Appendix 11-D

Agricultural Forest

Section 70.32(2)(c)1d, Wis. Stats., which defines the "agricultural forest" class of property, was amended by 2003 Wisconsin Act 230. The following definition of "agricultural forest" is effective January 1, 2005.

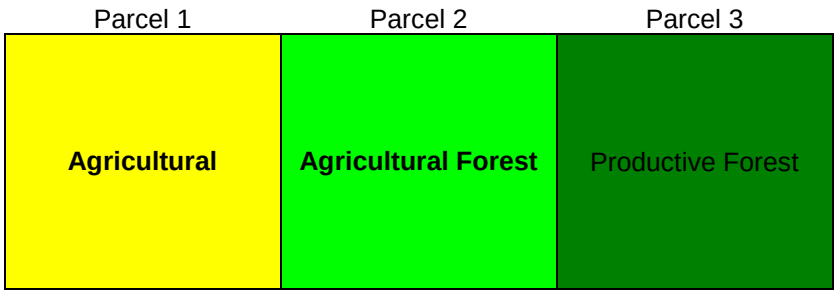
Section 70.32(2)(c)1d, Wis. Stats., defines "agricultural forest" as "land that is producing or is capable of producing commercial forest products, if the land satisfies any of the following conditions:

a. It is contiguous to a parcel that has been 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.
b. It is located on a parcel that contains land that is classified as agricultural land in the property tax assessment on January 1, 2004, and on January 1 of the year of assessment.
c. It is located on a parcel at least 50 percent of which, by acreage, was converted to land that is classified as agricultural land in the property tax assessment on January 1, 2005, or thereafter."

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

Please refer to the DOR web site, http://www.revenue.wi.gov/, for updates.

Scenario 1



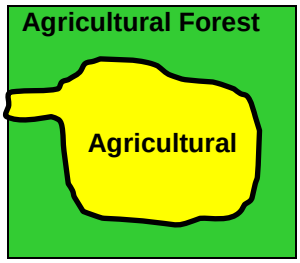
Scenario 1 contains three parcels that have the same owner. Parcel 1 is categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value.

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

1. Parcel 2 is producing or is capable of producing commercial forest products.
2. Parcel 2 is contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural.
3. The same person owns Parcel 2 and Parcel 1.

Parcel 3 is classified as Productive Forest and is assessed at its **full** value because it is not contiguous to Parcel 1.

Scenario 2

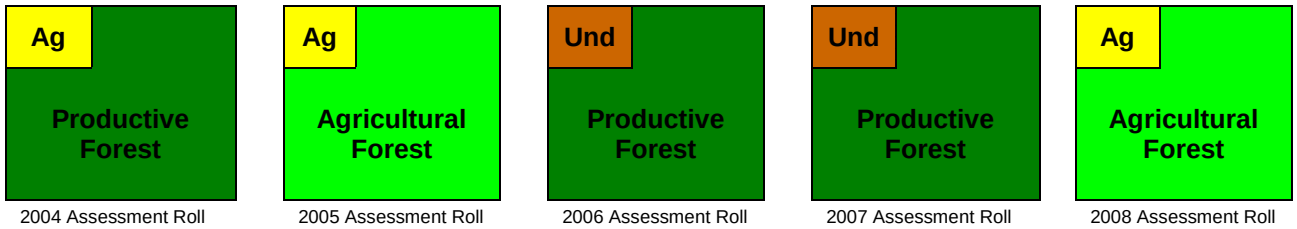


Scenario 2 contains one parcel. The forest area is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. The area of forest is producing or is capable of producing commercial forest products.
2. The area of forest is located on a parcel that contains land that was classified as agricultural land for the 2004 assessment year.
3. The area of forest is located on a parcel that contains land that is classified as agricultural for the current assessment year.

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

Scenario 3



Scenario 3 contains one parcel over a 5-year period. The forest in 2005 and 2008 is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. The areas of forest are producing or are capable of producing commercial forest products.
2. The areas of forest are located on a parcel that contains land that was classified as agricultural land for the 2004 assessment year.
3. The areas of forest are located on a parcel that contains land that is classified as agricultural for the current assessment year.

