

## NOTICE OF PROPOSED GUIDANCE DOCUMENT

### Agricultural Property Assessment

Pursuant to s. 227.112, Wis. Stats., the Wisconsin Department of Revenue is hereby seeking comment on the following proposed Agricultural Property Assessment guidance.

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### **PUBLIC COMMENTS AND DEADLINE FOR SUBMISSION**

Comments may be submitted to Wisconsin Department of Revenue until August 12, 2019 by:  
Emailing [bapdor@wisconsin.gov](mailto:bapdor@wisconsin.gov)

### **LOCATION OF GUIDANCE**

The final version of the guidance documents will be posted to allow for ongoing comment: <https://www.revenue.wi.gov/Pages/HTML/govpub.aspx#property>  
<https://www.revenue.wi.gov/Pages/FAQS/home-pt.aspx>  
<https://www.revenue.wi.gov/Pages/SLF/useval-uvindx.aspx>

### **AGENCY CONTACT PERSON**

Scott Shields  
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State of Wisconsin  
Department of Revenue

## Certification Statement

As the Secretary of the Wisconsin Department of Revenue (DOR), I certify the guidance document(s) attached or referenced hereto under sec. 227.112(6), Wis. Stats.:

I have reviewed this guidance document or proposed guidance document and I certify that it complies with sections 227.10 and 227.11 of the Wisconsin Statutes. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is not explicitly required or explicitly permitted by a statute or a rule that has been lawfully promulgated. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is more restrictive than a standard, requirement, or threshold contained in the Wisconsin Statutes.

DEPARTMENT OF REVENUE

A large, handwritten signature in black ink that reads "Peter W. Barca". The signature is written in a cursive style with a large, looped initial "P".

Peter Barca  
Secretary of Revenue

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## Agricultural Forest and Undeveloped Land Classification and Valuation - Miscellaneous

1. Is Agricultural Forest a separate class or a subclass of Undeveloped land?
2. Do the Agricultural Forest and/or Undeveloped land classes have any bearing on the assessor's class comparisons for compliance purposes?

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### 1. **Is Agricultural Forest a separate class or a subclass of Undeveloped land?**

Agricultural Forest (Class 5m) is a separate property class and is not a subclass of Undeveloped land (Class 5).

### 2. **Do the Agricultural Forest and/or Undeveloped land classes have any bearing on the assessor's class comparisons for compliance purposes?**

Yes. For compliance purposes, the assessed values of Class 5 (Undeveloped), Class 5m (Agricultural Forest), Class 6 (Forest), and Class 7 (Other) are combined.

If you have additional questions on Agricultural Forest and Undeveloped land classification and valuation, contact the appropriate Equalization Bureau District Office.

### FOR MORE INFORMATION PLEASE CONTACT:

MS 6-97  
WISCONSIN DEPARTMENT OF REVENUE  
Division of State and Local Finance  
Equalization Bureau  
PO Box 8971  
Madison, WI 53708-8971  
Fax: (608) 264-6897

### Related Links

#### **Agricultural Forest**

- [Ownership](#)
- [Qualifying Parcels](#)

- [Roads and Similar Issues](#)
- [Valuation](#)

**Undeveloped Land**

- [Classification](#)
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## Agricultural Forest and Undeveloped Land Valuation

1. How should an assessor value lands qualifying for the Agricultural Forest and Undeveloped land classification?
2. What does the term "full value" mean in state law (sec.70.32(4), Wis. Stats.)?
3. Should assessors adjust the values to 50 percent annually or should they make the adjustment when it occurs and again during a revaluation?
4. Since assessors generally do not determine assessments less than \$100 increments and most computer systems do not accept less than \$100 class entries, should the current \$100 assessment on the one-acre of Right-of-way (Class 5) remain \$100?
5. Does the equalized value include the Agricultural Forest Land and Undeveloped Land at 50 percent of market value?

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1. **How should an assessor value lands qualifying for the Agricultural Forest and Undeveloped land classifications?**

According to state law (sec.70.32(4), Wis. Stats.), assessments for Agricultural Forest Land and Undeveloped Land are valued at 50 percent of their full value as determined under sec. 70.32(1), Wis. Stats.

2. **What does the term "full value" mean in state law (sec. 70.32(4), Wis. Stats.)?**

Under state law, full value refers to its market value (sec. 70.32, Wis. Stats.). With a 50 percent valuation, an assessment must be at 50 percent of the municipality's average assessment level.

3. **Should assessors adjust the values to 50 percent annually or should they make the adjustment when it occurs and again during a revaluation?**

Assessors must make valuation adjustments for classification changes beginning with the 2004 assessment. Generally speaking, assessors should make valuation changes when a revaluation is needed. Assessors must follow state law (sec. 70.05, Wis. Stats.), which specifies compliance. For compliance purposes, assessors must combine these values as one class: Undeveloped and Agricultural Forest values, and Forest and "Other-agricultural home sites and improvements" values.

4. **Since assessors generally do not determine assessments less than \$100 increments and most computer systems do not accept less than \$100 class entries, should the current \$100 assessment on the one-acre Right-of-way (Class 5) remain \$100?**

Yes. There is no change to this.

5. **Does the equalized value include the Agricultural Forest Land and Undeveloped Land at 50 percent of market value?**

Yes. Under state law ([sec. 70.57\(3\)\(b\), Wis. Stats.](#)), the equalized value includes Agricultural Forest Land and Undeveloped Land at 50 percent of full value (market value).

If you have additional questions on Agricultural Forest and Undeveloped Land Classification and Valuation, contact the appropriate [Equalization Bureau District Office](#).

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## Agricultural Forest Classification - Ownership

1. If Mary Smith owns a parcel that is wholly agricultural land and John Smith (her husband) owns an adjacent parcel with forest land contiguous to his wife's agricultural parcel, is the forest land owned by John Smith classified as Agricultural Forest?
2. If "Farmer Smith" owns a parcel that is wholly agricultural and "Farmer Smith and Son" own an adjoining wooded parcel, is the latter (wooded parcel) considered Agricultural Forest even though two different names appear on the deeds?
3. Would the following ownership situation be considered the same owner? "Dennis Johnson" owns a parcel that is wholly agricultural and "Cedar View Farms" (owned by Dennis Johnson) owns an adjoining wooded parcel but the properties are titled differently.

1. **If Mary Smith owns a parcel that is wholly agricultural land and John Smith (her husband) owns an adjacent parcel with forest land contiguous to his wife's agricultural parcel, is the forest land owned by John Smith classified as Agricultural Forest?**

Yes. Under Wisconsin's Marital Property law, the legal title is held by both husband and wife for both parcels. Therefore, the forest land is properly classified as Agricultural Forest.

2. **If "Farmer Smith" owns a parcel that is wholly agricultural and "Farmer Smith and Son" own an adjoining wooded parcel is the latter (wooded parcel) considered Agricultural Forest even though two different names appear on the deeds?**

No. There are two separate owners, making the Agricultural Forest Classification impossible.

3. **Would the following ownership situation be considered the same owner? "Dennis Johnson" owns a parcel that is wholly agricultural and "Cedar View Farms" (owned by Dennis Johnson) owns an adjoining wooded parcel but the properties are titled differently.**

If "Cedar View Farms" is a legal entity (ex: corporation) then the contiguous parcels are not owned by the same entity. If "Cedar View Farms" is not a legal entity and both parcels are deeded to Dennis Johnson, then the same owner exists for both parcels.

If you have additional questions on Agricultural Forest and Undeveloped land classification and valuation, contact the appropriate Equalization Bureau District Office.

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- [Qualifying  
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## Agricultural Forest Classification - Qualifying Parcels

1. How does state law define Agricultural Forest land?

**Parcels qualifying under condition "a" in Question 1, review Questions 2-10**

2. What classifies a parcel in whole as Agricultural land?
3. Does Forest land qualify as Agricultural Forest if the forest acres are contiguous to a wholly agricultural parcel?
4. Does the qualifying Agricultural Forest parcel need to be completely forested?
5. Can an owner have qualifying Agricultural Forest acres in more than one parcel?
6. Is a parcel containing 39 acres of Agricultural land (Class 4) and one acre of "Road right-of-way" (Class 5) considered a wholly agricultural parcel?
7. If there are parcels that are touching at only one point, are they considered contiguous parcels?
8. In some cases the assessment roll may combine two forties (or several forties) under one parcel number. Are the combined forties considered a parcel?
9. Is the following parcel considered wholly agricultural? A forty with a classification of 40 acres of Agricultural land (Class 4) and an improvement assessment of \$5,000 for a well (Class 7 "Other" improvement). There are no site acres (Class 7 "Other" land) included for this parcel.
10. If woods adjoin Conservation Reserve Program (CRP) land, are the woods considered Agricultural Forest?

**Parcels qualifying under condition "b" in Question 1, review Questions 11-13**

11. Do forest acres located within a parcel also containing Agricultural land qualify as Agricultural Forest acres?
12. Is there a minimum number of Agricultural or Forest acres required to qualify as Agricultural Forest?
13. If a forest is located in a parcel with multiple classifications, does it qualify as Agricultural Forest?

**Parcels qualifying under condition "c" in Question 1, review Questions 14-16**

14. Do the forested acres located within a parcel where land was converted to Agricultural land qualify as Agricultural Forest?

15. In this example, do the 25 acres of forest qualify as Agricultural Forest for the current year?  
**Example:** A 40-acre parcel was classified as 40 acres of Forest in 2004. In the current assessment year, 15 of these acres are classified as Agricultural land and 25 acres as Forest land.
16. How do "Road right-of-way (ROW)" acres classified as Undeveloped land (Class 5) affect the 50 percent acreage measurement?

### Split or Combined Parcels

17. How does an assessor decide whether a split parcel or a combined parcel (two parcels legally joined as one) in the current assessment year qualifies for Agricultural Forest?

### Parcels in the Managed Forest Law (MFL) program

18. Do the guidelines for Agricultural Forest assessment adjustments apply to land enrolled in the Managed Forest Land (MFL) and Private Forest Crop (PFC) programs?
19. In this example, what criteria is used to determine if Agricultural Forest exists?  
**Example:** For 2004 a parcel's acreage was classified entirely as MFL; however, some acreage within the parcel was used for agricultural purposes. For the current assessment year, the parcel is no longer in MFL; however, the agricultural use continues.

## 1. How does state law define Agricultural Forest land?

Under state law (sec. 70.32(2)(c)1d, Wis. Stats.), effective since January 1, 2005, Agricultural Forest land is land producing or capable of producing commercial forest products if the land satisfies any of the following conditions:

- a. It is contiguous to a parcel classified in whole as Agricultural land, if the contiguous parcel is owned by the same person who owns the land that is producing or capable of producing commercial forest products. In this subdivision, "contiguous" includes separated only by a road. **Review questions 2-9.**
- b. It is located on a parcel that contains land classified as Agricultural land in the property tax assessment on January 1, 2004, and on January 1 of the year of assessment. **Review questions 11-12.**
- c. It is located on a parcel where at least 50 percent of the acreage, was converted to land classified as Agricultural land in the property tax assessment on January 1, 2005, or thereafter. **Review questions 13-15.**

Parcels qualifying under condition "a" in Question 1, review Questions 2-10

## 2. What classifies a parcel in whole as Agricultural land?

A wholly Agricultural parcel is one that the assessor classified **entirely** as Agricultural land (Class 4) in the assessment roll. **Note:** Review question #6 (below) for the one exception to this.

## 3. Does Forest land qualify as Agricultural Forest if the forest acres are contiguous to a wholly Agricultural parcel?

Yes. It qualifies if the contiguous Forest land has the **same owner** as the wholly Agricultural parcel.

**4. Does the qualifying Agricultural Forest parcel need to be completely forested?**

No. However, the forested acres must be contiguous to the wholly Agricultural parcel to qualify as Agricultural Forest.

**5. Can an owner have qualifying Agricultural Forest acres in more than one parcel?**

Yes. However, the contiguous Forest land must be in the parcel or parcels contiguous to the wholly agricultural parcel.

**6. Is a parcel containing 39 acres of Agricultural land (Class 4) and one acre of "Road right-of-way" (Class 5) considered a wholly agricultural parcel?**

Yes. The Wisconsin Department of Revenue considers the parcel as described a wholly agricultural parcel. Any acres listed to road right-of-way do not disqualify the parcel.

**7. If there are parcels that are touching at only one point, are they considered contiguous parcels?**

Yes. Parcels touching at only one point are contiguous.

**8. In some cases the assessment roll may combine two forties (or several forties) under one parcel number. Are the combined forties considered a parcel?**

Yes. Under state law the combined forties are considered a parcel since a parcel number was assigned to that defined area of land.

**9. Is the following parcel considered wholly Agricultural? A forty with a classification of 40 acres of Agricultural land (Class 4) and an improvement assessment of \$5,000 for a well (Class 7 "Other" improvement). There are no site acres (Class 7 "Other" land) included for this parcel.**

Yes. All acres are classified as Agricultural. The improvement assessment for the well does not disqualify the parcel from being wholly Agricultural. If the assessment roll has Class 7 site acres, then the parcel is not considered wholly Agricultural.

**10. If woods adjoin Conservation Reserve Program (CRP) land, are the woods considered Agricultural Forest?**

Yes. CRP land is classified as Agricultural land. If all other qualifications are met, Forest land contiguous to CRP land is classified as Agricultural Forest.

Parcels qualifying under condition "b" in Question 1, review Questions 11-13

**11. Do forest acres located within a parcel also containing Agricultural land, qualify as Agricultural Forest acres?**

Yes. The Forest acres qualify as Agricultural Forest if the parcel contains land classified as Agricultural land in the 2004 assessment roll and in the current assessment year.

**12. Is there a minimum number of Agricultural or Forest acres required to qualify as Agricultural Forest?**

No. There are no acreage limitations to qualify under condition "b" (from question 1) above. If the Agricultural acres exist within the parcel in the 2004 assessment roll and the current assessment roll, the Forest acres qualify as Agricultural Forest.

**13. If a forest is located in a parcel with multiple classifications, does it qualify for Agricultural Forest?**

Yes. If the parcel contained Agricultural land in 2004 and in the current assessment year, the forested acres qualify as Agricultural Forest. Additional classifications such as Residential, Commercial, Undeveloped, or Other (agricultural home site) do not disqualify the Agricultural Forest Classification.

## Parcels qualifying under condition "c" in Question 1, review Questions 14-16

**14. Do the forested acres located in a parcel where land was converted to Agricultural land qualify as Agricultural Forest?**

If the parcel did not contain Agricultural acres in the 2004 assessment roll, at least 50 percent of the parcel's total acreage must be converted to Agricultural land for the Forest acres to qualify as Agricultural Forest.

**15. In this example, do the 25 acres of forest qualify as Agricultural Forest for the current year? Example: A 40-acre parcel was classified as 40 acres of Forest in 2004. In the current assessment year, 15 of these acres are classified as Agricultural land and 25 acres as Forest land.**

No. At least 50 percent of the acreage (in this case at least 20 acres) must be converted to Agricultural in the current year for the forest acres to qualify as Agricultural Forest.

