Chapter 15

Undeveloped Land

Statutory Definition of Undeveloped Land

2003 Wisconsin Act 33 created the "undeveloped" class of real property, under sec. 70.32(2)(a)5, Wis. Stats. "Undeveloped land" is defined under sec. 70.32(2)(c)4 as: "bog, marsh, lowland brush, uncultivated land zoned as shoreland under s. 59.692 and shown as a wetland on a final map under s. 23.32 or other nonproductive lands not otherwise classified under this subsection". Included in this description are lands previously classified swamp waste under the prior law, sec. 70.32(2)(c)4, Wis. Stats.

2003 Wisconsin Act 33 also specified the valuation of undeveloped land for assessment. Sec. 70.32(4), Wis. Stats., states "Beginning with the assessments as of January 1, 2004…undeveloped land shall be assessed at 50% of its full value, as determined under sub. (1)." After determining the full value of the undeveloped land in accordance with sec. 70.32(1), Wis. Stats., state case law, and professionally accepted appraisal practices, the value is reduced by 50% under sec. 70.32(4), Wis. Stats. The reduced value is adjusted to the municipality's average level of assessment to meet uniformity requirements.

A view of the property and a highest and best use analysis represents the best information to determine proper classification. Sale prices for undeveloped land will vary. Assessors will set different unit value ranges depending on the location, use, and characteristics of the property. Applying an average value per acre to all undeveloped land in the municipality does not meet the statutory requirement of first establishing the full value of the parcel. The sales comparison approach is generally the best method to value undeveloped land.

Types of Undeveloped Land

The undeveloped classification applies to land only. Land with buildings or improvements is not eligible for undeveloped classification under sec. 70.32(2)(a) Wis. Stats. Undeveloped land includes several stratifications (subclasses), each with characteristics that require valuation analysis. These subclasses represent different types and uses of undeveloped land and have several ranges of value. Assessors report subclasses on the Municipal Assessment Report (MAR) for DOR to include in the Equalized Value.

The undeveloped subclasses include:

Fallow

- Description: Black's Law Dictionary defines fallow as "Land plowed, but not sown, and left uncultivated for a time after successive crops." Fallow land includes open land that does not grow crops or has been farmed and is now abandoned. It can include land transitioning from farmland to another use as evidenced by brush or other non-productive trees appearing. Land left fallow or un-pastured in the prior production season is not "land devoted primarily to agricultural use" (Ch. Tax 18.05(4)). Classify as undeveloped according to sec. 70.32(2), Wis. Stats. The assessor must be aware of situations, generally due to weather or economic conditions, when a crop may not have been produced in the

prior year. Those parcels must be reviewed to determine a classification change to undeveloped-fallow or maintain agricultural classification if an attempt is being made in the current year to continue agricultural production. Actual view provides the best information to determine classification.

- Valuation: the number of potential alternative uses results in a range of value. Farmland no longer tilled or pastured may be in transition to a hobby farm use, or to potential residential use. This land may have a similar to the market value of farmland, trending toward the value of larger residential parcels. However, small areas of fallow land on a larger parcel may not contribute as much value because of limited uses. Transitional land (moving from open ground to brushy wooded land) in an urban setting may be more valuable due to potential for development, compared to the same type of land in a rural area where hunting is the land's primary activity. In many cases, fallow land is used exclusively as recreational and with a blended value of swamp and forest. Water table changes can impact classification and require a swamp categorization and valuation.

