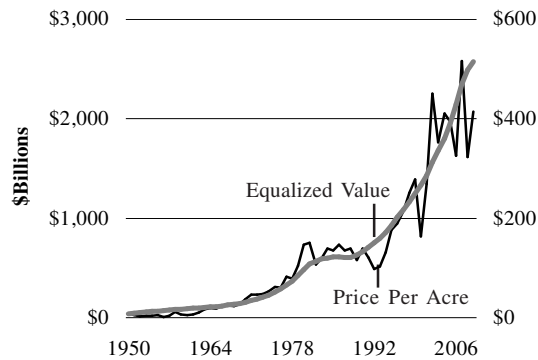
The payment in lieu is based on property taxes that would have been paid and is adjusted annually for changes in value. Because payments equal or exceed what property taxes would have been, DNR land acquisition should not reduce property tax revenues. Additionally, if land acquired was previously tax exempt, DNR still makes payments, thus providing additional revenue.

In 2008, the DNR's payments in lieu totalled \$9.4 million or about \$40 per acre. This was an increase of nearly \$1.2 million from 2007. From 1999 to 2008, payments totalled nearly \$53 million.

Over the past three decades, DNR fee title acquisition has remained fairly constant at around 150,000 acres.

94-06 Chg.	County	94-06 Chg.	Federal	Total Public	% Public
3,167	34,149	7,137	0	61,593	6.2%
16,839	238,730	7,075	0	274,027	30.5
1,965	359	173	0	12,642	4.3
0	—	0	—	—	—
135	16,359	5,106	0	16,715	10.8
1,645	7,317	770	0	13,262	2.3
1,694	44,974	3,016	141,705	193,551	30.3
45,152	105,227	23,052	11,219	246,074	34.2
1,813	2,631	2,122	0	12,256	3.0
325	1,243	562	0	4,006	2.7
1,036	243	162	0	5,765	3.9
-166	1,223	1,179	0	4,553	1.2
4,717	21,799	5,625	0	45,424	7.7
3,649	3,349	2,022	0	33,628	6.5
84	103,403	11,593	151,585	283,458	35.4
336	5,484	3,967	0	8,879	4.2
5,367	98	62	0	12,078	3.2
1,486	3,188	2,570	0	10,888	2.4
226	91,382	2,686	0	110,266	18.9
2,298	1,498	717	0	12,009	2.6
6,338	2,534	1,136	0	31,172	5.8
8,193	117,927	4,225	126,770	336,235	41.8
426	1,159	948	0	16,330	2.9
1,907	8,688	1,694	0	30,109	9.2
648	18,534	944	124,796	151,904	24.3
1,191	362	278	0	7,522	1.6
804	1,538	1,469	0	7,880	1.5
3,938	49,054	8,893	54,568	260,790	46.6
3,720	766	616	0	15,758	4.4
1,290	149,585	1,553	0	156,905	30.3
1,868	1,524	887	0	14,223	5.2
1,645	9,905	7,581	0	27,378	7.7
2,807	1,080	810	0	11,620	2.4
2,739	1,990	1,548	0	20,904	5.2
5,078	1,784	1,354	0	14,428	5.1
1,110	59,949	22,395	0	75,598	14.9
299,452	2,594,625	238,972	1,529,204	5,723,254	16.5%

DNR Fee Title Land Acquisition
Price Per Acre & Equalized Value 1950-2009



Federal. In 2008, the U.S. government paid \$365 million to county and local governments in lieu of property taxes. Wisconsin received \$1.2 million, 30th highest nationally. New Mexico (\$36.1 million), California (\$33.2), and Utah (\$32.2) received the most, while Rhode Island, Delaware, Connecticut, and Massachusetts all received under \$100,000. Distribution of payments reflects the location of much federal land in the western U.S.

Contrary to what many believe, studies find that public lands have marginal effects on property taxes in Wisconsin. Payments in lieu of taxes from the federal and state government help compensate for lost property taxes. In addition, most taxpayers do not realize that the state school aid formula compensates for lost tax base.

Overpayment

The state is often criticized for paying too much for public land. The chart above compares the average price per acre DNR paid for fee title land from 1950 to 2009 and total state-wide equalized values during the same time. Equalized value is an estimated measure of market value of land within the state. Plotting both price per acre and equalized values is one way to compare the price DNR pays for land with its estimated value.