**16. How do the "Road right-of-way (ROW)" acres classified as Undeveloped land (Class 5) affect the 50 percent acreage measurement?**

ROW acres are included in Agricultural land acres for measurement of the 50 percent threshold.

**Example:** A 40-acre parcel contains 19 acres of Agricultural land (Class 4), one acre of ROW (Class 5), and 20 acres of Forest land. In this case, at least 50 percent of the parcel's total acreage is Agricultural land.

## Split or Combined Parcels

**17. How does an assessor decide whether a split parcel or a combined parcel (two parcels legally joined as one) in the current assessment year qualifies for Agricultural Forest?**

An assessor should use the same rules as those for newly created parcels with separate legal descriptions (split from their original parcel or combined parcels into one). **Forest within the new parcels qualify for Agricultural Forest by:**

- o Being contiguous to a wholly agricultural parcel with the same owner
- o Containing agricultural acres in 2004 and in the current assessment year. The Agricultural acres for 2004 need to be located within the boundaries of the current

assessment year's parcel.

- o If no Agricultural acres existed in 2004, but at least 50 percent of the acreage is converted to agriculture in the current assessment year

## Parcels in the Managed Forest Law (MFL) program

### 18. Do the guidelines for Agricultural Forest assessment adjustments apply to land enrolled in the Managed Forest Land (MFL) and Private Forest Crop (PFC) programs?

Yes. If any of the qualifications of Agricultural Forest are met, the values of land enrolled in MFL or PFC should be adjusted in the same manner as taxable forest property. If the contract is broken, penalties are collected based on what the taxes would have been if the land was not enrolled in the program. Therefore, assessments of land enrolled in MFL or PFC must be equitable with similar land not enrolled in those programs. The assessor should inform the property owner under state law ([sec.70.365, Wis. Stats.](#)), of the assessment change.

### 19. In this example, what criteria should be used to determine if Agricultural Forest exists?

**Example: For 2004 a parcel's acreage was classified entirely as MFL; however, some acreage within the parcel was used for agricultural purposes. For the current assessment year the parcel is no longer in MFL; however, the agricultural use continues.**

MFL parcels receiving use value due to agricultural use are treated as if an Agricultural classification exists. If an MFL parcel received agricultural use values in 2004, in the current assessment year this parcel (whether remaining in MFL or not) qualifies for Agricultural Forest by having any amount of acreage devoted primarily to agricultural use.

If you have additional questions on Agricultural Forest and Undeveloped land classification and valuation, contact the appropriate [Equalization Bureau District Office](#).

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## Related Links

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- [Roads and Similar Issues](#)
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## Agricultural Forest Classification - Roads and Similar Issues

1. Do parcels separated only by a road remain contiguous to each other?
2. Does "road" as a boundary mean only federal, state, county, or town roads? Do private roads qualify as roads?
3. Is a driveway used for a residence and farm buildings considered a road?
4. Does railroad property owned by a railroad company, or railroad property containing a right-of-way, get treated in the same manner as roads?
5. Are parcels owned by the same owner and separated by a municipal or county boundary considered contiguous?

- 
1. **Do parcels separated only by a road remain contiguous to each other?**  
 Yes. Under state law (sec.70.32(2)(c)1d, Wis. Stats.), the term "contiguous" means separated only by a road.
  2. **Does "road" as a boundary mean only federal, state, county, or town roads? Do private roads qualify as roads?**  
 A road includes any public way. Therefore, a private road or driveway is not considered a road for purposes of administering this law.
  3. **Is a driveway used for a residence and farm buildings considered a road?**  
 No. Driveways that serve a residence and farm buildings (not dedicated to the municipality) are not considered a road for purposes of administering this law.
  4. **Does railroad property owned by a railroad company, or railroad property containing a right-of-way, get treated in the same manner as roads?**  
 No. Railroad property:
    - o Owned by a railroad is private property with a separate owner and is not treated as a road
    - o Railroad property having a right-of-way is not treated as a road
  5. **Are parcels owned by the same owner and separated by a municipal or county boundary considered contiguous?**  
 Yes. Parcels separated by municipal or county boundaries are considered contiguous.

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## Use-Value Assessment Common Questions

1. If the zoning requires a minimum five acres to split off as a residential parcel, why can't I use that acreage requirement as the land "necessary for the location and convenience" of the agricultural improvements, when the agricultural buildings include a residence?
2. A 40-acre parcel classed as Agricultural (Class 4) in 2018 sold during that year. The property was re-zoned residential and a subdivision approval was granted before January 1, 2019. As of June 2019, the parcel was covered with last year's crop stubble. Do the earlier activities indicating a future use change and the lack of use in agricultural meet the rule's criteria of "incompatible with agricultural use?"
3. Can a municipality pass an ordinance against using land for agricultural purposes, which in effect would disallow use value assessment of that land?
4. Should land that is actively used for agricultural purposes, in violation of a local ordinance prohibiting agricultural use, still be classified as agricultural land?
5. Is land enrolled in the Conservation Reserve Program (CRP) considered an agricultural use?
6. Can land enrolled in other programs be considered an agricultural use?
7. When is Forest land properly classified as pasture land?
8. Are small parcels of land eligible for agricultural classification?
9. What is the proper classification for each of the following parcels?
10. How are site acres of Other (Class 7) determined? How does a property owner appeal the assessor's determination of the size of the farm site?
11. How is the classification of Other (Class 7) improvements determined? What factors are used to make this determination? Is it proper to classify a set of improvements by listing the agricultural outbuildings as Other (Class 7) and the residence as Residential (Class 1)?
12. How should the site acres for Other (Class 7) lands be valued? Should they be valued as one or two acre parcels? Should the fact that the site is part of a larger parcel be considered?
13. How should an assessor classify tillable land where the Wisconsin Department of Natural Resources purchased an easement that does not allow tilling or grazing the land?
14. How is a 20-acre parcel with a one-acre building site and 19 acres of grazing area for a horse classified? Are the 19 acres considered an agricultural use?
15. A person bought a parcel of Agricultural and Forest land during 2018 for substantially more than the 2018 assessment. The municipality was revalued in 2019. For 2019, the assessor

assessed the Agricultural land using the published 2019 use-values. The remaining Forest land was assessed using the 2018 selling price minus the 2019 use-value of the Agricultural lands. Was this correct?

16. Is there a conversion charge for converting Agricultural land to another use?
17. Can Board of Review (BOR) members view the property in person determine whether a piece of property is used for pasture, rather than woods?
18. Is maple sap gathering considered an agricultural activity, and if so, how should this type of land be assessed?
19. Are licensed game farms considered an agricultural use?
20. Is aquaculture an agricultural use?
21. Is cranberry production an agricultural use?
22. Is nursery stock production an agricultural use?
23. How are use-values determined?
24. How does an assessor know if acreage is enrolled in any program eligible for use-value assessment if the land is not currently being used for agriculture?
25. How should the phrase "production season" as specified in administrative rule (tax 18.06(1), Wis. Adm. Code), be applied in determining eligibility for agricultural use valuation?

1. **If the zoning requires a minimum five acres to split off as a residential parcel, why can't I use that acreage requirement as the land "necessary for the location and convenience" of the agricultural improvements, when the agricultural buildings include a residence?**

Even though the minimum residential parcel size may be five acres, if all or part of the land is primarily devoted to a qualifying agricultural use under administrative rule (tax 18, Wis. Adm. Code), the qualifying acreage is classified as agricultural. Actual acreage devoted to the farm set (collection of agricultural buildings) including the residence should be determined independently for each parcel. Acreage use, not zoning, is the determining factor.

2. **A 40-acre parcel classed as Agricultural (Class 4) in 2018 sold during that year. The property was re-zoned residential and a subdivision approval was granted before January 1, 2019. As of June 2019, the parcel was covered with last year's crop stubble. Do the earlier activities indicating a future use change and the lack of use in agricultural meet the rule's criteria of "incompatible with agricultural use?"**

This parcel does not become incompatible with agricultural use based solely on the legal changes indicated (rezoning and subdivision approval). Even the presence of survey stakes may not curtail a farmer from producing and harvesting an agricultural crop. Since the land was in an agricultural use in the production season before the January 1, 2019 assessment date, its classification in the January 1, 2019 assessment roll is agricultural.

3. **Can a municipality pass an ordinance against using land for agricultural purposes, which in effect would disallow use-value assessment of that land?**

A municipality may pass this type of ordinance, based on reasonable conditions. The legality of such an ordinance, and administration of it, is on a case by case basis. If land was devoted primarily to a qualifying agricultural use under administrative rule (tax 18.05(1), Wis. Adm.

Code), during the prior production season and was compatible with agricultural use on January 1 of the current assessment year, even if in violation of ordinance, easement, or contract, the land must be classified as agricultural land for the current assessment year. The agricultural classification applies until the land is no longer devoted primarily to a qualifying agricultural use.

**4. Should land that is actively used for agricultural purposes, in violation of a local ordinance prohibiting agricultural use, still be classified as agricultural land?**

Yes. Since state law supersedes local ordinances, this land is classified as agricultural land, because it meets the definition of agricultural land under Chapter Tax 18. Enforcement of the ordinance is a municipal decision. Once the land is no longer used for agricultural purposes, either through enforcement of the ordinance or the landowner's choice, the classification must be changed from agricultural to another classification. If land was devoted primarily to a qualifying agricultural use under administrative rule (tax 18.05(1)), Wis. Adm. Code), during the prior production season and was compatible with agricultural use on January 1 of the current assessment year, even if in violation of ordinance, easement, or contract, the land must be classified as agricultural land for the current assessment year. The agricultural classification applies until the land is no longer devoted primarily to a qualifying agricultural use.

**5. Is land enrolled in the Conservation Reserve Program (CRP) considered an agricultural use?**

Administrative rule (tax 18.05(1)), Wis. Adm. Code), lists enrollment in the Conservation Reserve Program as an agricultural use. However, land removed from the CRP program may now be incompatible with agricultural use (ex: wooded) and may need to be reclassified and valued at its appropriate assessed value according to state law. For more information on programs qualifying for use-value assessment, see [Tax 18 Publication](#).

**6. Can land enrolled in other programs be considered an agricultural use?**

Lands in other programs may qualify, see the [Tax 18 Publication](#).

**Note:** If land is devoted primarily to an agricultural use under administrative rule (tax 18.05(1)(a)), Adm. Code), in the prior production season and is not in a use incompatible with agriculture on the assessment date, then it may qualify for agricultural classification and use-value assessment. In essence, the land might qualify for use-value assessment, because of how it was used, NOT because of the program it is in.

**7. When is Forest land properly classified as pasture land?**

Pastured woods devoted primarily to agricultural use (keeping, grazing, or feeding livestock) qualifies for use-value. Active grazing keeps the undergrowth in check. A few paths through the wooded area are not convincing evidence that the wooded area is pastured. The land must be pastured daily or on a reasonably periodic basis. Fencing must adequately prevent animals from straying. Land with non-existent or severely limited foliage or plant growth is not considered pasture. The best source for definitions of all land classes is the Wisconsin Property Assessment Manual (WPAM). Pasture is defined in Chapter 14 and Forest land is defined in Chapter 15. Information can also be found in the [Agricultural Assessment Guide for Wisconsin Property Owners](#).

**8. Are small parcels of land eligible for agricultural classification?**

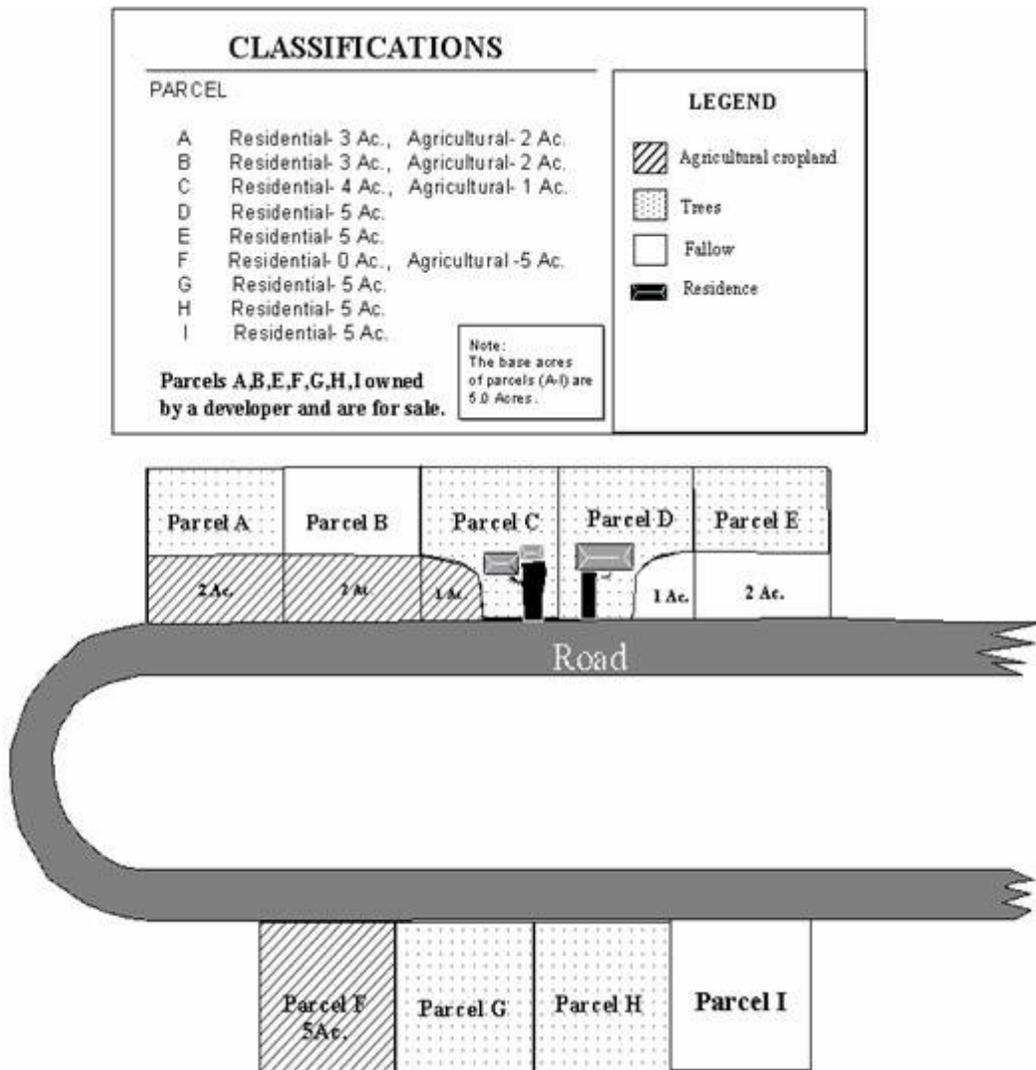
Yes. Size is not relevant when determining if a parcel of land is classified as agricultural. A five acre apple orchard or a small acreage vegetable field can be considered devoted primarily to agricultural use if there is a valid economic activity occurring. Whether small or large, the land must be devoted primarily to an agricultural use as defined in administrative rule ([tax 18.05\(1\), Wis. Adm. Code](#)), during the production season before the assessment date of January 1 and not in a use incompatible with agricultural use on January 1 to be eligible for an agricultural classification. It is important to note that the administrative rule specifies the North American Industry Classification System (NAICS) as the standard for determining if land is being used for agricultural purposes.