Swamp

- Description: areas commonly called marshes, swamps, thickets, bogs, or wet meadows; areas with soils of the type identified on soil maps as histosols (peat and muck), that are not farmed; or as mineral soils that are "somewhat poorly drained," "poorly drained," or "very poorly drained," or "water,"; and areas where aquatic or semi-aquatic vegetation is dominant. Frequently found plant species include cattails, bulrushes, tag alder, willow, sedges, and reeds. The wetland maps described under sec. 23.32, Wis. Stats., define wetlands as: "wetland means an area where water is at, near, or above the land surface long enough to be capable of supporting aquatic or hydrophytic vegetation and which has soils indicative of wet conditions". This class also includes land that, because of soil or site conditions, is not producing or capable of producing commercial forest products. Actual view of the property, wetland maps, soil survey books, topographic maps, county mapping services represent the best information to determine proper classification.
    - In a few areas of central Wisconsin certain swamplands produce a species of sphagnum moss that grows in a wild state, is harvested, and has a commercial use. This crop is very slow growing, is not cultivated, and is not regarded as agricultural. Assessors should classify such lands as undeveloped-swamp subclass.
    - Certain swamplands have a potential value for muck farming where the muck is of sufficient depth and the area can be successfully drained. If they are put into agricultural production, they should be reclassified agricultural.
- Valuation: alternative uses for this type of land are limited and results in lower dollar per acre value ranges than other classes or subclasses. Swamp land is generally unbuildable and used for flood control, recreation, support lands for cranberry farms and reservoirs. Analyze the contributory value of the swamp. For example, large tracts of swamp will generally sell for less value per acre than smaller parcels. Small areas of swamp within a larger primarily agricultural parcel will contribute little to the total parcel value. Small areas of swamp on a parcel that contains primarily forestland, will generally carry a higher value per acre, because of more favorable wildlife habitat. Access also impacts value. Urban wetlands are generally more valuable than rural wetlands, because of the green space they create, and controlling runoff. Values of swamp land supporting an economic activity, such as cranberry farming, should be reviewed based on the economic climate of the industry, rather than speculative potential as another use.

Waste

- Description: barren land, inaccessible, totally non-productive, or not useable for any present purpose. Examples are depleted gravel pits, mines, and quarries, where no regeneration of productive trees is occurring, or economic activity is occurring and permanently closed landfills with no methane generation, or any economic activity.
- Valuation: land which has minimal alternative uses, its value is generally low. Depleted gravel pits, rocky barren land may only have a recreational use, may transition to forest over time. Contaminated parcels often have limitations that preclude development and will have minimal value until removal of the contamination.

Road Right of Way

- Description: use-value assessment of agricultural land requires land "devoted primarily to agricultural use," to receive agricultural classification. "Land devoted primarily to agricultural use" means 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 (Chapter Tax 18.05(4)). If the parcel subject to assessment includes in its legal description any land in the roadway right of way, that land is "incompatible" (cannot be used) for an agricultural purpose. That land in the road way right of way fronting agricultural land should be classified as undeveloped in the road way right of way subclass. Acreage of road way right of way is measured from the center line of the roadway to the actually farmed area, times the lineal feet of such frontage; then converted to acres. Right-of-way fronting any other class of land should remain in that class.
- Valuation: it has no economic or contributory value associated with the parcel. Due to its restricted use, right-of-way has a nominal value, $100 per acre is recommended.

Conservation Easement:

- Description: the Wisconsin Department of Natural Resources defines a conservation easement as: "…. a conservation easement is a voluntary legal agreement between a landowner and a government agency, a non-profit conservation organization or a land trust that permanently limits specified current and future uses." In this agreement, a landowner conveys some of the rights associated with ownership of his/her property to an easement holder. The easement holder is generally a government agency or a non-profit organization. If any land described elsewhere in the undeveloped classification also carries an easement that severely restricts its use, it would be included in the conservation easement subclass. Review rights transferred to the easement holder to determine what economic value remains with the parcel.
- Valuation: land is restricted with few alternative uses and may have a much different value than land with multiple uses. Creation of this subclass allows for creation of a value range specific to the very few properties it may include. A conservation easement can decrease value, by creating substantial limitations on use. It may also increase value, as it may create a privately-owned nature preserve or desirable green space. Comparable sales of similarly restricted parcels are the best approach to value.

Ponds

- Description: include both privately owned, man-made impoundments of water, as well as small bodies of naturally occurring water. Ponds are generally smaller in size than naturally occurring lakes, are maintained by the landowner, and generally found in a rural setting. The land under the surface water is classified as undeveloped. Ponds

include runoff control ponds, irrigation holding ponds, borrow pits, spring fed trout ponds (not used for fish farming), and thawed glaciated deposits (kettles). Ponds generally have well a defined area, different from small areas of standing water in a wetland. Farm ponds, where cattle are watered, are classified agricultural. Ponds used for aquaculture are classified agricultural. Ponds located on land which are part of a residential or commercial site would be classified with that site and not undeveloped.