From the chart, it is difficult to suggest overpayment. Price trends were fairly consistent with trends in equalized values. Assuming DNR paid fair market value for land, it should be generally expected that, as values rise or fall, the price per acre follows. Without data, however, on the type and location of land purchased by DNR, it is difficult to explain why prices were above or below equalized value in a given year. It is worth

noting that DNR often purchases land with significant value in the open market, thus driving prices upward (e.g., waterfront properties).

Taxpayer Funding

The use of taxes to buy property from private landowners can be controversial, especially during slow economic times. Critics question funding a program with relatively few immediate benefits to the state.

Nationally, states are having to make spending choices. Faced with growing budgets and deficits, some state leaders have proposed large cuts. Especially in the northeastern states of Maine, New York, and Vermont, conservation programs have been targeted. All three have either reduced or proposed reducing funding for conservation.

In Wisconsin, \$86 million authorized in bonding for the stewardship program in 2010 may not seem significant when compared to the roughly \$3.6 billion in bonding authorized in the 2009-11 state budget. However, in the context of recent budget cuts, the figure is significant as state school aids were cut nearly \$150 million. Although eliminating or reducing funding of the stewardship program does not necessarily mean state aids to schools would increase, comparing the two figures provides useful context.

Although some are skeptical of conservation programs in the Badger State, others claim government acquisition can be beneficial to the state. Public areas are a major reason people travel to Wisconsin; nearly 14 million people visit state parks, forests, and trails each year. In 2008, tourists spent over \$13.1 billion here and generated an estimated \$2.1 billion in state and local taxes and fees.

A final advantage of public land acquisition often mentioned is its “quality of life” benefits. Not only does such land protect and sustain the state’s natural resources, it also can contribute to economic growth. Corporate executives and small business owners say that parks and recreation areas can be major factors in attracting qualified employees. □

DATA SOURCES:

Board of Commissioners of Public Lands; State of Wisconsin Blue Book; U.S. Department of the Interior; U.S. Forest Service; Wisconsin Department of Natural Resources; Wisconsin Department of Revenue; Wisconsin Department of Tourism; Wisconsin Legislative Fiscal Bureau; Wisconsin Legislative Reference Bureau; WISTAX calculations.

Studies have found public lands to have marginal effects on property taxes in Wisconsin.

Private Land Forest Programs

Most private land in Wisconsin is subject to the property tax. One exception is forest land enrolled in the state's Managed Forest Law (MFL) program. State law provides special tax treatment for MFL land. Landowners currently have over three million acres enrolled in a public forest program.

MFL PROGRAM

The MFL program replaced the Forest Crop Law (FCL) in 1985, though enrollment of property in the FCL program continues until the contract expires. The forest programs provide tax breaks for landowners, but they are also a way for the state to encourage private conservation.

Currently, property owners with at least 10 acres of forest land may apply for enrollment in MFL. Land enrolled must be managed in accordance with sustainable management practices, and the landowner is required to follow a forest management plan. Acceptance in the MFL program requires a contract between the DNR and landowner for either 25 or 50 years.

BY COUNTY

The number of acres enrolled in either the FCL or MFL program ranges from 207,756 acres in Oneida County to none in Milwaukee County. Because the majority of forest land is located in northern Wisconsin, enrollment in these programs is most common in northern counties: Oneida (207,756 acres), Lincoln (151,132), Forest (133,268), Sawyer (127,755), and Price (123,787). A total of six counties had over 20% of their total land area enrolled in a forest program as of 2008 (see table above, right)

TAX PAYMENTS

Instead of property taxes, landowners make small annual payments to replace lost property tax revenue. Landowners make predetermined payments to local governments, and they also pay a percentage of yield from timber harvesting, generally after five years in the program.

For land enrolled in the MFL program prior to 2005, landowners pay \$0.67 per acre in lieu of property taxes. However, that rate is available only if the landowner allows public access to the land, including hunting and fishing. If access is limited, landowners pay \$1.57 per acre.

For MFL land entered after 2004, landowners pay \$1.67 per acre if the land is open to

Forest Prog. Acreage High in Six Counties
Enrolled Acreage, % of Land, 2008

County	FCL	MFL	Total	% of Total Land Area
Oneida	13,777	193,979	207,756	29%
Lincoln	33,673	117,459	151,132	27
Florence	3,009	71,933	74,942	24
Adams	1,106	96,958	98,064	24
Langlade	7,355	109,775	117,130	21
Forest	5,120	128,148	133,268	21

Wisconsin has over three million acres of private land enrolled in FCL and MFL programs.

public access. If access is restricted, they pay \$8.34 per acre. Rates are recalculated every five years and are based on a percentage of the average statewide tax on productive forest land. The rates are 5% of the average statewide tax for open lands and 20% of the average tax for closed lands. The municipality affected by the forest land receives 80% of the payment, with 20% going to the county.