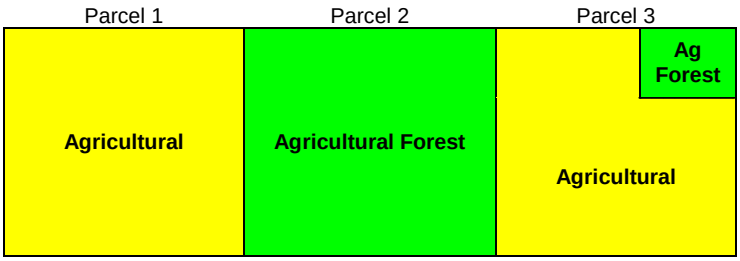
In 2004, the forest is classified as Productive Forest and is assessed at its **full** value for the following reasons.

1. The area of forest is not contiguous to a parcel that is classified in its entirety as agricultural.
2. 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 because the forest is not on a parcel with land that is classified as agricultural for the current assessment year. The land classified as undeveloped is assessed at **50%** of its full value.

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

Scenario 4



Scenario 4 contains three parcels that have the same owner. The agricultural acres in Parcel 1 and Parcel 2 are categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value.

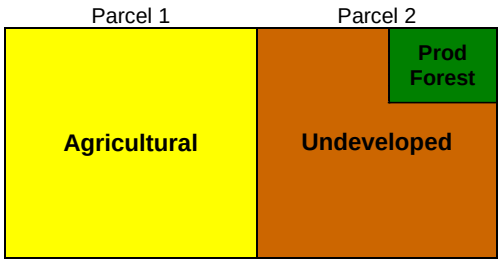
Parcel 2 is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. Parcel 2 is producing or is capable of producing commercial forest products.
2. Parcel 2 is contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural.
3. The same person owns Parcel 2 and Parcel 1.

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

1. The area of forest is producing or is capable of producing commercial forest products.
2. The area of forest is located on a parcel that contains land that was classified as agricultural land for the 2004 assessment year.
3. The area of forest is located on a parcel that contains land that is classified as agricultural for the current assessment year.

Scenario 5



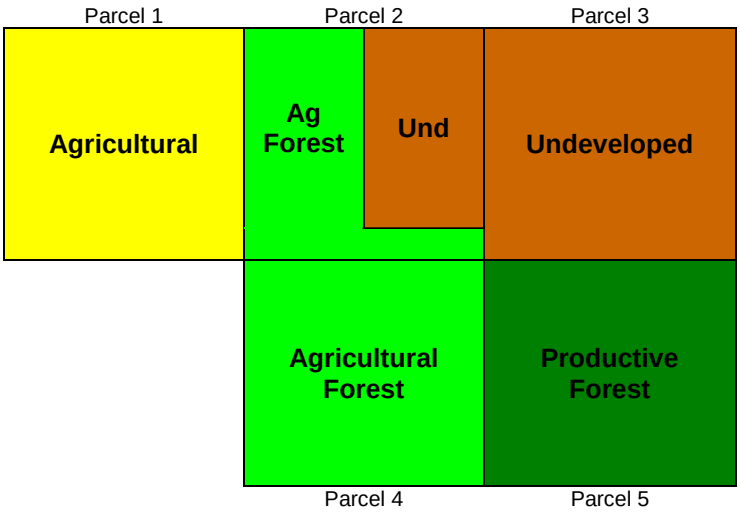
Scenario 5 contains two parcels that have the same owner. The forest area of Parcel 2 is classified as Productive Forest and is assessed at its **full** value because of the following reasons.

1. The area of forest is not contiguous to a parcel that is classified in its entirety as agricultural.
2. The area of forest is not located on a parcel with land that was classified as agricultural for the 2004 assessment year and the current assessment year.

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

The land classified as undeveloped in Parcel 2 is assessed at **50%** of its full value.

Scenario 6



Scenario 6 contains five parcels that have the same owner. Parcel 1 is categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value.

The forest area of Parcel 2 is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. The area of forest is producing or is capable of producing commercial forest products.
2. Parcel 2 is contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural.
3. The same person owns Parcel 1 and Parcel 2.