- Valuation: can vary. Smaller water control ponds, minimizing the effect of runoff, have little alternative uses, and therefore the land under the pond will have minimal value. Spring fed ponds, often used recreationally by the landowner, will have much greater aesthetic value. Borrow pits created as a result of road construction may have some aesthetic value, offset somewhat by highway noise and lack of privacy. Kettles, found primarily in southeast Wisconsin, have aesthetic value. The assessor must determine what value, if any, the pond contributes to the overall parcel. Values can be derived from sales of specific ponds, or by extracting the residual value of the pond from sales with other classes of land included.

Lake Bed/River Bottom

- Description: submerged land under navigable water is owned by the State of Wisconsin and is exempt under sec. 70.11(1), Wis. Stats. However, the submerged land under an artificially created lake on privately owned property is not vested with the State and is assessable to the property owner. Such taxable lakebeds should be classified as undeveloped. The value of the parcel is not determined by the lakebed itself. The lakebed value is reflected by the land surrounding and/or abutting the lakebed. Sec. 30.10 Wis. Stats., as well as the Supreme Court case *State v. Bleck*, 114 Wis.2d 454, 338 N.W.2d 492 (1983), states that if a natural lake is navigable ("...any lake, stream, or river capable of floating a canoe or boat") the State of Wisconsin owns title to the lakebed to the high-water mark. The State owns the bed in trust for the people and cannot sell this right. Since the State owns title to the bed of all-natural navigable lakes, there is no need for the assessor to value the bed of the lake.
    - In *Haase v. Kingston*, 212 Wis. 585, 250 N.W. 444 (1933), the court held that title to the bed of an artificial lake remains with the owner of the land where the lake is created. If the developer owns title to all of the land where the lake is created, the developer retains title. The developer may convey the portion of the bed along with the lots, retain the title to the bed, or convey to a third party, possibly the state. The assessor must examine the legal documents creating the lake and the deeds for the lots to determine who owns title to the bed.
    - Undeveloped classification applies to the taxable lakebed portion of the parcel. Classify the remainder of the parcel as residential, commercial, undeveloped, or forest, depending on its use or probable use, based on the criteria for that class. A lakebed surrounded by undeveloped land (swamp or wetlands, etc.) is all classified undeveloped with an assessment of zero for the portion that is state-owned lakebed. The assessor needs to document what portion of the undeveloped land is lakebed.
    - Impounded surface water areas (flooded land behind dams) used for storage within defined hydroelectric project boundaries are not undeveloped. If not assessed as a utility under sec. 76.28(1)(e), Wis. Stats., these impoundments, along with associated buildings and structures, are separately described and classified as commercial.
- Valuation: generally includes two types of land 1) Land under the surface waters of man-made bodies of water, where title is retained by the landowner, and 2) Land under surface

waters of lakes that are owned by the State of Wisconsin, but whose acreage has not been removed from the legal description. Lakebed in the first situation has minimal value, as it has no economic use. The owner of record has so few of the bundle of rights that the effect of such ownership is of holding title only. Lakebed in the second situation should have no value since it is held by the state. The contributory value of both types of lakebed is carried with the frontage adjacent to the body of water.

Frac Sand

- Description: has verifiable reserves of frac sand, is not currently being mined and meets the requirements for future mining. This subclass does not include mined out frac sand land; which is considered undeveloped-waste subclass.
- Valuation: land most likely has been purchased with the intent of frac sand mining. The sales price of the property or sales of comparable properties will establish a value. Due to technology changes and economic conditions, the value may increase or decrease in a short period of time. The assessment will include the value of the frac sand with a methodology similar to valuing commercial gravel pits or quarries. See Chapter 9 for additional information.

Water Frontage

- Description: land within a subclass of undeveloped and has water frontage. An example is fallow land extending to the shoreline of a body of water. This type of land may have potential for a higher and better use than former farm land. The acreage of the water frontage is calculated by multiplying the lineal feet of water frontage times a standard depth; then converted to acreage.
- Valuation: this land meets the definition of undeveloped though has potential for uses similar to residential or commercial property. A value would be established by comparable sales of similar size parcels in the residential or commercial class and valued using the same methodology. Instances of this subclass will generally be minimal, but because of significant value differences from other undeveloped land, water frontage should be assessed with its unique value range.

Specialty

- Description: any other type of unique, nonproductive, land not described elsewhere. The MAR requires an explanation of this type of land and asks for the assessor's valuation
- Valuation: determined by the assessor based the situation from any available sources.