When classifying land based on its use, the assessor should not consider the size of typical operating farms as he or she may be accustomed to thinking of them. The assessor must classify the land according to the acres used for agricultural purposes, considering the use of each parcel individually.

9. **What is the proper classification for each of the following parcels?**

**Example:** A farmer has a 120-acre farm operation with qualifying agricultural uses under administrative rule ([tax 18, Wis. Adm. Code](#)). A portion of the operation is experiencing a change in use as illustrated in the diagram below. Specifically, the farmland is being developed into a residential subdivision with several parcels that are approximately five acres. The subdivision is located in an area that shows residential growth. Utilities are available at the parcel line. Parcel sizes range from one to 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.

**Click the appropriate parcel letter in the diagram below to view its corresponding description.**



**Parcel A** — is a five-acre parcel, partially wooded, with two acres devoted to crop production. The crop was harvested last fall.

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

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

- o Parcel is classified as part agricultural and part residential
- o Agricultural land is part of the farm operation and produces value from the land for the land owner
- o Fallow land is part of a residential subdivision where the residential infrastructure is in place and the construction of a residence is imminent
- o 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 three acres of trees and one acre of agricultural land (part of the same fields and operation as above).

- o Parcel is classified as one 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 one 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 two-acre fallow field with three 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 five-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 five-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

10. **How are site acres of Other (Class 7) determined? How does a property owner appeal the assessor's determination of the size of the farm site?**

Per state law, the land necessary for the location and convenience of the farm home and farm buildings is classified as Other (Class 7). To determine the amount of land in this class, the assessor should use aerial photographs and scale the area used for the location and convenience of the buildings.

If the property owner has a different opinion of the site acres, the owner should bring credible supporting evidence to the assessor and, if needed, to the Board of Review. **Examples of evidence, include:** certified survey map, newer air photo, other information that show the necessary land area.

For more information on how to determine home site acreage, review Chapter 14 of the Wisconsin Property Assessment Manual.

**11. How is the classification of Other (Class 7) improvements determined? What factors are used to make this determination? Is it proper to classify a set of improvements by listing the agricultural outbuildings as Other (Class 7) and the residence as Residential (Class 1)?**

Generally, improvements should be classified as Other (Class 7) when the predominant use of the buildings is agricultural. Factors including the current use, potential use, number and significance of outbuildings, parcel size, and the nature of the agricultural buildings in support of the farm, aid the assessor in making this determination. Assessors should have a single class for each set of buildings based on the predominant use of the entire set rather than splitting classifications of building sets. However, state law (sec. 70.32(2)(c)1m, Wis. Stats.), allows the Assessor to classify some typical residential building sets as "Other" if the residence is used for the farm operator's spouse, children, parents or grandparents. It is the Wisconsin Department of Revenue's position that these residences must be located on land that is part of the farm operator's farm operation.

**12. How should the site acres for Other (Class 7) lands be valued? Should they be valued as one or two acre parcels? Should the fact that the site is part of a larger parcel be considered?**

Lands necessary for the location and convenience of buildings should be valued at their contributory market value adjusted to the appropriate assessment level of all other property in the municipality. Each improved agricultural site must be analyzed relative to the amount of acres needed for the location and convenience of the buildings. Some parcels may, due to the number and size of the improvements, need to have site sizes that are larger than others. Assessors are cautioned not to use the same size for all improved parcels in their municipality. When valuing the site, it is important assessors value that site considering its contributory market value to the entire parcel.

**13. How should an assessor classify tillable land where the Wisconsin Department of Natural Resources purchased an easement that does not allow tilling or grazing the land?**

If the land is enrolled in a qualifying government program, under administrative rule (tax 18.05(1), Wis. Adm. Code), the land should be classified as Agricultural land, and placed in the sub-class of Agricultural land that it would be in if it were farmed.

For lands that do not qualify, the classification must be changed to another class — most likely Undeveloped (Class 5), Agricultural Forest (Class 5m), or Forest (Class 6). The land should then be valued at market value, considering the effect on value (if any) the easement has on

the land. The market value is then adjusted to 50 percent of full value for Undeveloped and Agricultural Forest. Finally, all classes of land are adjusted to the average level of assessment for the community. See [Tax 18 Publication](#).

If land was devoted primarily to a qualifying agricultural use under [Tax 18.05\(1\)](#) during the prior production season and was compatible with agricultural use on January 1 of the current assessment year, even if in violation of ordinance, easement, or contract, the land must be classified as Agricultural land for the current assessment year. The agricultural classification applies until the land is no longer devoted primarily to a qualifying agricultural use.

**14. How is a 20-acre parcel with a one-acre building site and 19 acres of grazing area for a horse classified? Are the 19 acres considered an agricultural use?**

- Keeping a horse for personal use or boarding horses does not meet the definition of agricultural use under administrative rule ([tax 18.05, Wis. Adm. Code](#)). Some land uses may seem agricultural on the surface, but fail to meet the definitions in [Tax 18.05](#). By administrative rule, the North American Industry Classification System (NAICS) is the standard to determine if land is being used for agricultural purposes. 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 and do not qualify for use-value assessment. Examples of uses that are agricultural can be found in the [NAICS Sector and Subsector Groups](#).
- Raising horses under NAICS Industry 112920 is considered an agricultural use. Establishments that provide foal rearing, health maintenance, controlled feeding and harvesting, for the eventual sale of the animals are considered an agricultural use.
- Renting pasture land to a horse owner might generate income to the owner of the land, but if the land is not being used for an agricultural endeavor, as defined in the previous paragraphs, the land is ineligible for use-value assessment

**15. A person bought a parcel of Agricultural and Forest land during 2018 for substantially more than the 2018 assessment. The municipality was revalued in 2019. For 2019, the assessor assessed the agricultural land using the published 2019 use-values. The remaining forest land was assessed using the 2018 selling price minus the 2019 use-value of the agricultural lands. Was this correct?**

No. The sale should have been analyzed using the contributory market value of all the components included in the sale. Once the contributory market value of each component was identified, the non-agricultural components should have been assessed according to the correct statutory provisions. The tillable land and pasture land was properly assessed using the 2019 use-values. The assessor should not take the selling price minus the use-value to determine the non-agricultural property assessment.

**16. Is there a conversion charge for converting Agricultural land to another use?**

- Yes. Property no longer used for agricultural purposes that benefited from lower property taxes as a result of use-value assessment, is subject to a conversion charge if the land use is converted to a residential, commercial or manufacturing use.
- However, when agricultural land is converted to another use and becomes exempt, the assessor must consider what the classification would be if it were not exempt, to determine if a conversion fee is applicable. A conversion charge does not apply if the land meets the definition of and is classified as Undeveloped, Agricultural Forest, Forest or Agricultural home site (Other - Class 7).

- Assessor makes the determination on the following year's assessment roll. The conversion charge varies by the number of acres converted. The more acres converted, the lower the charge amount per acre. For more information, review the [Common Questions for Use-Value Conversion Charge](#).

**17. Can Board of Review (BOR) members view the property in person to determine whether a piece of property is used for pasture, rather than woods?**

No. The BOR may only act upon sworn evidence. The BOR may determine that a classification change (and subsequent value change) is appropriate if there is sworn testimony before the Board supporting such action. Under state law ([sec. 70.47, Wis. Stats.](#)), the Board may act only on evidence produced under oath.

**18. Is maple sap gathering considered an agricultural activity, and if so, how should this type of land be assessed?**

By administrative rule, the NAICS identifies the activities qualifying as an agricultural use. Maple sap gathering is a qualifying agricultural use since the NAICS includes maple sap gathering as a crop production activity. Land devoted primarily to maple sap gathering in an area of maple trees tapped during the production season before the assessment date of January 1 and not in a use incompatible with agricultural use on January 1, is classified as Agricultural and assessed at its use-value.

To qualify for an agricultural classification, the operation must be considered primarily a for-profit activity with a sale of the product to qualify for an agricultural classification. Operations producing primarily for personal use, neighbors, or family members with minimal sales are not considered a farming pursuit. However, the use-value law does not have a minimum acreage size. Small acreages can qualify for use-value if they are primarily used for agricultural purposes. Producers could provide items (ex: license, sales receipts, photos of lands being tapped) to describe their operation. A Schedule F (from your federal income tax form) could help determine the extent of the product sales although it is not in itself the determining factor.

If the producer qualifies as a for-profit activity, establishing the number of acres for use-value becomes the next issue. Qualifying acres must be tapped in the previous production season and be considered primarily engaged in maple sap gathering. Producers that are in the business generally follow industry standards for tapping trees. Producers following industry standards decide to tap maple trees within a mixed species woods when the density of maple trees is sufficient to make the endeavor economically feasible. It is estimated that in a mixed species stand of woods, a low to average quality tract has 20 tapped trees per acre whereas 30-40 tapped trees per acre is considered a high quality stand in Wisconsin. Acres within a forest that are sufficiently tapped based on the industry standards qualify for use-value, whereas areas within a forest with no tapping or minimal tapping do not qualify.

This effectively disqualifies an activity that is occasionally and minimally tapping large areas and claiming the entire acreage qualifies for agricultural purposes.

**19. Are licensed game farms considered an agricultural use?**

The NAICS classifies game farms, fishing preserves, hunting preserves, and game propagation as Fishing, Hunting and Trapping Industries, which are not agricultural uses. Land used for these purposes is classified based on its predominate use (possibly commercial or forestry)

and valued as a market value class. However, establishments engaged in deer production that provide fawn rearing, health maintenance, controlled feeding and harvesting for the eventual sale of the animals are considered an agricultural use. The fenced land devoted primarily to deer production is classified as Agricultural and categorized as grade 1, 2, 3 or pasture according to the soil type.

**20. Is aquaculture an agricultural use?**

Land devoted primarily to animal aquaculture qualifies as an agricultural use under administrative rule (tax 18.05(1)(b), Wis. Adm. Code), Animal Production. Animal aquaculture establishments use intervention to control and enhance production through methods including health maintenance, controlled feeding, and protection from predators. Aquaculture fishponds provide an area for the keeping and feeding of fish being raised for market. Fishponds classified as agricultural should be categorized as pasture.

Not all aquaculture operations fit the definitions of agricultural land. Outdoor concrete raceways and indoor hatchery facilities do not meet the definition in state law (sec. 70.32(2)(c)(1), Wis. Stats.), that Agricultural land is "land exclusive of buildings and improvements and the land necessary for their location and convenience, that is devoted primarily to agricultural use as defined by rule." Additionally, fishing preserves, recreational uses, and personal uses do not qualify as an agricultural use.

**21. Is cranberry production an agricultural use?**

Yes. Land under a cranberry bed is considered land devoted primarily to an agricultural use. Cranberry land classified as Agricultural should be categorized as third grade tillable and adjusted to the local level of assessment.

**Note:** Land underneath earthen features (ex: dams, dikes, ditches, inlets, outlets) surrounding the beds are classified as "Other," Class 7, and assessed at the third grade tillable value and adjusted to the local level of assessment. The earthen features are valued according to a cost less depreciation methodology.

**22. Is nursery stock production an agricultural use?**

Yes. NAICS Industry Classification 111421 defines growing nursery products, nursery stock, shrubbery, bulbs, fruit stock, and sod as crop production, an agricultural use. Also under state law, growing short rotation woody trees with a growth and harvest cycle of 10 years or less for pulp or biomass stock is now included as an agricultural use. The occasional harvest and sale of a few trees on one's property does not constitute a commitment primarily to agricultural use.

**23. How are use-values determined?**

The Wisconsin Department of Revenue (DOR) annually publishes use-values for tillable grades 1, 2 and 3, and pasture lands. DOR determines the use-values by using a multipart formula based on the income approach to value. The income is derived from crop-share agreements (which account for certain farming expenses) and corn harvest data. The values are determined for each municipality in every county. Annual changes to use-values are limited to the annual statewide change in Equalized Values, less the value of Agricultural land and new construction.

24. **How does an assessor know if acreage is enrolled in any program eligible for use-value assessment if the land is not currently being used for agriculture?**

The assessor should call, email or send questionnaires to owners of questionable parcels if the owner did not previously provide the information.

25. **How should the phrase "production season" as specified in administrative rule (tax 18.06(1), Wis. Adm. Code), be applied in determining eligibility for agricultural use valuation?**

Qualifying agricultural uses include tilled land devoted to crop production, pastured land devoted to livestock production, and specified conservation programs. During the use review, consider the following when evaluating the "production season" (tax 18.06(1), Wis. Adm. Code).

The phrase "production season" is generally associated with agricultural activity commencing in the spring and concluding in the fall. This standard applies to the majority of agricultural endeavors in Wisconsin. The inclusion of this phrase provides assessors with a standard when determining if the land is "devoted primarily to an agricultural use." Since there are crop production cycles and livestock production practices that may fall outside this standard parameter, it is important that the property owner discuss the endeavor with the municipal assessor. However, these situations are infrequent since the land is also in agricultural use during the standard agricultural production season. When land is an agricultural use for a minimal amount of time that is outside the standard production season, the assessor must evaluate the circumstances of each situation to determine the land's primary use.

For more questions regarding use-value assessment, contact the Equalization Bureau District Office in your area.

## FOR MORE INFORMATION PLEASE CONTACT:

MS 6-97

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## Related Links

Additional information can be found in Chapter 14 of the Wisconsin Property Assessment

Manual ([WPAM](#))  
and at the  
following links:

- [Agricultural Assessment Guide For Wisconsin Property Owners](#)
- [Use-Value Conversion Charge](#)
- [Chapter Tax 18 of the Wisconsin Administrative Code](#)

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State of Wisconsin  
Department of Revenue

## Use-Value Conversion Charge - sec. 74.485, Wis. Stats.

1. How is the conversion charge calculated?
2. If a parcel is split, how is the size calculated when determining which conversion charge to apply?
3. Who issues the conversion charge?
4. When are the values used in the conversion charge calculation available?
5. Are there any exceptions to a conversion charge?
6. If land converts to "Undeveloped" (Class 5), "Agricultural Forest" (Class 5m), "Productive Forest" (Class 6) or "Other" (Class 7) for one year, and then converts to "Residential" (Class 1), is it then liable for a conversion charge?
7. What is the definition of "Other" as a category on the roll?
8. Does "Other" include a residential home built on five acres split off a tilled 40-acre parcel as a separate parcel if the ownership changed to the farm operator's children, parents, or grandparents before the change in use took place?
9. Does the assessor have to reclassify all residential parcels belonging to children, parents, or grandparents of farm operators to "Other?"
10. An existing farm operation with the majority of its land in agricultural use-value tears some buildings down, adds some additional buildings, and changes the total area used for the site. Would a conversion charge apply?
11. A parcel was classified as nine acres "Agricultural" and one acre of land and buildings classified as "Other" on the January 1, 2017 assessment roll. The parcel had new construction during 2017. Three additional agricultural acres were converted to site acres, and the improvement's highest and best use changed to "Residential." The assessor did not discover the changes until after the 2018 assessment was completed. The 2018 taxes reflected the value of only the original "Other" site and improvements from 2017. For the January 1, 2019 assessment, the parcel was re-classified as "Residential," with a significantly higher improvement value. Does a Conversion charge apply?
12. What should an assessor do when he/she discovers land was misclassified?
13. Is land previously classified as "Agricultural" that is left fallow, subject to a conversion charge?
14. If the property was classified "Agricultural" on January 1 and entered in the Managed Forest Law program during that year (becoming exempt on the assessment roll), is a conversion charge due?