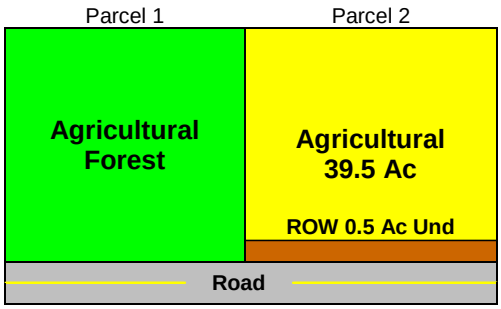
Parcel 3 and undeveloped land in Parcel 2 are assessed at **50%** of full value.

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

1. Parcel 4 is producing or is capable of producing commercial forest products.
2. Parcel 4 is contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural.
3. The same person owns Parcel 4 and Parcel 1.

Parcel 5 is classified as productive forest and is assessed at its **full** value because it is not contiguous to Parcel 1.

Scenario 7

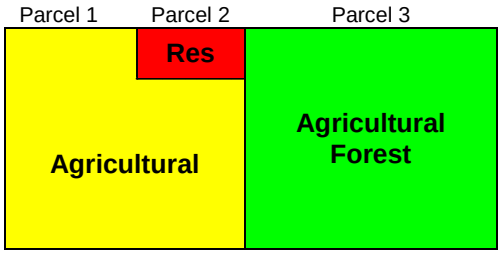


Scenario 7 contains two parcels that have the same owner. Parcel 1 is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. Parcel 1 is producing or is capable of producing commercial forest products.
2. Parcel 1 is contiguous to Parcel 2, a parcel that is classified as agricultural except an area of road right of way. 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 should be treated similarly.
3. The same person owns Parcel 1 and Parcel 2.

The agricultural area of Parcel 2 is categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value. The area of Undeveloped is assessed at **50%** of its full value.

Scenario 8

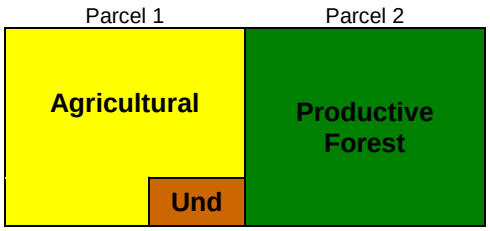


Scenario 8 has three parcels that have the same owner. Parcel 3 is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. Parcel 3 is producing or is capable of producing commercial forest products.
2. Parcel 3 is contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural.
3. The same person owns Parcel 3 and Parcel 1.

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

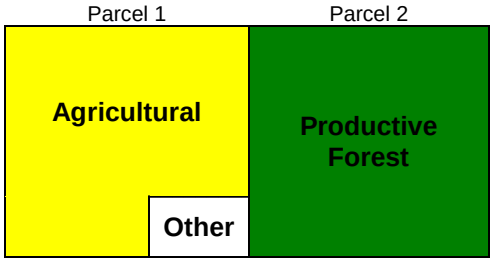
Scenario 9



Parcel 1 and Parcel 2 are owned by the same owner. Parcel 2 is classified as Productive Forest and is assessed at its **full** value because Parcel 1 is not classified in its entirety as agricultural. Parcel 1 has multiple classifications, agricultural and undeveloped.

The class 4 acres of Parcel 1 are categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value. The Undeveloped area of Parcel 1 is assessed at **50%** of its full value.