Valuation Considerations of Undeveloped Land

Chapter 14 of the WPAM, Agricultural Valuation, includes a section on fielding agricultural sales. A highest and best use analysis of each sale will determine whether the parcel(s) has one or multiple classifications. The example sales include typical rural acreage with multiple classifications. The acreage in each classification is valued based on the principle of contribution-what do each of the subclasses contribute to the overall value of the parcel?

Chapter 9 of the WPAM provides the following general guidance on land valuation factors:

- Topography: topography can determine the type of construction, the location of improvements and the potential uses of a property. It can also influence the cost of developing improvements. For example, if a property is lower than surrounding

properties it may need fill to make it conform to the neighborhood, adding additional cost to building a residence.

- Soil condition: the condition of the soil and subsoil can influence what can be built on a site or what additional costs may be necessary to build. For example, swampy conditions may require heavier and deeper foundations, or permit only light construction. The soil type and condition also help to determine the productivity of agricultural land.
- Natural features: the natural features of a property can impact value. Woods, water frontage, and views are just a few of the features which can affect value. For example, a buyer may pay more for a site with an attractive view of a lake. The assessor should be aware of what natural features may affect value, both positively and negatively, when deriving the assessment. See Chapter 15 for information on riparian property.
- Size: the size or area of a parcel can impact value. The assessor must be aware of the useable area of a property. Assessors need to review a gully or ravine that prohibit building or cultivation and determine any impact on value.
- Shape: the shape of a parcel can influence utility and impact value. A parcel's shape and area will affect possible and permissible uses under zoning and private use restrictions.
- Frontage: the distance which a property fronts a roadway, street, or body of water, will also have an effect on its value. Frontage is usually expressed in front feet, and generally in terms of a standard depth.
- Depth: this is the distance from the front to the rear of the parcel. When a parcel is not rectangular, the two distances from the front to the corners are averaged to give an average depth. Depth can impact value.
- Water influence: buyers frequently place greater value on property that has a water view or water frontage. The quality of beach, the type of view, the availability of water access, and the type of water (lake, stream, pond, etc.) can all impact value.

Productive Forest Land

Statutory Definition of Productive Forest Land

Sec. 70.32(2)(c)2, Wis. Stats., defines productive forest land as "land that is producing or is capable of producing commercial forest products and is not otherwise classified under this subsection". It is differentiated from “Agricultural Forest Land” by the agricultural forested land’s location contiguous to, or part of, a parcel of agricultural land.

Since the classification of land as “agricultural forest land” versus “productive forest land” will affect value, the assessor needs to verify ownership and location to determine the correct classification. Agricultural forest land classification and valuation are discussed in WPAM Chapter 14, *Agricultural Valuation*.

Classification of Forest Lands

Productive forest lands are identified in the assessment roll as Class 6. All non-productive lands should be classed as undeveloped, Class 5.

Productive forest lands are determined primarily by the type of cover or vegetation growing on the land. Merriam-Webster dictionary provides useful guidance of the type of vegetation found on forest land: “a dense growth of trees and underbrush covering a large tract.”

Historically, forest land had been valued by the quality of timber it produced, with less emphasis of alternative uses. With changing economies, timber production is no longer the primary force creating value. However, a quality woodland should still be recognized by the assessor. Characteristics of a quality woodland include:

- A wide variety of trees
- Some shrubs and ground cover
- A mixture of old and new growth
- Absence of thin, diseased, or poorly formed trees
- Some openings in the tree canopy
- A managed watershed

Forest land classification for forested areas:

- Used for hunting, fishing, recreation, or in the operation of a game preserve, unless operated as a commercial enterprise or are exempt
- Being managed or set aside to grow tree crops for the pulp and paper industries, as well as construction industries. Forest classification includes forested areas on farms, ranches, or estates, including cutover, regardless of use.
- Wet soils of bogs and forested floodplain complexes, that are characterized by trees 20 feet or more in height, such as tamarack, white cedar, black spruce, elm, black ash, green ash and silver maple. See the DNR website.