15. What if I disagree with the property use's change in classification?
16. When is the conversion charge payment due?
17. If a change in use takes place, and a conversion charge is due, but no conversion charge is issued, can a county treasurer issue the conversion charge in the following years?
18. Who owes the conversion charge?
19. How are buyers being made aware of the potential conversion charge?
20. What if the conversion charge is not paid?
21. Can the county subtract the administrative costs of collection from the conversion charge amount returned to the taxation districts?
22. Does the county share the 1 percent per month added interest payment 50/50 with the municipality, or does the county keep that income?
23. Once a conversion charge becomes a special charge on the tax bill, can a county add their 0.5 percent tax to the bill, other special charges?
24. Do the overlying taxation jurisdictions share in the conversion charge?
25. Are exempt entities (ex: churches and benevolent associations) subject to the conversion charge?
26. Are governmental entities subject to the use-value conversion charge under state law (sec. 74.485, Wis. Stats.)?
27. Can a conversion charge be issued more than once on the same parcel of land?

### 1. **How is the conversion charge calculated?**

The number of acres converted is multiplied by a value per acre for each converted acre. That value per acre is a two part calculation.

- a. First, calculate the difference between the county's average fair market value of agricultural land (based on previous year sales of land over 38 acres, and intended to be used as agricultural) and the average equalized value per acre of agricultural land (the use-value) in the same county
- b. Then apply a "conversion size" factor
  - If more than 30 acres are converted, multiply the difference by 5 percent to arrive at the conversion charge per acre
  - If 10 to 30 acres are converted, multiply the difference by 7.5 percent
  - If less than 10 acres are converted, multiply the difference by 10 percent

**Example 1:** If the county average market value per acre of land sold for agricultural use is \$2,000 an acre, and the county average use-value per acre of agricultural land is \$300 an acre, the difference is \$1,700 an acre.

#### **The conversion charge amount per acre is:**

- \$85 an acre if more than 30 acres are converted

- o \$128 an acre if 10 to 30 acres are converted
- o \$170 an acre if less than 10 acres are converted

### **Example 2:**

- o If 1.33 acres are converted (less than 10 acres), the conversion charge amount is \$226 ( $\$170 \times 1.33$  ac.). When calculating the number of converted acres, add together all acres owned by the same entity, in the same municipality, in that year.
- o The Use-Value Conversion Charge Guidelines shows the charges per acre, which are based on the number of acres converted. There is no conversion charge if the conversion charge per acre would be less than \$25.

### **2. If a parcel is split, how is the size calculated when determining which conversion charge to apply?**

The conversion charge and number of acres is based on the total number of acres converted by the same owner in the same municipality.

**Example:** If a 40-acre parcel on the January 1, 2018 roll was subdivided into eight five-acre parcels, and the person subdividing the land also converted all its use, that person would be liable for a conversion of 40 acres at the 5 percent conversion charge rate. If those parcels were sold before changing use, and a new owner who purchased and converted one five-acre parcel, the conversion charge would be calculated at the higher rate (i.e., less than 10 acres or a 10 percent conversion charge).

### **3. Who issues the conversion charge?**

The county treasurer administers the conversion charge, which is based on what the local assessor reports as a change in land use. The assessor must identify the person who made the change and the number of acres previously assessed as agricultural that changed use. The treasurer will issue a conversion charge to the person who changed the use.

### **4. When are the values used in the conversion charge calculation available?**

The conversion charges are posted to the Wisconsin Department of Revenue website in February each year, and used to calculate the conversion charge for land use changes that occurred in the prior year. Even though estimates can be calculated, conversion charges are not issued until the change in use is reflected on the current year assessment roll and the property owner has the opportunity to appeal that classification change at the Board of Review.

### **5. Are there exceptions to a conversion charge?**

Yes. If the assessor determines the land should be classified and assessed as "Undeveloped" (sec.70.32(2)(a)5), "Agricultural Forest" (sec.70.32(2)(a)5m), "Productive Forest" (sec.70.32(2)(a)6), or "Other" (sec.70.32(2)(a)7), the owner is not subject to a conversion charge. Also, there is no conversion charge if the charge per-acre is less than \$25.

### **6. If land converts to "Undeveloped" (Class 5), "Agricultural Forest" (Class 5m), "Productive Forest" (Class 6) or "Other" (Class 7) for one year, and then converts to "Residential" (Class 1), is it then liable for a conversion charge?**

No. If a conversion is to Classes 5, 5m, 6 or 7, there is no conversion charge. Future conversions are not relevant.

### **7. What is the definition of "Other" as a category on the roll?**

State law ([sec. 70.32 \(2\)\(c\) 1m, Wis. Stats.](#)), defines "Other" as the "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." The residences of eligible relatives should have been part of a parcel the farm operator actually farmed before the change (statutes refer to 'the farm operator,' not 'a farm operator') This Wisconsin Department of Revenue interprets this to include the residence of the retired landowners if they were farm operators. It is not necessary that the approved persons residing in the house work on the farm.

8. **Does "Other" include a residential home built on five acres split off a tilled 40-acre parcel as a separate parcel if the ownership changed to the farm operator's children, parents, or grandparents before the change in use took place?**

Yes. This is considered "Other" as long as the new parcel was part of the acreage previously classified as Agricultural.

9. **Does the assessor have to reclassify all residential parcels belonging to children, parents, or grandparents of farm operators to "Other?"**

No. The primary intent of the "Other" classification is to allow for residential homes of certain farm operator relatives to be built without incurring a conversion charge. The existing homes, whether classified "Residential" or "Other," are not subject to the conversion charge, and are valued at market value. If a property owner makes the request, the assessor may reclassify those properties as "Other." However, we suggest the assessor explain that there would be no impact to the market value analysis.

10. **An existing farm operation with the majority of its land in agricultural use-value tears some buildings down, adds some additional buildings, and changes the total area used for the site. Does a conversion charge apply?**

No. The assessor should review what acreage was classified as "Agricultural" and "Other." If additional acreage should now be classified as "Other," the assessor should make the adjustment; however, no conversion charge is due if the new classification is "Other," because of the conversion charge exception for changes into this class.

11. **A parcel was classified as nine acres "Agricultural" and one acre of land and buildings classified as "Other" on the January 1, 2017 assessment roll. The parcel had new construction during 2017. Three additional agricultural acres were converted to site acres, and the improvement's highest and best use changed to "Residential." The assessor did not discover the changes until after the 2018 assessment was completed. The 2018 taxes reflected the value of only the original "Other" site and improvements from 2017. For the January 1, 2019 assessment, the parcel was re-classified as "Residential," with a significantly higher improvement value. Does a Conversion charge apply?**

Yes. When a new construction assessment is missed on a parcel with an existing improvement assessment, the assessor can add the assessed value of the new construction to the following year's assessment roll as omitted property. The improvements must be obvious, tangible, defensible, and measurable. The new improvement value should be entered in a special section of the assessment roll for omitted property. Since the change in use from "Agricultural" to "Residential" is first reflected on the 2019 assessment roll, it is recommended that the conversion charge be issued after the Board of Review, allowing the property owner an

opportunity to challenge the change in classification reflected on the roll. The conversion charge amount should be based on the year the actual change took place, in this case 2018 (which should have been when the residential classification was placed on the roll).

**12. What should an assessor do when he/she discovers land was misclassified?**

The current use-value conversion charge is based on land used as "Agricultural," that has a change in use. In this instance, the use did not change (although the classification will). No conversion charge is due.

**13. Is land previously classified as "Agricultural" that is left fallow, subject to a conversion charge?**

- There is no conversion charge if the assessor determines the proper new classification is "Undeveloped"
- There is a conversion charge if the assessor determines the classification is "Residential" or "Commercial"

**14. If the property was classified "Agricultural" on January 1 and entered in the Managed Forest Law program during that year (becoming exempt on the assessment roll), is a conversion charge due?**

The assessor must determine what the proper classification for the acreage would be if the land were still on the roll. If it would be "Undeveloped," "Forest" or "Other," no conversion charge is due, even though the use changed from the "Agricultural" classification. There may also be instances where some of the acreage remains in agricultural use, and no conversion charge is due.

**15. What if I disagree with the property use's change in classification?**

You can appeal the assessor's classification regarding agricultural use and changes in use affecting the conversion charge by appealing to that year's Board of Review.

**16. When is the conversion charge due?**

It is due no later than 30 days after the county assessor issues the conversion charge.

**17. If a change in use takes place, and a conversion charge is due, but no conversion charge is issued, can a county treasurer issue the conversion charge in the following years?**

Yes. If the property was classified as agricultural, and the use and classification changed to a use where a conversion charge is due, under state law, there is no time limit in issuing a conversion charge to the owner at the time of the change.

**18. Who owes the conversion charge?**

The person who owned the property when the conversion (change in use) took place must pay the conversion charge.

**19. How are buyers being made aware of the potential conversion charge?**

Under state law (sec. 74.485(Z), Wis. Stats.), the owner of land assessed as agricultural must notify the buyer of the following:

- a. The land was assessed under sec. 70.32(2r), Wis. Stats.
- b. Whether a conversion charge was assessed
- c. Whether a conversion charge deferral was granted

**Note:** The current tax bill states, "Any parcel benefiting from use-value assessment may be subject to a conversion charge under sec. 74.485, Wis. Stats., if the use of the parcel changes."

State law requires the assessor to provide the property owner with a notice that a conversion charge may be due when land changes classification from agricultural to residential, commercial, or manufacturing.

- d. The notice must be in writing and sent by standard mail at least 15 days before the Board of Review meeting. If the owner's address is unknown, the assessor must provide the notification to the property's occupant.
- e. When a property is sold and the property owner (who may be subject to a conversion charge) and the current owner are different, the assessor must provide the Notice of Assessment and Notice of Conversion Charge to both the previous owner and the current owner
- f. Example of the  Agricultural Land Conversion Charge Notice

**20. What if the conversion charge is not paid?**

If payment is not made within 30 days of issuance by the county treasurer, interest accumulates at 1 percent per month from the issuance date. The county can collect the unpaid conversion charge as a special charge against the land (this is why notice to any purchaser of the property is so important).

**21. Can the county subtract the administrative costs of collection from the conversion charge amount returned to the taxation districts?**

No. Under state law (sec. 74.48(5), Wis. Stats.), "A county that collects a conversion charge...shall distribute 50 percent of the amount...to the taxation district." There are no provisions for subtracting collection costs first.

**22. Does the county share the 1 percent per month added interest payment 50/50 with the municipality, or does the county keep that income?**

Any interest the county collects must be shared with the municipality.

**23. Once a conversion charge becomes a special charge on the tax bill, can a county add its 0.5 percent tax to the bill, like with other special charges?**

Yes. Under state law, the bill is collected as a special charge. That means all provisions for collecting special charges apply, including fees and interest.

**24. Do the overlying taxation jurisdictions share in the conversion charge?**

No. Under state law, the county and taxation district (town, village, city) splits the conversion 50/50. The taxation district's portion is split between municipalities in the event of an annexation (this should be coordinated by the gaining municipality).

**25. Are exempt entities (ex: churches and benevolent associations) subject to the conversion charge?**

Yes. There is no provision in state law (sec. 74.485, Wis. Stats.), excusing an exempt entity from paying a use-value conversion charge if one is due.

**26. Are governmental entities subject to the use-value conversion charge under state law (sec. 74.485, Wis. Stats.)?**

Yes. Governmental entities are generally subject to this use-value charge.

## Process

Taxable agricultural land that becomes exempt may qualify for a conversion charge when there is an actual change in the land's use and it is no longer used for agriculture. How the land is used determines if it is subject to a conversion charge.

If the land was not exempt and would be classified as:

- **Conversion charge** – Residential, Commercial, or Manufacturing, there is a conversion charge
- No charge – Agricultural, Agricultural Forest, Undeveloped, Forest, or Other, there is no conversion charge

## Background

In a court case (*Town of Janesville v. Rock County*, 153 Wis. 2d 538, 544, 451 N.W.2d 436(Ct. App. 1989)), the court used a two-part test to determine if the statute applies to a governmental body. The test included the following questions:

- Can the objective of the statute be reached without including government?
- Does inclusion in the provision of the law vitally interfere with the process of government?

The objective of sec. 74.485, Wis. Stats., cannot be reached without including governmental entities in Wisconsin. The purpose of the use-value law is to preserve agricultural land. Agricultural land is no less destroyed if taken by a government than if taken by a private developer. Preservation is best achieved by universal application.

Generally, inclusion in this law does not vitally interfere with the process of government. Government may still develop land; it simply must pay the same conversion charge that any developer would for such conversion. There are certain rare situations where imposing a conversion charge may vitally interfere with the processes of government. **Example:** If the Wisconsin Department of Transportation (DOT) acquires land for highway use – public safety, route, geography, and cost can require the use of farmland as opposed to other land for highway use. Imposing a conversion charge on such purchases could result in DOT elevating cost factors to avoid a conversion charge over route and safety factors such as choosing the highest, flattest, safest route for highway. **Note:** This result does not necessarily apply to DOT land acquisition for other purposes (ex: office space).

### 27. **Can a conversion charge be issued more than once on the same parcel of land?**

Yes. Under state law, this can happen when a conversion charge applies to a parcel, and does not set a limit on the number of conversion charges that can be issued over time. Each time the parcel is classified as "Agricultural," and the agricultural activity ends, a conversion charge is issued if the classification changes to anything other than "Undeveloped" (5), "Agricultural Forest" (5m), or "Forest" (6).

If you have additional questions on the use-value conversion charge, contact the [Equalization Bureau District Office](#) in your area.

**FOR MORE INFORMATION PLEASE CONTACT:**

MS 6-97

WISCONSIN DEPARTMENT OF REVENUE

Division of State and Local Finance

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State of Wisconsin  
Department of Revenue

## Use-Value Conversion Charge Guidelines

Sec. 74.485. Wis. Stats., specifies the charge for converting property that has been classified agricultural. Conversion Charges, previously known as penalties, were first reflected on the January 1, 2003 assessment roll by 2001 Wisconsin Act 109. 2007 Wisconsin Act 210 amended the notice of assessment and use-value conversion charge laws. The following amendments are effective January 1, 2008.