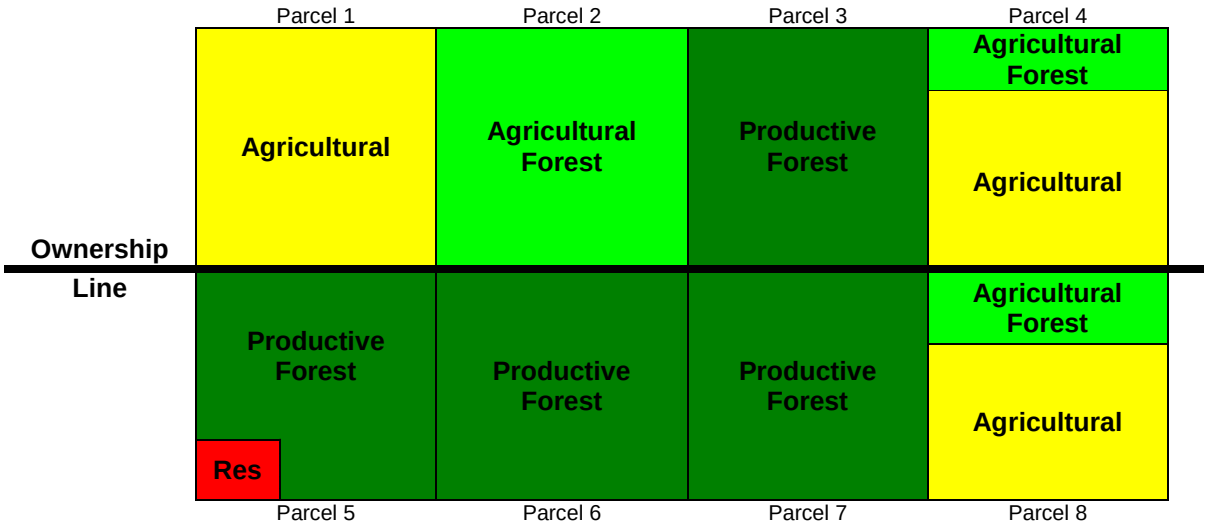
Scenario 10



Scenario 10 contains two parcels that have the same owner. Parcel 2 is classified as Productive Forest and is assessed at its **full** value because Parcel 1 is not classified in its entirety as agricultural. Parcel 1 has multiple classifications, agricultural and "other."

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

Scenario 11



Scenario 11 contains eight parcels with a line that designates separate ownership. The top four parcels have one owner and the bottom four parcels have a different owner. Parcel 2 is classified as Agricultural Forest and is assessed at **50%** of its full value for the following reasons:

1. Parcel 2 is producing or is capable of producing commercial forest products.
2. Parcel 2 is contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural.
3. Parcel 1 and Parcel 2 are owned by the same person.

The forest areas of Parcel 4 and Parcel 8 are classified as Agricultural Forest and are assessed at **50%** of their full value for all of the following reasons.

1. The forest areas are producing or are capable of producing commercial forest products.
2. The forest areas are located on parcels that contained land that was classified as agricultural land for the 2004 assessment year.
3. The forest areas are located on parcels that contained land that is classified as agricultural land for the current assessment year.

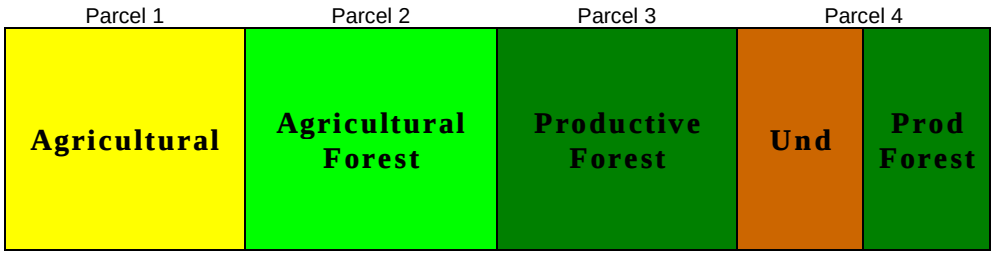
Parcel 3 is classified as Productive Forest and is assessed at its **full** value because it is not contiguous to a parcel that is classified in its entirety as agricultural.

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, which 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, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value.

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

Scenario 12



Scenario 12 contains four parcels that have the same owner. Parcel 2 is classified as Agricultural Forest and is assessed at **50%** of its full value for the following reasons:

1. Parcel 2 is producing or is capable of producing commercial forest products.
2. Parcel 2 is contiguous to Parcel 1, a parcel that is classified in its entirety as agricultural.
3. Parcel 1 and Parcel 2 are owned by the same person.