The value of forest land can vary with the multiple types and uses. If the quality of the timber may be a significant contributor to value, consult with a forester for assistance in valuation. The DNR has more information about timber management. DOR recommends several stratifications subclasses) of forest land based on the land's characteristics. Assessors will need to establish a range of value for each stratification of forest. Summary information of these subclasses is reported on the Municipal Assessment report (MAR) for DOR to include in the Equalized Value. The subclasses include:

Primary Forest

- Description: the majority of forested acres in the municipality. Its characteristics include, but are not limited to, forest land with access, forest land that is generally high and dry, forest land with alternative highest and best uses, forest land with road frontage, forest land with utilities available to it, forest land with tree plantations, forest land located on hobby farms (if substantial acreage), forest land with creeks or streams on it, and forest land on game preserves (unless used for commercial hunting). Primary forest land will include timbered land, whether hardwood or softwood.
- Valuation:
    - Alternative highest and best uses: the first step is determining the highest and best use of the parcel. The use of the forest must be legally allowed, physically possible, financially feasible and will produce the maximum profit. The more uses of the property, the more potential buyers it attracts, therefore potentially impacting sale value. If a forested parcel has few legal restrictions on its use (e.g. zoning), few or no physical limitations (e.g. wetness, steepness), few financial barriers to its acquisition (local economy) and has a strong demand for goods (timber) or services (recreational use), the parcel should be valued at the high end of the primary forest. The limitations to achieve the highest and best use of the property will establish a value range.

- Access: parcel access impacts value. Direct access from a road is best, as potential building sites can be developed, logging trucks can gain entry and utilities may be available. An individual parcel without road access, but with a recorded easement with few limitations, is more desirable than a parcel with an unrecorded or restrictive easement. Easements may limit the type of traffic to the parcel, as well as costs of read improvements. A landowner may own several parcels of contiguous land, each further from the road. Those parcels are still accessible, but generally with lesser value per acre than those with direct access. Land with no legal access is more appropriately classified as residual forest.
- Road frontage: related to access is road frontage. Road frontage provides access, minimizes expenses of installing utilities, provides exposure if the property was developed and makes recreational activity accessible. The type of road frontage can have an impact-a heavily traveled road, with restricted access points, and more noise and visibility, may not be as valuable as a parcel that fronts a less traveled road. A hard surface road is generally more desirable than gravel.
- Utilities: forest land with public utilities available is generally more valuable than land without utilities. In urban areas, the presence of sewer, water, gas, electricity, and other utilities allows for easy hookup if the forest is developed. In rural areas, bringing electricity to the property is an expense; its presence enhances value.
- Drainage: tree quality, as well as possible uses of the forest, are dependent upon soil types. Wet soils generally result in low quality timber production and restrict development or building. Dry soils are not limiting. Dry forested is easier to manage for timber production, easier to develop and generally enhances recreational activity, when compared to a parcel of predominantly wet woods. A parcel of predominantly high and dry woods, with scatted lowland wet areas, is prime for hunting and recreational uses, and may establish the upper end of value for recreational parcels.
- Tree plantations: trees are often planted to control erosion, while providing income at harvest. This forest can be used for other purposes, most frequently timber production is the goal. The planted trees may be both hardwood (e.g. birch), or softwood (e.g. Norway pine). The comparable sales approach is the best approach to value. A timber cruiser may be a good resource to establish a value of the timber.
- Forest land on small tracts: hobby farms are smaller tracts of land, but larger than the typical residential site, with buildings residential in nature, with vestiges of an agricultural use. Those tracts may have multiple classifications. If the parcel has significant acres of forest, that forest value is generally higher than that of the average forest in the municipality, because it contributes to the sense of rural living.
- Forest land on game preserves: different from hunting preserves classified commercial, a game preserve is managed for the protection and propagation of animals. This type and quality of forest is similar to other forest in the community; the only difference may be the game preserve is fenced. The valuation is similar to other forested in the municipality.

Secondary Forest

- Description: acres may have very poor access, a substantial amount of wet woods intermixed with dryland forest, difficult access, extremely steep slope, and some limitations on use.
- Valuation: the same characteristics affecting primary forest valuation apply to secondary forest; the difference is the degree of limitations. The range of values in this subclass will

be lower than the range of primary forest values because of less desirability. An alternative to this subclass is to extend the lower range of primary forest values.