- The penalty for converting agricultural land is now referred to as a Charge for converting agricultural land.
- The Assessor must provide the property owner with a notice that a Conversion Charge may be due.
- The Assessor must also provide the County Treasurer with all of the information that is necessary to compute the Conversion Charges.
- Additional detail is provided within the Assessor section below.

Generally, converting the use of the property and having had the opportunity to challenge the Assessor's decision to reflect that change in classification on the following years' roll, precedes the County Treasurer's issuance of the Conversion Charge. (For conversions prior to calendar year 2002, contact the Supervisor of Equalization for your county.) The Department of Revenue (DOR) has prepared a listing of frequently asked questions (FAQ), which can be reviewed at Use-Value Conversion Charge FAQ's

**NOTE:** The use-value conversion charge is separate and **not** associated with the rezoning conversion fee. The rezoning conversion fee was included in the 2009-2011 state budget as part of the Wisconsin Working Lands Program administered by the Department of Agriculture, Trade, and Consumer Protection - [https://datcp.wi.gov/Pages/Programs\\_Services/FarmlandPreservation.aspx](https://datcp.wi.gov/Pages/Programs_Services/FarmlandPreservation.aspx).

### FOR THE PROPERTY OWNER

The owner of the property at the time the change in use took place, and the buyer, where a sale takes place, want to be able to make reasonable estimates of the Conversion Charge. This worksheet can be used by the property owner, the Assessor or the County Treasurer to project a Conversion Charge. One needs to be careful that when the calculation is made, the dollar per acre Conversion Charge is calculated using the county averages for the county in which the parcels lie. The "Use-Value Charge for Converting Agricultural Land s. 74.485" lists the latest conversion charges reported by county. A description of this procedure is the  "Agricultural Use-Value Conversion Charge Worksheet."

## FOR THE ASSESSOR

Under sec. 70.365, Wis. Stats., the Assessor must provide the property owner with a notice that a Conversion Charge may be due when land changes classification from agricultural to residential, commercial or manufacturing.

- The notice shall be in writing and sent by ordinary mail at least 15 days before the meeting of the Board of Review. If the Owner's address is not known the Assessor shall provide the notification to the occupant of the property.
- When a property has sold and the property owner who may be subject to a Conversion Charge and the current owner are different, the Assessor must provide the Notice of Assessment and Notice of Conversion Charge to both the previous owner and the current owner.
- An example notice is available at [Agricultural Land Conversion Charge](#)

Under sec 74.485(8), Wis. Stats., the Assessor must provide the County Treasurer with all information necessary to compute the agricultural land Conversion Charges no later than 15 days after the Board of Review has adjourned. The Assessor must provide the County Treasurer with the following information on an annual basis:

- Assessor and Municipal Information
  - Assessor Name and Company Name, if Applicable
  - Complete Assessor Mailing Address, Phone Number, Fax Number and E-Mail
  - Name of Municipality
  - Board of Review Completion Date
  - Date of Submission
  - Assessor's Signature
- Land Subject to a Conversion Charge:
  - Parcel Number
  - Owner's Name at Time of Conversion
  - Complete Mailing Address of the Owner
  - Number of Acres Converted
- In the event there are no conversions subject to a Conversion Charge, the Assessor will enter "None" on the form and submit to the County Treasurer.
- The Department provides a sample form and all of the required data fields at [Assessor Worksheet](#).

Given the electronic assessment data in many counties, it is anticipated that the Assessors and Treasurers can work together to minimize the Assessors work. However, if no easy electronic process is developed, a format of the data necessary for the Assessor to provide to the Treasurer after completion of the Board of Review is the "[Assessor Worksheet](#)." The format is suggested; the data elements are what is important. It is critical that the Assessor list the owner at the time of conversion. It is possible that the Assessor will not know the current address; in that instance, after reasonable diligence is made to determine the proper address, the address of the property should be used.

## FOR THE COUNTRY TREASURER

DOR has received feedback that a sample charge form be suggested for use in issuing the charge. Ultimately, collection is the responsibility of the County Treasurer, and this [Issuance of Conversion Charge format](#) is a suggested template that should be reviewed internally by the county and modified as seen fit.

May 12, 2016

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**2019**  
**Agricultural Assessment Guide**  
**for Wisconsin Property Owners**

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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   | 5. Undeveloped            |
| 2. Commercial    | 5m. Agricultural Forest   |
| 3. Manufacturing | 6. Productive Forest Land |
| 4. Agricultural  | 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 below 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	<b>Times ( x )</b>	County's prior year average fair market value* of an acre of agricultural land	<b>Minus (-)</b>	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:

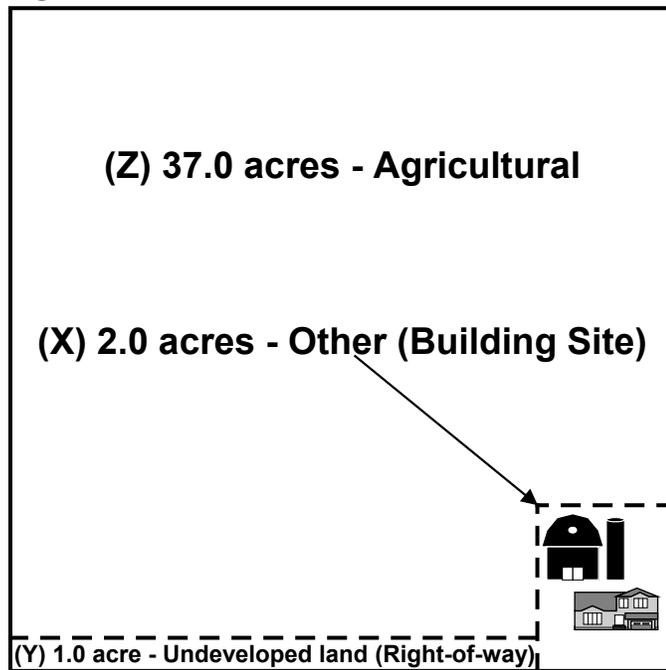
#### 1. Example 1– Agricultural, other and undeveloped

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'	=	<u>(4,290)</u> 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	=	<u>84,500</u> 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):	<u>(1.0)</u>	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).

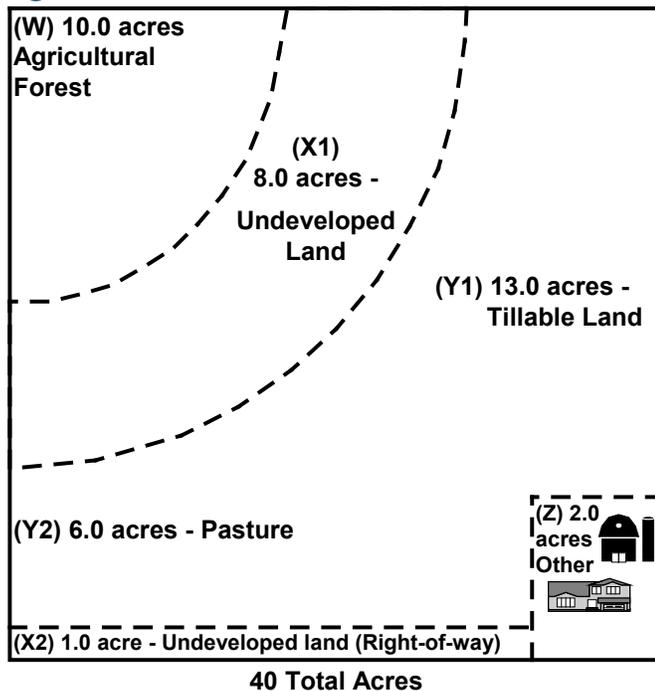
## 2. Example 2 – Land with several classifications

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**



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

### 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

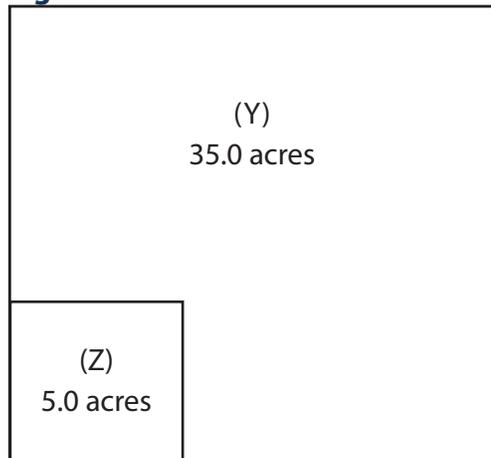


Figure 3

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

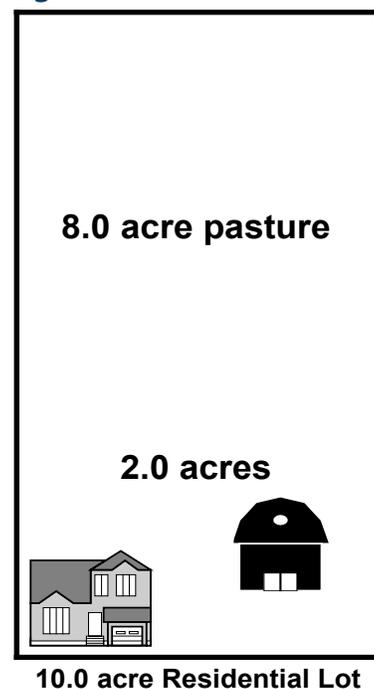


Figure 4

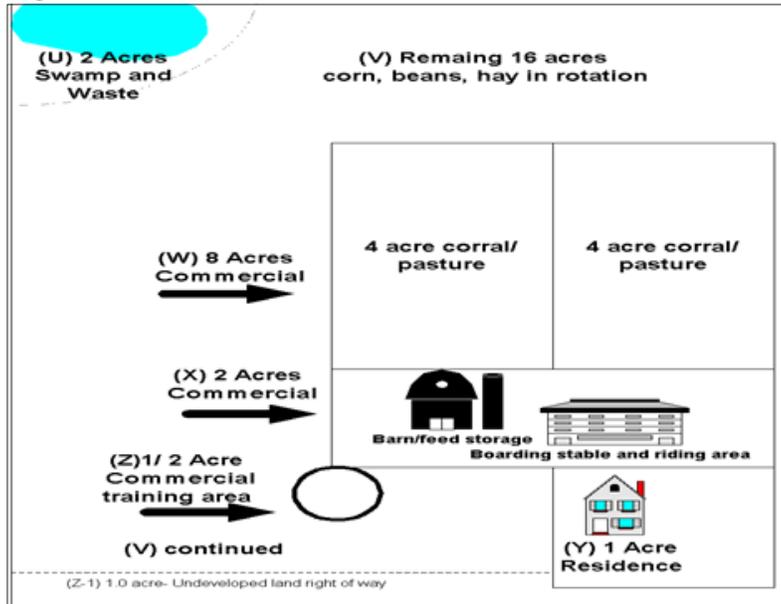
Shows a house on a 10-acre parcel. The owners recently built a small outbuilding to use as a stable for two horses and devoted 8 acres of their property to pasturing the horses.

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:**

<u>Category</u>	<u>Guideline Value/Acre</u>
• 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:**

<u>Category</u>	<u>Equated Value/Acre</u>
• 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:

<u>Municipal Category</u>	<u>Acres</u>	<u>Value/Acre</u>	<u>Use-value</u>
#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**

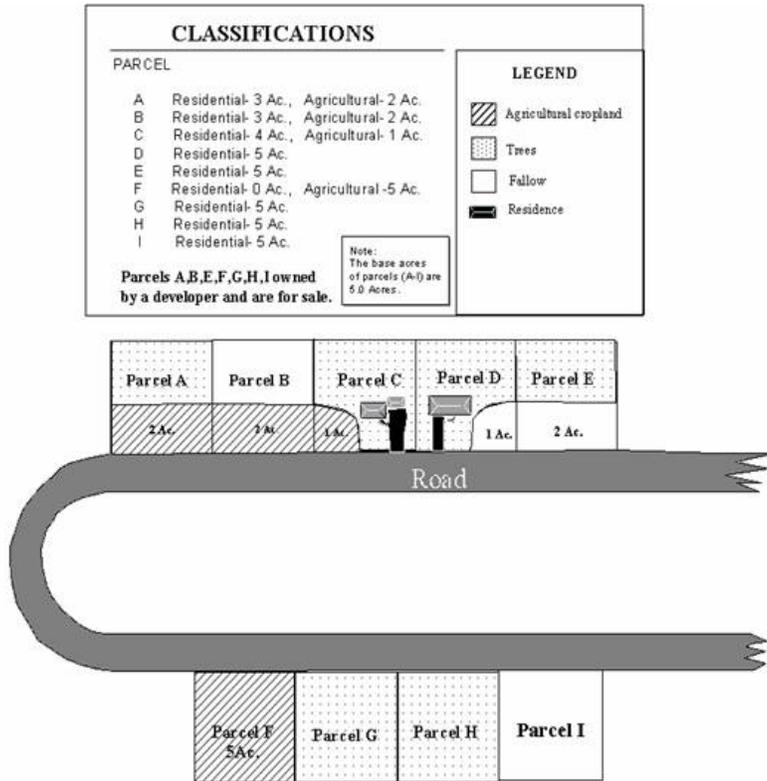
If (in addition to agricultural land) a parcel includes non-agricultural classifications, the market value of the non-agricultural land and improvements are added to the assessed value of agricultural land to arrive at the parcel's total assessed value.

## **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

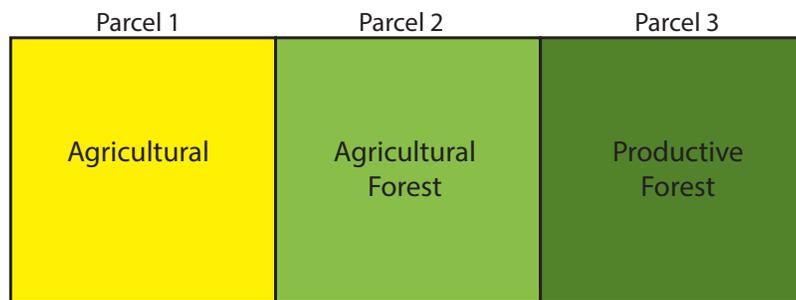
State law ([sec. 70.32\(2\)\(c\)1d, Wis. Stats.](#)), defines agricultural forest as “land that is producing or is capable of producing commercial forest products, if the land satisfies any of the following conditions:

- 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:

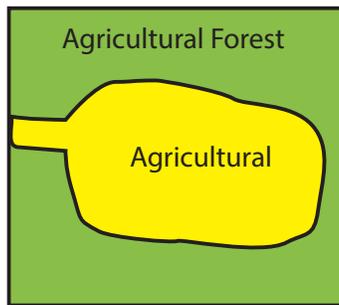
**Parcel 1** – categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based on soil productivity and assessed at the corresponding use-value.