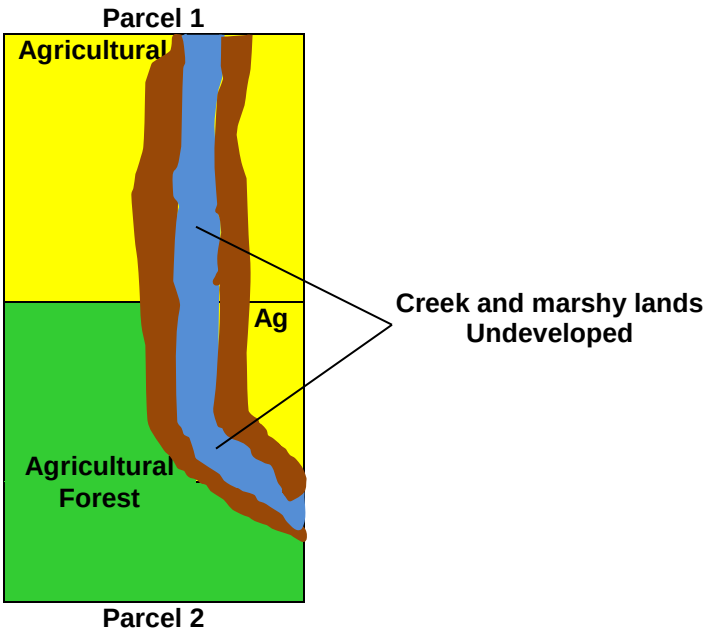
Parcel 3 and the forest area of Parcel 4 are classified as Productive Forest and assessed at **full** value for the following reasons.

1. The forest is not contiguous to a parcel that is classified in its entirety as agricultural.
2. The forest is not on a parcel with land that was classified as agricultural for the 2004 assessment year and the current assessment year.

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

The Undeveloped land is assessed at **50%** of full value.

Scenario 13



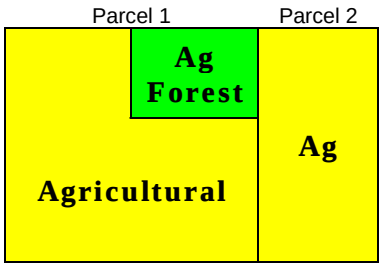
Scenario 13 contains two parcels that have the same owner. The forest area of Parcel 2 is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. The forest area is producing or is capable of producing commercial forest products.
2. The forest area is located on a parcel that contained land that was classified as agricultural land for the 2004 assessment year.
3. The forest area is located on a parcel that contained land that is classified as agricultural land for the current assessment year.

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

The creek and marshy land classified as Undeveloped is assessed at **50%** of its full value.

Scenario 14



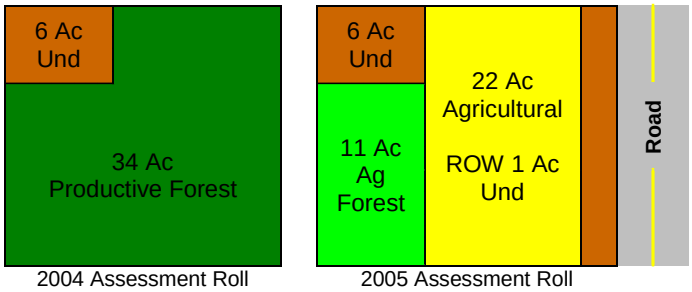
Scenario 14 contains two parcels that have the same owner. The forest area of Parcel 1 is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. The area of forest is producing or is capable of producing commercial forest products.
2. The area of forest is located on a parcel that contains land that was classified as agricultural land for the 2004 assessment year.
3. The area of forest is located on a parcel that contains land that is classified as agricultural for the current assessment year.

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

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

Scenario 15



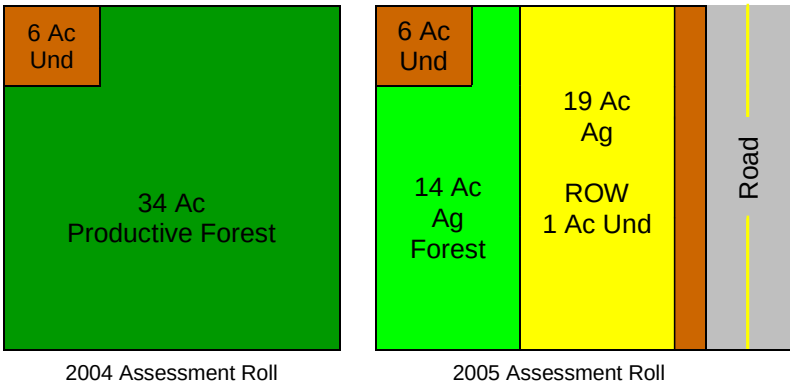
Scenario 15 contains one parcel over a two-year period. The 2004 assessment illustrates 34 acres of forest that is classified as Productive Forest and is assessed at its **full** value because it is not contiguous to a parcel that is classified in its entirety as agricultural.