Residual Forest

- Description: the poorest quality, and generally lowest valued forest. It includes wet forests, such as black spruce forests, the nearly inaccessible forest due to distance from roads or topography, the cutover forest showing little evidence of regrowth, burned over forest, or tornado damaged forest. This type of forest will have limited potential for development as its physical restrictions limit alternative uses. Cutover, burned and tornado damaged forest may require a future subclass change as the forest recovers.
- Valuation: sales of this type of land may be difficult to discover, values range from swamp and waste upward

Conservation Easement

- Description: restricts the use of the land. Review rights transferred to the easement holder to determine the remaining economic value of the parcel.
- Valuation: land may have a much different value than land with multiple uses. This subclass allows for creation of a value range specific to the few properties it may include. A conservation easement can decrease value, by creating substantial limitations on use. It may also increase value, as it may in effect create a privately-owned nature preserve or create desirable green space in an urban setting. Comparable sales of similarly restricted parcels is the best approach to value.

Frac Sand

- Description: similar to the undeveloped classification, this subclass is forest land which might fall into some other subclass of forest land but has verifiable reserves of frac sand. This land is not currently being mined but has met the criteria to be mined in the future. This subclass does not include mined out frac sand land; such land would most likely be included in the waste subclass.
- Valuation: land most likely has been purchased with the intent of frac sand mining. The sales price of the property or sales of comparable properties will establish a value. Due to technology changes and economic conditions, the value may increase or decrease in a short period of time. The assessment will include the value of the frac sand and may include the value of harvestable timber prior to mining. The assessment methodology is similar to valuing commercial gravel pits or quarries. See Chapter 9 for additional information.

Water Frontage

- Description: land in another subclass of forest though has water frontage that enhances its value. Water front forest is generally developable, is mostly dry land, generally has some type of access, and is larger in acreage than the typical residential or commercial site. Its highest and best use is more suited to future residential use, rather than logging or hunting. It can be located on lakes, rivers, and impoundments. The acreage of the water frontage is calculated by multiplying the lineal feet of water frontage times a standard depth; then converted to acreage. The assessor may choose to describe multiple subclasses of forest on a parcel - water frontage forest is the area nearest the water, and primary forest is the remaining forest on the parcel.

- Valuation: water frontage will generally enhances the value of the forest. Valuation of tracts of land with water frontage is based on a highest and best use analysis, which most frequently will be future development out of the forest class into residential or commercial. Analyzing comparable sales will reveal what factors in the specific area affect value. Most of the factors affecting value of large tracts of water front forest are the same as those affecting residential water front value (see Chapter 12, Riparian Valuation.) Those factors include:
  - Location: tracts of undeveloped forest land, with prime water frontage, will generally be more valuable in a developed or changing use neighborhood, than in a more remote area, where more such forested frontage is available.
  - Quality of water: forest frontage located on a clear, weed free, solid bottom body of water, will generally be more valuable that a weedy or mucky water. Various depths of water are preferred over a flat bottom. Deeper lakes are preferred over shallow.
  - Type of water: forested lands on naturally occurring lakes may carry a different value than impoundments or reservoirs. Reservoirs may be subject to drawdowns and fluctuating water levels may impact value. Similarly, varying water tables on naturally occurring lakes may affect value. Waterfrontage values on seepage lakes may be affected with water vegetation typically impacting value. Channels and rivers are less valuable than wider expanses of water due to boat traffic,
  - Steepness of frontage: residential development is typically the highest and best use of forest water frontage, a gentle slope to the water is more desirable than a steep slope.
  - Direction: frontage on the north side of a body of water may command a higher value than the south side, because of the sun. The value of the frontage on a large body of water may be affected by prevailing winds, which may cause erosion.
  - Legal requirements and restrictions: municipalities may require minimum setback requirements for building, beyond those established by state law. Parcels with some frontage less than the minimum depth will be less valuable that a tract in which all of the frontage may be developable. Some water front parcels may have restrictive covenants prohibiting development and can impact value.
  - Access to the water: forest water frontage may have direct access to water, or access through channels, bays, or feeder rivers. Each situation could result in a different value – for example, while direct access to water provides easy docking, wave action and noise may impact value. Poorer quality access may limit the size and type of boat but may provide a measure of privacy.
  - Lineal feet of frontage: similar to residential valuation, smaller tracts of land will generally sell for more per lineal foot than larger tracts with more frontage. Comparable sales will help develop the contributory value of front footage above a standard amount.
  - Cover: similar to primary forest, a mixture of tree species on the waterfront parcel is more desirable than one species, and a mixture of mature and emerging trees is considered more desirable than old growth or cutover.
  - Cost of development: the highest and best use of waterfront forest land is often development. The cost of development can be an indicator of the value of the raw land. See Chapter 12, Residential Valuation. The significant modification to the example presented is that if the development has a mixture of water front lots and off water lots, the water front lots will carry more value, and some allocation of the total development value is made between the water front and non-waterfront acreage.