Landowners also pay a percentage of their yield from timber harvests, also known as severance taxes. A 5% tax is collected by DNR on harvests and is returned to the municipality where the forest is located.

FISCAL IMPACTS

The fiscal impact for forest landowners is clear. They pay significantly less in property and severance taxes under the forest program. According to Department of Revenue estimates, MFL and FCL programs saved forest landowners nearly \$80 million in 2008 property taxes. Because over half the land enrolled in public programs is located in only 14 counties, the effect of public forest programs impacts some counties more than others.

Although clearly beneficial for individual landowners, the impact on local governments and school districts is less transparent. To the extent that local governments rely on property taxes to finance their spending, removing forest land from the tax rolls increases the tax burden on the remaining taxed properties. For schools, the effect is minimized since the state equalization formula adjusts school aid when property is removed from the tax rolls. □

DATA SOURCES:

Wisconsin Department of Natural Resources; Wisconsin Department of Revenue; WISTAX calculations.

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WISTAX NOTES

■ **Home Sales and Prices.** Wisconsin home sales and median home prices were down in the second quarter of 2009 compared to the same time in 2008. Median home prices dropped 9.9%, while sales fell 10.5%, according to the Wisconsin REALTORS® Association. The decline in home sales and prices reflects a slow real estate market and the sale of lower-priced homes.

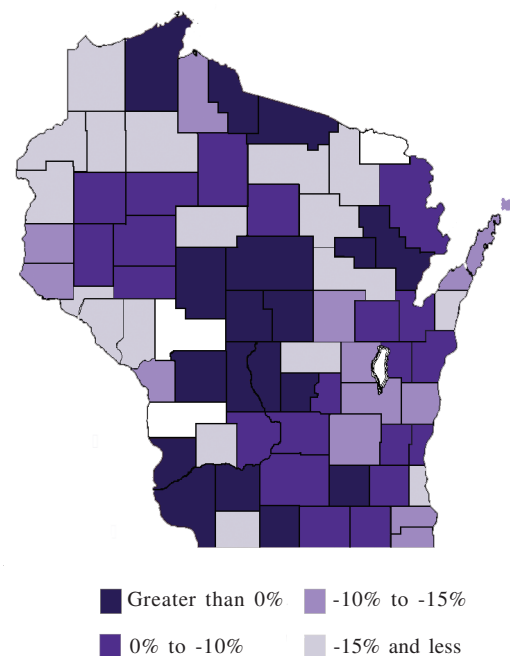
In 51 counties, home prices declined from the second quarter of 2008 to that of 2009 (see map, right). Eighteen counties had median home prices drop by at least 15%, while 12 had prices fall between 10% and 15%. Prices dropped between 0% and 10% in 21 counties. Only 18 counties had prices rise in the second quarter of 2009.

WISTAX FOCUS

■ **Budget Earmarks.** The 2009-11 state budget contains more than 70 earmarks. They vary widely, but most tended to be offered by individual lawmakers of the majority party to benefit a specific community or group. In “Christmas in July: Budget earmarks” (*Focus #14-09*), WISTAX lists earmarks together with a brief description, location, and associated 2009-11 costs. Budget earmarks varied in impact from an extra liquor license in one targeted city, to mandated improvements in a specific highway, to funding for specific organizations, municipalities, or school districts.

■ **State Budget Details.** A lot can go unnoticed in the new 692-page state budget (Act 28). A recent WISTAX newsletter, “2009-11 state budget: Little-mentioned details” (*Focus #15-09*), finds multiple curiosities and contradictions in the bill, including a state smoking ban and hikes in tobacco taxes to discourage smoking. Yet, at the same time, grants for tobacco control were cut from \$15.3 million in 2008-09 to \$6.9 million in each of the next two years. The University System was also sent mixed mes-

Change in Median Home Prices by County
Second Quarter, 2008-09



Note: Data was unavailable for Florence, Jackson, and Vernon counties.

sages by state leaders. The budget added \$15.0 million to retain “high demand” faculty and staff, but cut GPR funding to the UW System by \$25.4 million.

Correction

Due to an error in source data, the municipal levy for the city of Eau Claire was incorrect in our June/July 2009 *Wisconsin Taxpayer*. The levy should have been reported as \$30,855,710.98. The percentage increase from 2008 was 7.1%, and the municipal tax rate was \$7.35. □