**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



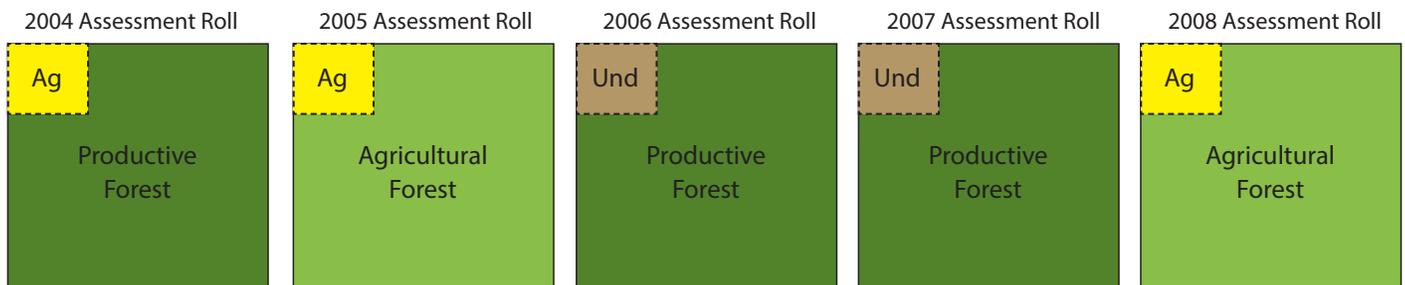
### Scenario 2 contains one parcel:

**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

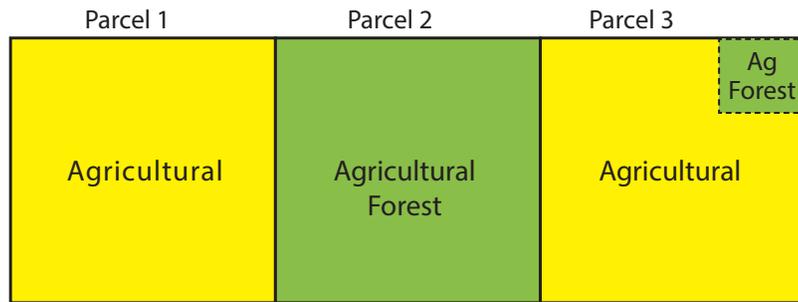
**In 2004, the forest** – is classified as Productive Forest and is assessed at its full value for the following reasons:

- 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.

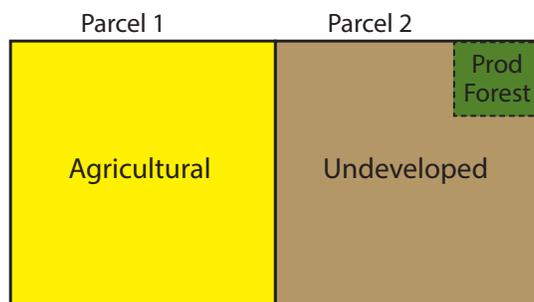
**Parcel 2** – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons. Parcel 2:

- 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:

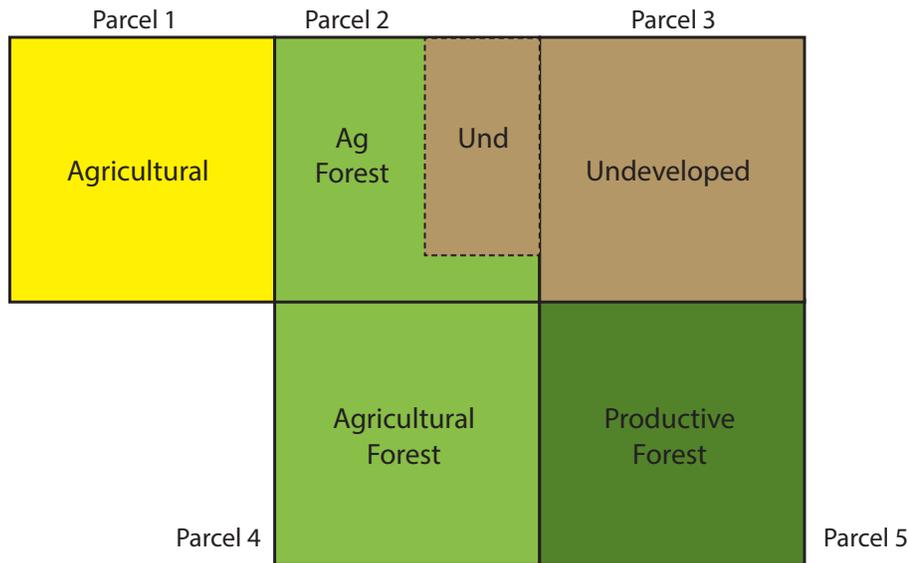
**Forest area of Parcel 2** – is classified as Productive Forest and is assessed at its full value for the following reasons. The area of forest is not:

- 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

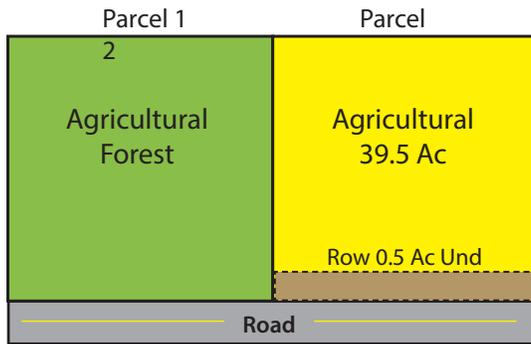
**Parcel 3 and undeveloped land in Parcel 2** – are assessed at 50 percent of full value.

**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



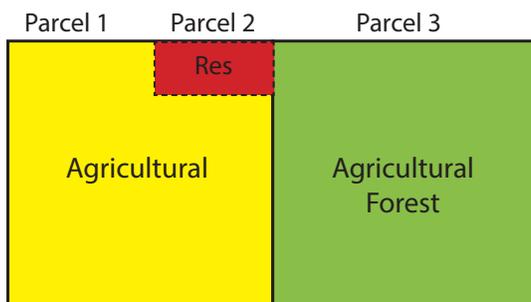
### Scenario 7 contains two parcels with the same owner:

**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:

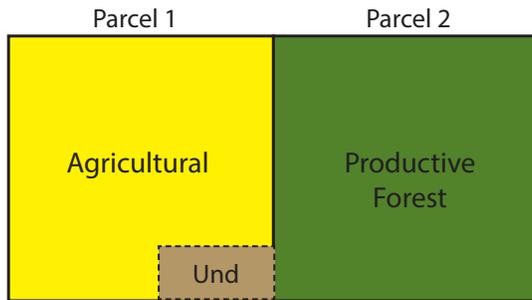
**Parcel 1** – is categorized as tillable grade 1, 2 or 3, or pasture based on soil productivity and assessed at the corresponding use-value.

**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

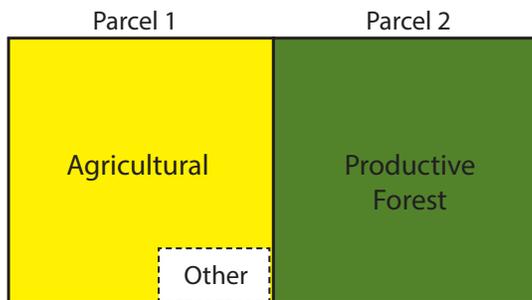


### Scenario 9 has two parcels with the same owner:

**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

	Parcel 1	Parcel 2	Parcel 3	Parcel 4
Ownership Line	Agricultural	Agricultural Forest	Productive Forest	<div style="border: 1px dashed black; padding: 2px;">Agricultural Forest</div> Agricultural
	Productive Forest <div style="border: 1px dashed red; padding: 2px; width: fit-content;">Res</div>	Productive Forest	Productive Forest	<div style="border: 1px dashed black; padding: 2px;">Agricultural Forest</div> Agricultural
	Parcel 5	Parcel 6	Parcel 7	Parcel 8

### 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

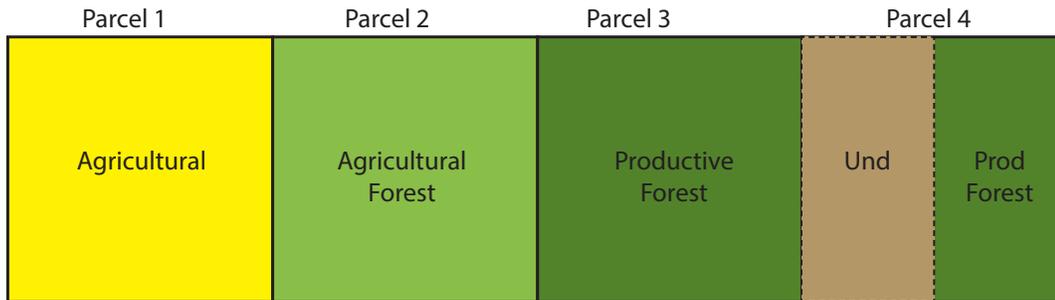
**Parcel 3** – is classified as Productive Forest and is assessed at its full value since it is not contiguous to a parcel classified in its entirety as agricultural.

**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:

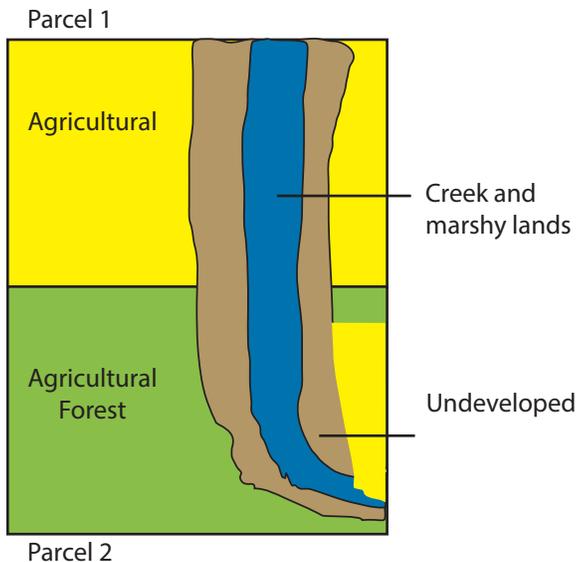
- Produces or is capable of producing commercial forest products
- Contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural
- Parcel 1 and Parcel 2 have the same owner

**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:

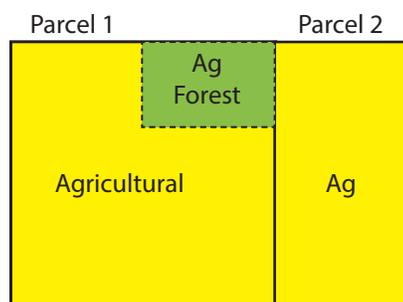
**Forest area of Parcel 2** – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons:

- 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:

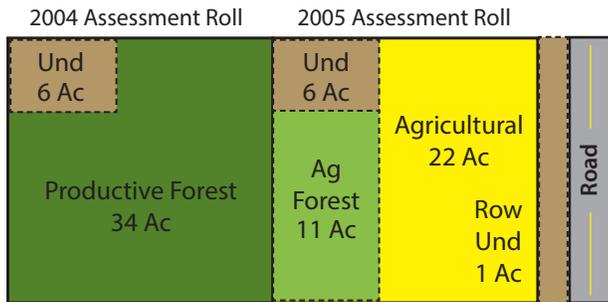
**Forest area of Parcel 1** – is classified as Agricultural Forest and is assessed at 50 percent of its full value for all the following reasons:

- 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.

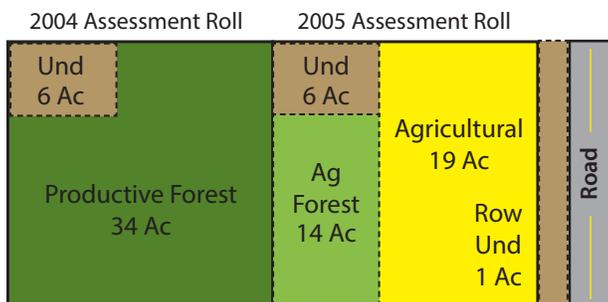
**2005 assessment** – 11 acres of forest classified as Agricultural Forest and is assessed at 50 percent of its full value for the following reasons:

- 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.

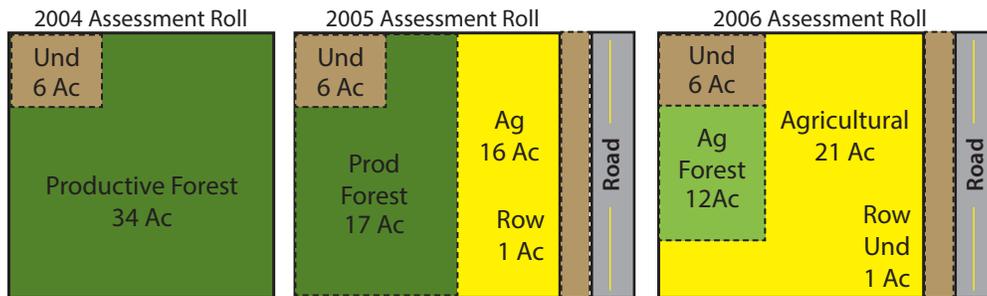
**2005 assessment shows** – 14 acres of forest classified as Agricultural Forest and is assessed at 50 percent of its full value for the following reasons:

- 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

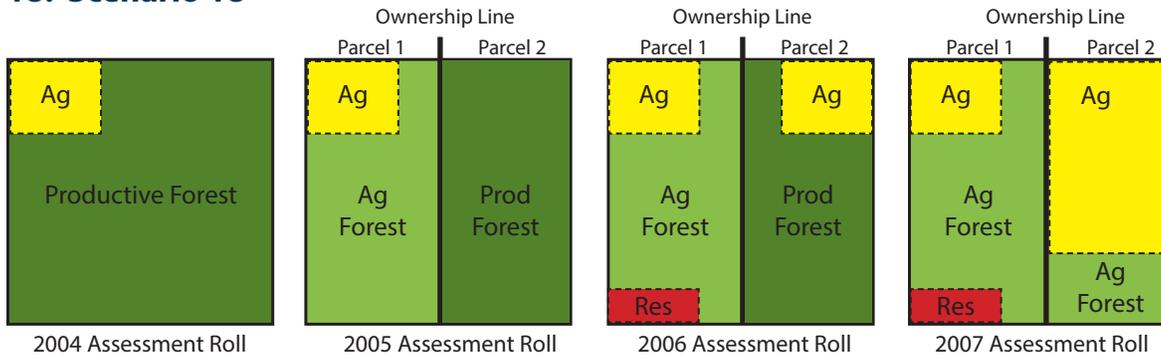
**2006 assessment** – shows 12 acres of forest classified as agricultural forest and is assessed at 50 percent of its full value for the following reasons:

- 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.

