



**STATE OF WISCONSIN**  
Legislative Audit Bureau

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Janice Mueller  
State Auditor

February 17, 2010

Senator Kathleen Vinehout and  
Representative Peter Barca, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator Vinehout and Representative Barca:

At your direction, we have begun a limited-scope review of use value assessment of agricultural land, as requested by Senator Russ Decker last year. Under a 1974 amendment to the state constitution's uniformity clause, agricultural land can be treated differently from other types of property for property tax purposes. With the enactment of 1995 Wisconsin Act 27, land that is devoted primarily to agricultural use is assessed on the basis of that use, thereby reducing property taxes assessed on that land. Some concerns have been expressed that land intended for development, including property zoned for commercial or residential purposes, is being inappropriately assessed as agricultural property, thereby shifting property tax liability to other properties.

To consider these concerns, we have selected a sample of communities for which we will review implementation of use value assessment by local assessors, analyze information on parcels subject to use value assessment, examine how those parcels have been zoned, and estimate the effects current practices have had on property taxes within the sample communities. We expect to release the results of our limited-scope review as a letter report later this spring.

Please contact me if you have any questions concerning this limited-scope review.

Sincerely,

Janice Mueller  
State Auditor

JM/bm

cc: Members, Joint Legislative Audit Committee

Senator Russ Decker

Mr. Roger Ervin, Secretary  
Department of Revenue