Specialty Land

- Description: allows reporting of a specific use of forest land not included in previously described subclasses. Examples are forested rocky outcropping that adds aesthetic value to a parcel, a cave on a forested parcel, or a forested parcel with a waterfall. These unique characteristics that affect value are determined by the assessor's knowledge of the situation and the available sources of information. The MAR requires an explanation of this type of land and asks for the assessor's valuation.
- Valuation: this stratification is unique, its valuation is also very individualized. A defense of value of properties with unique characteristics is based on sales information, which may be difficult to discover. Listings of property may extoll its unique features; that may give a clue to valuation. Many times, these parcels receive interest from the DNR, or non-profit conservatory, wildlife, or preservation organizations. Contacting those agencies or organizations for sales information may aid in valuation.

Exceptions to Forest Land Classification

Lands designated "Forest Crop Land" and "Managed Forest Land" by an order of the DNR are entered separately in the assessment roll (See WPAM Chapter 16).

Buildings or improvements cannot be classified as forest, Class 6 (sec. 70.32(2)(a), Wis. Stats.). Buildings or improvements, and supporting site land, are classified and valued according to use.

Establishments primarily engaged in performing services related to timber production are classified commercial and include: wood technology, forest economics and marketing, and other forestry services such as cruising timber, firefighting, pest control, and reforestation.

2009 Wisconsin Act 401 created sec. 70.32(2)(c)1i, Wis. Stats., which states, "'Agricultural use' means agricultural use as defined by the department of revenue by rule and includes the growing of short rotation woody crops, including poplars and willows, using agronomic practices." If those types of trees are naturally occurring in the landscape, the land they are growing on would be classified as forest. However, if the same species of trees are being managed using agronomic practices, the land they are growing on is classified agricultural. Land primarily devoted to cherry orchards, apple orchards and Christmas trees are also eligible for agricultural classification. Once this these activities are no longer performed in accordance with accepted agricultural practices, shift the land to the forest classification.

While maple trees producing sap for syrup appear in a forest, such land may be agricultural. The NAICS classifies maple sap gathering, Industry #111998, a crop industry. Use value applies to maple sap gathering acres when the producer practices the maple sap industry standard of tapping all qualifying acres every year. In accordance with Chapter Tax 18.05, the producer needs to be actively tapping and gathering sap in the prior production year. The number of trees tapped in a given area needs to be extensive enough such that the acreage is considered primarily engaged in maple sap gathering. Land devoted primarily to maple sap gathering is assessed in the agricultural class and categorized according to the soil type.
Some forest land can have the appearance of being pastured and require a review to determine eligibility for agricultural classification. The primary indications of forest land being actively pastured is fenced land, minimal woody undergrowth below the tree canopy,

and a predominance of grasses versus shrubs. The undergrowth in wooded pasture will be grazed down allowing the livestock to roam freely under the tree canopy. Woodland that is not grazed will have thick undergrowth. A few paths through a wooded area is not convincing evidence of wooded pasture. Also, periodic use of wooded areas is not convincing evidence of wooded pasture. The land should be pastured daily or on a reasonably periodic basis. A view of the property provides the best information to determine classification, satellite imagery will not reveal the undergrowth.

Forest Land Value Considerations

Actual view provides the best information to determine the characteristics affecting the value. The sales comparison approach is the preferred approach to valuing forest land. The assessor analyzes the sales in the same manner as the sales of other types of property in order to determine its comparability to the subject. If the assessor finds enough sales that are comparable to the subject, those sales can be used to value the subject property. Parcels selling frequently include land or buildings of other classes of property. Extract the contributory value of the forest from the sales to establish a range of values. The contributory value is dependent upon the characteristics of the forest. Chapter 14 of WPAM provides guidance in fielding sales for developing a range of values.

Final Value Correlation

The assessor can stratify forest land into many categories, each of which will have different factors affecting value. Develop a range of values for each category based upon market value indicators. While a specific parcel may have multiple categories of forest land, the assessor must determine a final value of the parcel that represents market value. Adjustments to the models for the stratifications may be necessary to reflect the fair market value. Adjust the fair market value of the forest land to the average level of assessment of the municipality to maintain assessment uniformity.