



How Preserved Land Affects a Community's Taxes

Costs and Benefits when Public Land is Removed from the Tax Rolls

When discussing the preservation of open spaces on Washington Island, the question of the effect of preserved land on island taxes often arises. The follow information and “thinking points” are provided by the Door County Land Trust and the Washington Island Committee of the Door County Land Trust. Facts and figures provided are based on information available from the Door County Government Center web-site, pubinfo.co.door.wi.us/LandRecords. For more detailed information on the figures used below, please contact the Door County Land Trust at info@doorcountylandtrust.org or (920) 746-1359.

A number of properties on Washington Island are legally exempt from the payment of real estate taxes. People agree that some properties should be tax exempt because they offer a common good to the entire community. Examples include schools, churches, and parks. Other land is also exempt from real estate tax such as land acquired by the Wisconsin

Department of Natural Resources (DNR) and not-for-profit organizations such as the Door County Land Trust. It is for the same reason: the land is being held for the public good and for public use. Open lands help keep our shared air and water clean and provide space to the public for a variety of recreational activities.

Lands owned by the DNR may not be assessed for real estate taxes, but the State of Wisconsin is required by law to make payments to the town and school under the PILT program (Payment in Lieu of Taxes). *These payments are equivalent to what the property tax would have been if the land were still*

under private ownership. (Please see dnr.wi.gov/org/land/facilities/realestate/pilt.html for more information about the PILT program.) In 2008, these payments totaled \$27,799.44 to the Town of Washington for the 250.4 acres owned by the DNR. Of this amount, the school also received *the same amount it would have received if the lands had remained under private ownership.*

The Door County Land Trust owns 207.01 acres of land on the island for which it pays the full amount of real estate taxes. The Land Trust also owns over 200 acres of land for which it applied and was granted property tax exempt status. This does not affect the town or



photo by Julie Schaffner

Detroit Harbor Preserve, Washington Island

continued

How Preserved Land Affects a Community's Taxes, *continued*

school budget but raises the mill rate for all taxpayers. There are over 2,000 taxable properties on Washington Island. It is estimated that the average additional cost *per property* is about \$2 per year.

Communities all across the country are examining the cost and benefits keeping some lands undeveloped. "Cost of Community Services" studies show that developed land creates

more cost for the community in services provided than it contributes in taxes. It is the opposite for undeveloped land which demands less in community services than it generates in tax revenue. More development typically creates higher taxes for everyone in the future. A University of Illinois, Urbana-Champaign study commissioned by Door County Environmental Council and the Door County Land Trust in 2004 showed similar results. For more information about the study and for a full copy of the report, visit www.doorcountylandtrust.org.



Little Lake Preserve, Washington Island

In summary, open space creates value for the entire island community. All lands owned* by the Door County Land Trust are open to the public and many of these properties provide ideal hunting, hiking, bird watching and other outdoor recreational opportunities. The Door County Land Trust has also developed and participates in an educational curriculum for the school that utilizes some of the open space on the island. This program is currently run at the Door County Land Trust's Richter Community Forest. In general, open lands help to preserve the ecological, aesthetic and natural beauty of Washington Island. Open space also provides valuable "eco-services" like water filtration, air purification, and erosion control and open space preserves the island's rural character. This, in turn, attracts more visitors who are the mainstay of the island's economy. Everyone benefits for very little cost.

** Not all land protected by the Door County Land Trust is owned and managed by the Land Trust; some remains under private ownership. Properties protected by Door County Land Trust no-development conservation easement agreements remain in private ownership. The owners of these properties continue to pay property taxes and their lands are not open to the public. Please respect the rights of these private land owners.*



PO Box 65, Sturgeon Bay, Wisconsin 54235
920.746.1359 • www.doorcountylandtrust.org