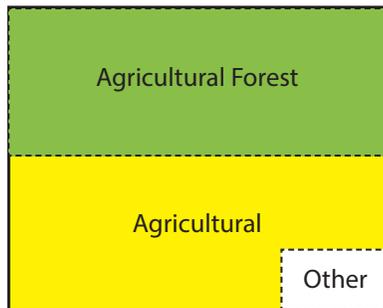
**2007 assessment** – shows no changes in Parcel 1 and an increase in the amount of agricultural land for Parcel 2.

**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 ATPC 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

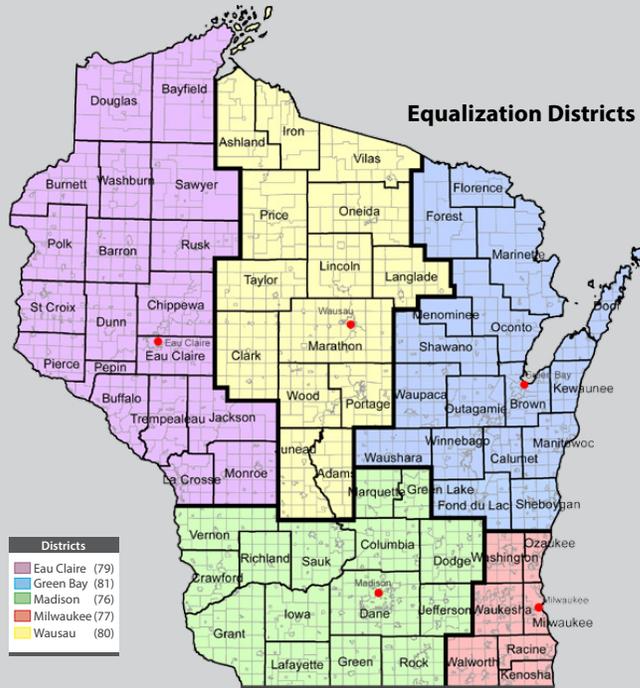
- » [Local Government Services Bureau – Town, Village and City Taxes](#)

- » [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	40	Milwaukee	77	63	Vilas	80
17	Dunn	79	41	Monroe	79	64	Walworth	77
18	Eau Claire	79	42	Oconto	81	65	Washburn	79
19	Florence	81	43	Oneida	80	66	Washington	77
20	Fond du Lac	81	44	Outagamie	81	67	Waukesha	77
21	Forest	81	45	Ozaukee	77	68	Waupaca	81
22	Grant	76	46	Pepin	79	69	Waushara	81
23	Green	76	47	Pierce	79	70	Winnebago	81
24	Green Lake	76				71	Wood	80

### Equalization Bureau

#### Contact Information

#### Eau Claire District Office (79)

610 Gibson St, Ste. 7  
 Eau Claire, WI 54701-2650  
 eqlcau@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



## I. Assessment Process

All taxable property in Wisconsin is assessed annually to establish a value. A municipal assessor uses market value and property inspection to complete the assessment. A value is assigned after these factors are considered.

### Real estate classes

Under state law (70.32 (1-7), Wis. Stats.), a municipal assessor classifies all taxable real estate into one of the following categories:

#### 1. Full value

##### Land and improvements (100 percent)

- Residential, commercial, manufacturing
- Other

##### Land only (50 percent)

- Undeveloped
- Agricultural forest

#### 2. Use-value

Agricultural – land only

## II. Agricultural Land

- A. Valuation standard differs from other classes since its assessed value is determined by the income it will produce being used as farmland
- B. According to state law, land must be "devoted primarily to agricultural use"
- C. **Includes these agricultural uses** – tilled land devoted to crop production, pastured land for livestock or land enrolled in certain programs
- D. **Primary use** – must be one of the above agricultural uses
- E. **History**
  - » 1974 ..... State constitution amended to allow non-uniform taxation of ag land
  - » 1995 ..... State law amended to create use-value law, effective January 1, 1996
  - » 1996-1997 ..... Ag land assessments frozen at 1995 values
  - » 1998-2008 ..... Use-value phase-in period
  - » 1999 ..... Farmland Advisory Council ends phase-in period
  - » 2000-2003 ..... Full use-value assessment
  - » 2004-2005 ..... Ag land assessments frozen at 2003 values
  - » 2006 ..... Use-value formula revised – changes limited to annual change in Equalized Value
  - » 2007- present ..... Values calculated based on revised formula
- F. **Intent**
  - » Retain Wisconsin's family farms
  - » Protect Wisconsin's farm economy
  - » Reduce urban sprawl



## III. Programs and Eligibility for Use-Value Assessment

This document lists the programs and easements that can qualify as agricultural use under Chapter Tax 18.05(1)(d). There are also programs and easements that do not qualify as agricultural under Chapter Tax 18.05(1)(d). If land is enrolled in a program that is not a qualifying agricultural use, the land must be devoted primarily to an agricultural use under Chapter Tax 18.05(1) paragraphs (a), (b), or (c) to receive a use-value assessment.

## IV. Tax 18.05 Definitions

### Agricultural use means any of the following:

1. 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
2. Activities included in 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. **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 s. 73.03 (2a), Stats. In addition, copies are on file with the department and the legislative reference bureau.
3. Growing Christmas trees or ginseng
4. Land without improvements subject to a federal or state easement or enrolled in a federal or state program if all of the following apply:
  - a. The land was in agricultural use under par. (a), (b), or (c) when it was entered into the qualifying easement or program
  - b. 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 s. 73.03 (2a), Stats., shall list the qualifying easements and programs according to the ATCP provisions.
  - c. 1) 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  
2) 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

## V. Discovering Program Lands

Enrollment in Federal programs through the Federal Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA) is confidential and not available to the public or assessors. The following identifies how landowners and assessors can share information for proper classification of land.

### A. Landowners

An assessor may not know land is enrolled in a program or easement that qualifies for agricultural classification and use-value assessment. A landowner should contact the assessor to discuss the land, its use, and any program and easement information.

#### Landowner should

1. Contact the [assessor](#) where the property is located
2. Provide the assessor with available land and program or easement information:
  - a. Completed Wisconsin Department of Revenue's Agricultural Classification Conservation Program Information Request ([Form PR-324](#))
  - b. Copy of program contract or recorded easement
  - c. Property information as of enrollment date:

» Classification	» Farm Serial Number	» Farm number, tract
» Maps	(FSN) and Common	and field number
» Aerial photos	Land Unit (CLU)	
  - d. Map of parcels and enrolled acres
  - e. Copy of Compatible Use Authorization (CUAs)
    - » Landowners may request to conduct certain management practices through a Compatible Use Authorization including haying and grazing
    - » CUAs apply to Easement Programs only
3. If a landowner does not have a copy of the program contract, he/she should contact the administering state or federal agency, complete the to Release Information (FSA-2004) and submit to the county's United States Department of Agriculture Office
4. If a landowner disagrees with the assessor's classification, the [appeal process](#) is available

### B. Assessors

#### Assessor should

1. Review current assessment records, classifications, available program information, and any historical information
2. For questionable program and easement enrollment, provide landowners with the Wisconsin Department of Revenue's Agricultural Classification Conservation Program Information Request ([Form PR-324](#))
3. Make sure the land meets the following for agricultural classification:
  - a. Was in a qualifying agricultural use when entering into the easement or program (ex: if the land enrolled into a program during 2018, the January 1, 2018 assessment must be agricultural)
  - b. Is in a qualifying program or easement listed in this publication on the current assessment date (ex: January 1, 2019)
  - c. **One** of the following:
    - » Easement or program allows a return to agricultural use when the easement or program is completed
    - » Land has a Compatible Use Authorization for the prior production season that allowed for an agricultural use under (a), (b) or (c) (ex: crop production, animal production, Christmas trees, ginseng)

## C. Production at time of enrollment (documentation)

Examples of what an assessor can use and landowners can provide:

- Air photo with date – signs of cropping, grazing evident
- Documents identifying crop history:
  - » [Form CRP-1](#) (USDA-FSA) – farm number tract and field numbers must be identified
  - » Other crop history for year enrolled – agency documentation including:
    - Air photos
    - County Land Conservation (LCD) farm plans

## D. Agricultural program classification process

1. Review existing records and classifications
2. Conduct required annual classification reviews
3. Distribute Form PR-324 (Ag Program Information Request) to landowners who may have land in qualifying program
4. Review completed form and supporting documents (ex: program contract, Compatible Use Authorization, maps, plans, air photos)

## E. 2019 agricultural classification if:

1. Qualifying program or easement
2. Classified agricultural at time of program or easement enrollment
3. Enrolled in program or easement during 2018 production season
4. Continues to be enrolled in qualifying program or easement on January 1, 2019 (no improvements)

## VI. Compatible Use Authorization (CUA)

An agency that administers the program or easement (e.g., NRCS, Wisconsin Department of Agriculture Trade and Consumer Protection (DATCP)) can issue a CUA for the landowner to conduct certain practices on the land.

### A. CUA from agency that administers program or easement will contain the following:

1. Landowner name
2. Eligible acres: may include all or part of the program acres
3. Time to conduct practice: when practices are allowed to occur, typically over a production season or one year
4. Specify practice allowed, examples:
  - a. Haying (qualifying for agricultural classification)
  - b. Grazing (qualifying for agricultural classification)
  - c. Cropping (qualifying for agricultural classification)
  - d. Brush management (not qualifying for agricultural classification)
  - e. Prescribed burn (not qualifying for agricultural classification)

### B. Agricultural classification when land has a CUA

1. Qualifying program or easement
2. Classified agricultural at time of program or easement enrollment
3. Enrolled in program or easement during prior production season (2018 for 2019 assessment)
4. CUA is issued for prior production season
  - a. Qualifying CUA practice: haying, other cropping or grazing
  - b. **Note:** Land continues to qualify for agricultural classification if landowner does not implement qualifying CUA practice
5. Continues to be enrolled in qualifying program or easement on January 1, assessment date without improvements (January 1, 2019 for 2019 assessment)

## VII. Rollover of program lands

### A. Rollover into a permanent easement

Land enrolled in an eligible program may rollover into another eligible program at or before the expiration of the current program. The determination of agricultural use at time of enrollment for rollover lands is dependent on the initial program enrollment.

**1. Example – CRP:** Land is enrolled into CRP under a 15-year contract and practices are installed according to ATCP 50 specifications. In year 14 of the [CRP-1 contract](#), the NRCS enrolls the entire CRP acres into the Wetlands Reserve Easements (WRE). The WRE is effective on expiration of the CRP-1.

#### 2. Land in this example is use-value eligible if:

- WRE 30-year easements do not restrict the lands from returning back into agricultural use
- CUA applies to the WRE program lands
- Program lands are subject to a state easement or enrolled in a federal or state program
- ATCP 50 practices are maintained

**Note:** After expiration of the CRP-1, all lands rolled into programs identified may need a CUA in place.

### B. Rollover into a temporary easement

Lands enrolled in eligible programs may rollover into another eligible program for 30 years or less.

#### Land is use-value eligible if:

- Program does not restrict the lands from returning back into agricultural use
- Program lands are subject to a state easement or enrolled in a federal or state program
- ATCP 50 practices are maintained

**Note:** CUAs are **not** required for temporary state or federal easements or programs. Temporary easements or programs are less than 30 years.

### C. Rollover CRP to CRP

USDA FSA may re-enroll CRP lands under various sign-up programs. In these circumstances the re-establishment of the CRP-1 authorizes a use-value classification. Any land under an active CRP-1 contract is use-value eligible.

**Caution:** Conservation practices are subject to review by the issuing agency. Maintenance of conservation practices apply on lands under a CRP-1. Violating the conditions of the CRP-1 may result in a penalty and the removal of the lands from the program. An assessor is not notified of CRP-1 violations and should address these removals through the landowner questionnaire.

## VIII. Tax 18 Conservation Programs administered by a Federal or State Agency

### A. Natural Resources Conservation Service (NRCS)

#### 1. Agricultural use at time of enrollment

- NRCS does not require agricultural use at time of enrollment
- Assessors need to confirm program lands were in a qualifying agricultural use at time of enrollment for agricultural classification eligibility

#### 2. Financial Assistance Programs

- Financial assistance programs and management programs do not determine whether land qualifies for agricultural classification
- Financial assistance programs assist the landowner in developing plans and implementing goals for the farm and the practices identified

#### 3. Additional information

- [General information](#)
- [Wisconsin specific](#)
- [Wisconsin programs](#)

### B. Farm Service Agency (FSA)

#### 1. Agricultural use at time of enrollment

- FSA does not require agricultural use at time of enrollment for all programs
- Assessors need to confirm program lands were in a qualifying agricultural use at time of enrollment for agricultural classification eligibility

#### 2. FSA eligible programs

- Agricultural Conservation Program (ACP)
  - Closed in 1996, replaced by EQIP
- Central Wisconsin grassland
- Conservation Reserve Program (CRP)
- Glacial Habitat Restoration Area
- Karner Blue Butterfly
- Southwest Wisconsin Grassland Area
- State Acres for Wildlife Enhancement (SAFE)
- Western Prairie Habitat Restoration Area)

#### 3. Each FSA program listed above is eligible for agricultural classification once these are confirmed:

- Agricultural use at time of enrollment
- Enrollment during prior production season
- Continues to be enrolled on current assessment date

#### 4. Additional information

- [General information](#)
- [Wisconsin specific](#)
- [Program information](#)

### C. United States Fish and Wildlife Services (USFWS)

The Partners for Fish and Wildlife Act provides technical and financial assistance to private landowners to restore, enhance, and manage private land to improve fish and wildlife habitats through the Partners for Fish and Wildlife Program.

