

# Answers to Frequently Asked Questions about how *Property Taxes* would be affected by implementation of the proposed Glacial Heritage Area project.

**Q:** If my land is within a Project Boundary, how would my property's value and taxes be affected?

**A:** A project boundary just identifies an area within which the Department of Natural Resources (DNR) is authorized to offer to purchase land from willing sellers. As a result, owning land within a project boundary should not affect its value or the corresponding property taxes.

**Q:** How would property tax revenues to local governments and school districts be affected if land is acquired by the DNR?

**A:** Since a law was passed in 1992, for each property the DNR acquires through purchase or donation it makes **annual aid payments** that go to each taxation district (town, village, or city; school districts, county; and special districts) based on the value of the property at the time the DNR takes ownership. These payments, sometimes referred to as "payments-in-lieu-of-taxes" or PILT, adjust each year to reflect changes in the equalized value of all land within the taxation district. Thus, if land values increase 5% a year, the DNR's payments would increase 5%, too.

**Q:** How do the DNR PILT payments compare with what previous owners paid?

**A:** In most cases the DNR's annual PILT payment is **greater** than the property taxes that had been paid by the prior owner. This occurs primarily because most lands are assessed by taxing districts at levels below their appraised market values. When the DNR purchases property at the appraised value (which is the DNR's policy), the PILT payments are greater than the property taxes that had been paid by the prior owner. PILT payments can also be higher if the land was taxed at agricultural use value, was enrolled in the managed forest program, or was exempt from property taxes (such as when owned by nonprofit organizations or public utilities).

## What is the GHA ?

The proposed Glacial Heritage Area (GHA) would link parks, preserves, wildlife and natural areas, and other conservation lands to nearby cities and villages with different types of trails. This **network of "strings and pearls"** is intended to provide readily accessible opportunities for residents and visitors to get outdoors and participate in hiking, biking, wildlife watching, fishing, paddling, hunting, horseback riding, camping, and other nature-based activities.

The existing collection of parks, boat landings, wildlife and natural areas, and trails forms the foundation of the GHA. Some strategic expansions and additions are needed to create a more useable network; thus the groups helping to implement the project would need to acquire land, through donation, purchase, or a combination of both, from willing sellers.

**Q:** How much has the Department paid in property taxes recently in Jefferson County?

**A:** In 2008, the Department made payments in lieu of taxes to towns, cities, villages, school districts, and special taxation districts in Jefferson County of \$173,000.

From 2000 to 2008, the DNR purchased 1,010 acres and received donations of almost 4,000 acres of wetlands restored through the NRCS' Wetland Reserve Program in Jefferson County. On these lands, the Department has made annual PILT payments to taxing districts of approximately \$20/acre. Prior to the DNR acquiring these lands, previous landowners paid an average of about \$6/acre.

For more complete information, see the pamphlet, "Public Land and Property Taxes" at :

<http://dnr.wi.gov/org/land/facilities/realestate>

For more information about the GHA project, visit:  
[dnr.wi.gov/org/land/facilities/glacial/index.html](http://dnr.wi.gov/org/land/facilities/glacial/index.html)