The 2005 assessment illustrates 11 acres of forest that is classified as Agricultural Forest and is assessed at **50%** of its full value for the following reasons.

1. The 11 acres is producing or is capable of producing commercial forest products.
2. The 11 acres is 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. Include any road right of way when determining the 50% agricultural acreage eligibility.

The agricultural area for the 2005 assessment is categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value. The Undeveloped areas for the 2004 and 2005 assessment years are assessed at **50%** of full value.

Scenario 16



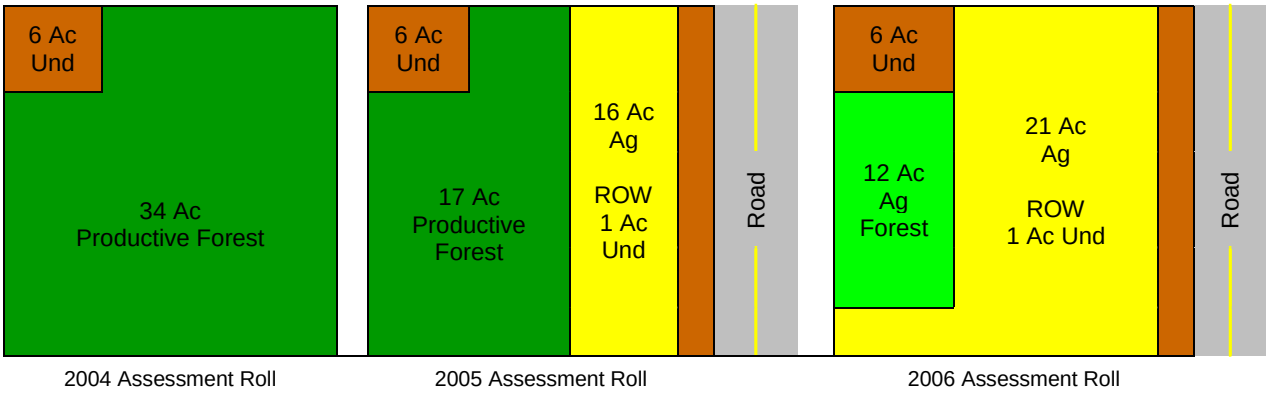
Scenario 16 contains one parcel over a two-year period. The 2004 assessment illustrates 34 acres of forest that is classified as Productive Forest and is assessed at its **full** value because it is not contiguous to a parcel that is classified in its entirety as agricultural.

The 2005 assessment illustrates 14 acres of forest that is classified as Agricultural Forest and is assessed at **50%** of its full value for the following reasons.

1. The 14 acres are producing or is capable of producing commercial forest products.
2. The 14 acres are 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 or thereafter. Include any road right of way when determining the 50% agricultural acreage eligibility.

The agricultural area for the 2005 assessment is categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value. The Undeveloped areas for the 2004 and 2005 assessment years are assessed at **50%** of full value.

Scenario 17



Scenario 17 contains one parcel over a three-year period. The 2004 assessment illustrates 34 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.

The 2005 assessment illustrates 17 acres of forest that is classified as productive forest and is assessed at its **full** value for the following reasons.