# 2019 – Tax 18 Conservation Programs

## 1. Agricultural use at time of enrollment

- USFWS does not require agricultural use at time of enrollment
- Assessors need to confirm program lands were in a qualifying agricultural use at time of enrollment for agricultural classification eligibility

## 2. USFWS eligible program

### Partners for Fish and Wildlife Program

- Eligible for agricultural classification
- Temporary contract
- USFWS provides documents and contracts

## 3. The USFWS program listed above is eligible for agricultural classification once these are confirmed:

- Agricultural use at time of enrollment
- Enrollment during prior production season
- Continues to be enrolled on current assessment date

## 4. Additional information

- [General information](#)
- [Wisconsin specific](#)
- [Fish and Wildlife Program](#)

## D. Wisconsin Department of Agriculture Trade and Consumer Protection (DATCP)

### 1. Agricultural use at time of enrollment

- DATCP does not require agricultural use at time of enrollment for all programs
- Assessors need to confirm program lands were in a qualifying agricultural use at time of enrollment for agricultural classification eligibility

### 2. Additional information

- [General information](#)
- Programs
  - » [Conservation Reserve Enhancement Program](#)
  - » [CREP Equivalent](#)
  - » Protecting Wisconsin's Farm and Forest Lands (PACE) – for questions related to PACE, contact DATCP at (608) 224-4634

## E. Wisconsin Department of Natural Resources (WDNR)

### 1. Agricultural use at time of enrollment

- DNR does not require agricultural use at time of enrollment
- Assessors need to confirm program lands were in a qualifying agricultural use at time of enrollment for agricultural classification eligibility

### 2. Additional information

- [General information](#)
- [Habitat](#)
- [Non-point](#)
- [Stream Bank](#)



# 2019 – Tax 18 Conservation Programs

Tax 18 Conservation Programs			
Programs	Eligible for Agricultural Classification	Program Information	Agency
Agricultural Conservation Program (ACP)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	Closed in 1996, replaced by EQIP	FSA
Agricultural Land Easements (ALE)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• 30-year and permanent, confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Qualifying agricultural use for prior production season</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Requires agricultural use</li> <li>• Permanent and 30-year</li> <li>• Purchase of Development Rights (PDR)</li> <li>• Conservation plan and program documents</li> </ul>	NRCS
Central Wisconsin Grassland	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	CRP	FSA
Conservation Reserve Program (CRP)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	CRP	FSA
Conservation Reserve Enhancement Program (CREP) Contracts	<ul style="list-style-type: none"> <li>• Yes</li> <li>• <b>Permanent easement, confirm:</b> <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Compatible use agreement for prior production season authorizing haying, grazing or other qualifying agricultural use</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> <li>• <b>15-year easement, confirm:</b> <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Conservation practices</li> <li>• DATCP compatible use agreement</li> <li>• Conservation plan and program documents</li> <li>• For a list of DATCP CREP Perpetual easements, contact DATCP at (608) 224-4632. These are former USDA FSA CREP contracts that are no longer under the 15-year USDA FSA <a href="#">CRP-1 contract</a>.</li> <li>• DATCP held CREP and CREP equivalent contracts have a CUA built into contract</li> <li>• Beginning October 1, 2016:                             <ul style="list-style-type: none"> <li>» Permanent easements may <b>not</b> re-enroll into a CRP-1 contract</li> <li>» 15-year agreements may be re-enrolled into a 15-year CRP contract</li> </ul> </li> </ul>	DATCP
CRP Grasslands	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	CRP <ul style="list-style-type: none"> <li>• 15 year agreements</li> <li>• Working lands program</li> </ul>	FSA
Conservation Stewardship Program (CSP)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	Conservation practices that convert farmland to other cover for the life of the contract (5-10 years)	NRCS



# 2019 – Tax 18 Conservation Programs

Tax 18 Conservation Programs			
Programs	Eligible for Agricultural Classification	Program Information	Agency
Emergency Watershed Protection (EWP)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Technical and financial assistance for flood repair</li> <li>• Conservation plan and program documents</li> <li>• Farming is not restricted unless an easement is in place. See EWP-Flood Plain Easements.</li> </ul>	NRCS
Emergency Watershed Protection Program – Floodplain Easements (EWPP-FPE)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Compatible use agreement for prior production season authorizing haying, grazing or other qualifying agricultural use</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Permanent Easements (see WRE)</li> <li>• CUA, management plan and supporting documents</li> </ul>	NRCS
Environmental Quality Incentives Program (EQIP)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural use must be present for use-value classification</li> <li>• Technical and financial assistance</li> <li>• Conservation plan and program documents</li> <li>• Farming is allowed. Some practices may restrict farming for 2-10 years.</li> </ul>	NRCS
Farm and Ranch Lands Protection Program (FRPP) (Legacy program of ALE)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of Development Rights (PDR)</li> <li>• Conservation plan and program documents</li> </ul>	NRCS
Forest Land Enhancement Program (FLEP)	No	Cost sharing for forestry practices	NRCS
Glacial Habitat Restoration Area	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	CRP	FSA
Grassland Reserve Program (GRP)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• 10-year, 15-year, 20-year contract and permanent, confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Qualifying agricultural use for prior production season</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• 15-year agreements provided for haying/ grazing</li> <li>• Working lands program</li> <li>• Conservation practices through a Purchase of Development Rights (PDR)</li> <li>• Conservation plan/management plan and program documents</li> <li>• Grazing and haying are the management practices</li> <li>• See CRP Grasslands</li> </ul>	NRCS

# 2019 – Tax 18 Conservation Programs

Tax 18 Conservation Programs			
Programs	Eligible for Agricultural Classification	Program Information	Agency
Grazing Lands Conservation Initiative (GLCI)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Technical assistance for grazing activities</li> <li>• Conservation plan and program documents</li> </ul>	NRCS
Habitat Area Easements Glacial Habitat Restoration Areas Glacial Heritage Areas Western Prairie Habitat Restoration Area Southwest Wisconsin Grassland Central Wisconsin Grassland Conservation Area Western Prairie Habitat Restoration Area	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Habitat restoration</li> <li>• Preservation of remnant prairie</li> <li>• Easement areas purchased by the WDNR are called habitat easements which may include cropland, forest, wetlands and uplands including remnant prairie</li> <li>• By mutual agreement each habitat easement is subject to change</li> <li>• Changes may include haying and grazing as management tool</li> </ul>	DNR
Healthy Forests Reserve Program (HFRP)	No easements in Wisconsin as of 2015	<ul style="list-style-type: none"> <li>• 30-year contracts, 10-year agreements and permanent easements Silviculture</li> <li>• Silviculture programs on established forest or tree planting on cropland</li> <li>• Land may have crop history</li> </ul>	NRCS
Karner Blue Butterfly	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	CRP	FSA
Mississippi River Basin Initiative (Funding Source)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Conservation practices</li> <li>• Conservation plan and program documents</li> </ul>	NRCS
National Water Quality Initiative (Funding Source)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Conservation practices</li> <li>• Conservation plan and program documents</li> </ul>	NRCS

# 2019 – Tax 18 Conservation Programs

Tax 18 Conservation Programs			
Programs	Eligible for Agricultural Classification	Program Information	Agency
Non-Point Source Water Pollution Abatement Program	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Compatible use agreement for prior production season authorizing haying, grazing or other qualifying agricultural use</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	Erosion control	DNR
Partners for Fish and Wildlife Program	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	Provides technical and financial assistance to private landowners to restore, enhance, and manage private land to improve fish and wildlife habitats	USFWS
Purchase of Agricultural Conservation Easements (PACE)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of development rights (PDR)</li> <li>• Purchase of development rights is an encumbrance that may affect the current and future market value of the land the development rights are on, as well as the surrounding lands</li> <li>• PACE easement requires conservation compliance through a Conservation Plan</li> <li>• Program does not restrict agricultural use</li> </ul>	DATCP
Rapid Watershed Assessment (RWA)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	Farming is allowed	NRCS
Regional Conservation Partnership Program (RCP)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Conservation program contracts and easement agreements are implemented through:                                     <ul style="list-style-type: none"> <li>» Agricultural Conservation Easement Program (ACEP)</li> <li>» Environmental Quality Incentives Program (EQIP)</li> <li>» Conservation Stewardship Program (CSP)</li> <li>» Healthy Forests Reserve Program (HFRP)</li> </ul> </li> <li>• Duration: 5-10 yrs</li> <li>• CUA, management plan (if available) and other and program documents</li> </ul>	

# 2019 – Tax 18 Conservation Programs

Tax 18 Conservation Programs			
Programs	Eligible for Agricultural Classification	Program Information	Agency
Soil and Water Resource Mgmt. Program (SWRM) 15-year agreement - CREP Equivalent (sec 50.08)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Conservation practices</li> <li>• Land enrolled in state's SWRM Program in a 15-year agreement</li> <li>• No restrictions to return land to Tax 18 eligible agricultural use</li> <li>• Program enrolls cropland or pasture land into a 15- year agreement</li> </ul>	DATCP
Soil and Water Resource Mgmt. Program (SWRM) Permanent Easement - CREP Equivalent (sec 50.08)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Compatible use agreement for prior production season authorizing haying, grazing or other qualifying agricultural use</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Conservation practices</li> <li>• Land enrolled in state's SWRM Program in a permanent conservation easement (conservation easement allows a compatible use agreement)</li> <li>• Conservation Plan and program documents</li> <li>• Program enrolls cropland or pasture land into a perpetual easement</li> </ul>	DATCP
Southwest Wisconsin Grassland Area	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	CRP	FSA
State Acres for Wildlife Enhancement (SAFE) and Monarch (SAFE)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	CRP	FSA
Stream Bank Protection Program	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Compatible use agreement for prior production season authorizing haying, grazing or other qualifying agricultural use</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	Erosion control	DNR
Water Bank Program (WBP)	No Wisconsin enrollments		NRCS
Western Prairie Habitat Restoration Area	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:                             <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	CRP	FSA

# 2019 – Tax 18 Conservation Programs

Tax 18 Conservation Programs			
Programs	Eligible for Agricultural Classification	Program Information	Agency
Wetland Reserve Easements (WRE) Former Wetlands Reserve Program (WRP)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• <b>30-year easement, confirm:</b> <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> <li>• <b>Permanent easement, confirm:</b> <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Compatible use agreement for prior production season authorizing haying, grazing or other qualifying agricultural use</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• 30-year easements</li> <li>• Permanent easements</li> </ul>	NRCS
Wetland Reserve Program (WRP) (legacy program of WRE)	<ul style="list-style-type: none"> <li>• Yes</li> <li>• <b>30-year easement, confirm:</b> <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> <li>• <b>Permanent easement, confirm:</b> <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Compatible use agreement for prior production season authorizing haying, grazing or other qualifying agricultural use</li> <li>4. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Easements: 30-year and perpetual</li> <li>• CUA, management plan (if available) and other and program documents</li> </ul>	NRCS
Wildlife Habitat Incentive Program (WHIP) CLOSED	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Confirm:               <ol style="list-style-type: none"> <li>1. Agricultural use at time of enrollment</li> <li>2. Enrollment during prior production season</li> <li>3. Continues to be enrolled on current assessment date</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Voluntary program to establish wildlife habitat</li> <li>• 5-year contracts have been rolled into EQIP</li> <li>• Conservation plan and program documents</li> <li>• Farming allowed. Some practices may restrict farming for 2-10 years.</li> </ul>	NRCS

**Co Treasurer Letterhead**

Conversion Charge Assessment Date: (Date of this letter): \_\_\_\_\_

<insert owner name as of date of the change>  
<insert address of person who owes the conversion charge>

**Agricultural Land Conversion Charge**

The Municipal Assessor informed our office that the acre(s) listed below are no longer devoted to primarily agricultural use, under state law (sec. 70.32(2)(c)1, Wis. Stats.). As owner at the time of the use change, you must pay a conversion charge based on the total number of acres converted.

**Conversion Charge Assessment Information**

<b>Change reflected on Assessment Roll effective</b>	January 1, <insert assessment year>
<b>Town/Village/City :</b> <insert t,v,c>	<b>County:</b> <insert county name>
<b>Parcel number(s)</b>	<insert parcel number(s)>
<b>Number of converted acres</b>	<insert number of acres>
<b>Conversion charge</b>	<b>\$ &lt;insert charge amount&gt;</b>

**Conversion charge notice**

The *Agricultural Land Conversion Charge* form (PR-298), notifies property owners of a potential land conversion charge. Your local assessor should have sent you Form PR-298 with the *Notice of Changed Assessment* (PR-301) for land formerly classified as agricultural and converted to another use. If you did **not** receive these documents prior to receiving this letter, contact your municipal assessor.

**Conversion charge due date**

The Conversion Charge is **due no later than 30 days** from the date of this notice. If you pay after the due date, you are charged interest at 1% per month (or fraction thereof), calculated from the date of this notice. If you fail to pay, the amount is collected as a special charge on the property tax bill.

**Payment Information** – make your check payable to:

\_\_\_\_\_ County  
C/O of \_\_\_\_\_, County Treasurer

**Questions?**

- For more conversion charge information, review these Wisconsin Department of Revenue resources:
- Agricultural Assessment Guide for Wisconsin Property Owners: [revenue.wi.gov/pubs/slf/pb061.pdf](http://revenue.wi.gov/pubs/slf/pb061.pdf)
  - Use-Value Conversion Charge Common Questions (CQs): [revenue.wi.gov/faqs/slf/usevalue.html](http://revenue.wi.gov/faqs/slf/usevalue.html)
  - Use-Value Assessment CQs: [revenue.wi.gov/faqs/slf/useassmt.html](http://revenue.wi.gov/faqs/slf/useassmt.html)

<insert County Treasurer Address>

Sincerely,  
County Treasurer  
cc. Municipal Assessor

# AGRICULTURAL USE-VALUE CONVERSION CHARGE WORKSHEET

## Guide to Estimating Charge for Conversion of Agricultural Land

Property that has benefited from agricultural classification and use-value assessment may be subject to a Conversion Charge. This occurs when its use is converted to a residential, commercial, or manufacturing use, or becomes exempt and the use is no longer agricultural. The Conversion Charge is effective upon the Assessor's completion of the assessment roll in the year following the change in use. Sec.74.485, Wis. Stats., governs the application of the Conversion Charge.

The County Treasurer is responsible for administering the Conversion Charge. However, the Treasurer cannot act until the actual change in use, verified by a change in class on the assessment roll, is complete. This occurs after the Assessor has submitted the roll to the local Board of Review (BOR), which will resolve any outstanding issues with the Assessor's decision of the proper classification. No later than 15 days after the BOR is complete (typically between May and October), the Assessor must provide the County Treasurer with all of the information that is necessary to compute the Conversion Charges. The Assessor will provide a list of the owners who are subject to the charge for converting agricultural acreage in the previous calendar year. A sample of the Assessor's report to the County Treasurer is [available](#). The conversion charges are due within 30 days of issuance. Unpaid conversion charges will be added as special charges on the next property tax bill.

**How can I estimate a Conversion Charge for determining project costs, purchase price, escrow at closing, etc.?** The following information outlines the process to estimate a Conversion Charge prior to the actual calculation by the County Treasurer.

1. Determine who will be liable for the Conversion Charge. The person owning the property at the time of conversion will receive the bill. (Example: A Developer/Grantor begins construction of a house in March. Even if the house sold in September, the Conversion Charge will be due from the grantor; not the grantee. The Assessor is required by law to provide notice of the potential [Conversion Charge](#). The grantor is required by law to provide the grantee with notice of the Conversion Charge status).
2. Determine how many acres had been assessed as 'agricultural use' the prior January 1 and are being converted. (Example: Eight acres which had been a corn field now contain a house and lawn, and 5 acres remain as a corn field. Three acres were converted).
3. Determine the proper Conversion Charge/acre (the larger the number of acres converted, the smaller the Conversion Charge per acre). This is based on the # of changed acres by the same owner in the community. (Example: If the owner in step 2 above converted another 12 acres in the same community in the same year, he or she would have a 15 acre Conversion Charge).
4. Multiply the # of changed acres times the Conversion Charge per acre in the county.

Number of acres assessed prior January 1 as agricultural whose use has been converted on current January 1 assessment roll	Times	\$___ if more than 30 acres were converted \$___ if 10 to 30 acres were converted \$___ if less than 10 acres were converted	Equals	ESTIMATED Conversion Charge Due
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NOTE: See the Wisconsin Department of Revenue website at <http://www.revenue.wi.gov/> for "Common Questions", the "Agricultural Assessment Guide," and a list of Conversion Charges by County.