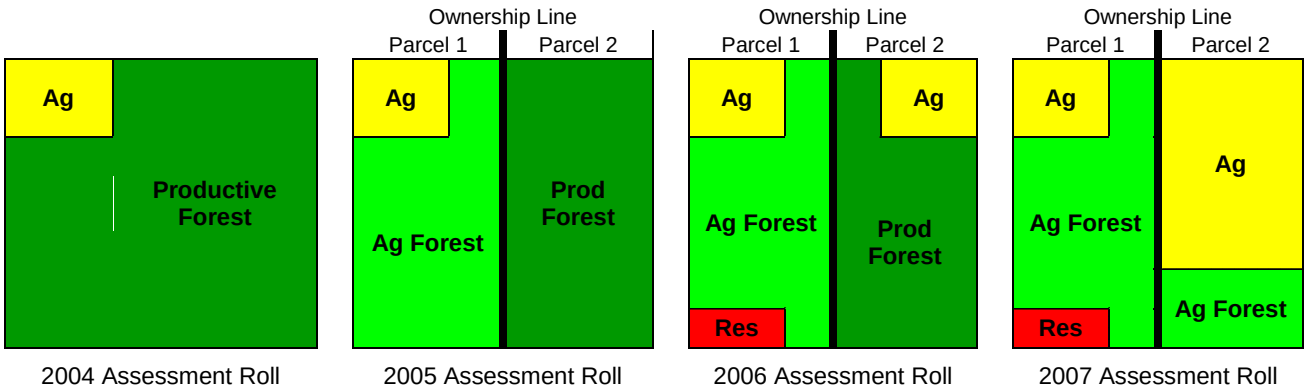
1. The 17 acres of forest are not contiguous to a parcel that is classified in its entirety as agricultural.
2. The 17 acres of forest are not located on a parcel where at least 50 percent of the acreage was converted to land that is classified as agricultural for the 2005 assessment.

The 2006 assessment illustrates 12 acres of forest that is classified as agricultural forest and is assessed at **50%** of its full value for the following reasons.

1. The 12 acres are producing or are capable of producing commercial forest products.
2. The 12 acres are located on a parcel where at least 50 percent of the acreage was converted to land that is classified as agricultural for the 2006 assessment. The forest land is now classified as Agricultural Forest, because more than half the acreage of the parcel is now Agricultural.

The agricultural area for the 2005 and 2006 assessments are categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value. The undeveloped areas are assessed at **50%** of full value.

Scenario 18



<u>2004</u>: The 2004 assessment illustrates 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.

<u>2005</u>: The 2005 assessment illustrates that the forty acre parcel has split into two twenty acre parcels with different owners. The forest in Parcel 1 is classified as agricultural forest and is assessed at **50%** of its full value for the following reasons.

1. The area of forest is producing or is capable of producing commercial forest products.
2. The area of forest is located on a parcel that contains land that was classified as agricultural land for the 2004 assessment year.
3. The area of forest is located on a parcel that contains land that is 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.

1. Parcel 2 is not contiguous to a parcel that is classified in its entirety as agricultural with the same owner.
2. Parcel 2 does not contain agricultural land.

<u>2006</u>: The 2006 assessment illustrates a portion of Parcel 1 is now classified as residential and a portion of Parcel 2 is now classified as agricultural. The forest in Parcel 1 is classified as agricultural forest and is assessed at **50%** of its full value for the following reasons.

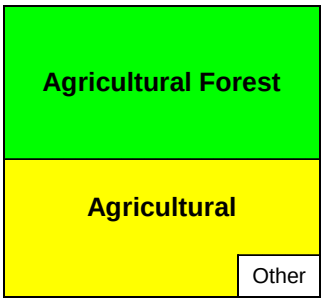
1. The area of forest is producing or is capable of producing commercial forest products.
2. The area of forest is located on a parcel that contains land that was classified as agricultural land for the 2004 assessment year.
3. The area of forest is located on a parcel that contains land that is classified as agricultural for the current assessment year. The residential site acres do not impact this determination.

The 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.

<u>2007</u>: The 2007 assessment illustrates no changes in Parcel 1 and an increase in the amount of agricultural land for Parcel 2. The forest in Parcel 2 is classified as agricultural forest and is assessed at **50%** of its full value for the following reasons.

1. The area of forest is producing or is capable of producing commercial forest products.
2. The area of forest is 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. The forest land is classified as Agricultural Forest, because more than half the acreage of the parcel is now Agricultural.

Scenario 19



Scenario 19 contains one parcel. The forest area is classified as Agricultural Forest and is assessed at **50%** of its full value for all of the following reasons.

1. The area of forest is producing or is capable of producing commercial forest products.
2. The area of forest is located on a parcel that contains land that was classified as agricultural land for the 2004 assessment year.
3. The area of forest is located on a parcel that contains land that is classified as agricultural for the current assessment year.

The agricultural acres are categorized as tillable grade 1, tillable grade 2, tillable grade 3 or pasture based upon soil productivity and assessed at the corresponding use-value. The area classified as "other" is assessed at its full value.