



## 2007 ASSEMBLY BILL 20

January 17, 2007 - Introduced by Representatives DAVIS, HEBL, BERCEAU, GRONEMUS, GUNDRUM, JESKEWITZ, KLEEFISCH, F. LASEE, NERISON, OWENS, PRIDEMORE, SUDER, VOS, WOOD and KESTELL, cosponsored by Senators ERPENBACH, MILLER and SCHULTZ. Referred to Committee on Ways and Means.

1     **AN ACT** *to create* 20.566 (2) (b) and 70.57 (4) of the statutes; **relating to:**  
2             providing loans to persons who are paying more property taxes as a result of the  
3             Department of Revenue's error in calculating equalized value and making an  
4             appropriation.

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### *Analysis by the Legislative Reference Bureau*

Under current law, annually, the Department of Revenue (DOR) determines the full value of the property of each county and taxation district. This property valuation is known as "equalized value." DOR determines the equalized value of all property in the state to ensure, generally, that the property is being assessed at its full value. If DOR makes an error in determining the equalized value of the property of any county or taxation district, DOR corrects the error by adjusting the county's or taxation district's equalized value in the year after the year in which DOR made the error.

Under this bill, DOR makes payments to any taxation district that certifies to DOR that the most recent equalized value of the taxation district's property is greater than it should be because of a clerical, arithmetic, transpositional, or similar error, and that the amount of the overvaluation represents 10 percent or more of the taxation district's equalized value in the year prior to the year in which the error occurred. The taxation district uses the payments to make loans to persons who own property in the taxation district and who paid more property taxes than they should have as a result of DOR's error. The maximum loan amount would be equal to the erroneous increase in the person's taxes. The loan amount would be collected by the

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state as a special charge against the taxation district for the year following the year in which DOR’s error occurred.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
2 the following amounts for the purposes indicated:

	<b>2005-06</b>	<b>2006-07</b>
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3  
4 **20.566 Revenue, Department of**

5 (2) STATE AND LOCAL FINANCE

(b) Valuation error loans	GPR	A	—0—	600,000
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7           **SECTION 2.** 20.566 (2) (b) of the statutes is created to read:

8           20.566 (2) (b) *Valuation error loans.* The amounts in the schedule to make the  
9 payments under s. 70.57 (4) (a).

10           **SECTION 3.** 70.57 (4) of the statutes is created to read:

11           70.57 (4) (a) From the appropriation under s. 20.566 (2) (b), the department  
12 shall provide payments to any taxation district that certifies to the department, in  
13 the manner prescribed by the department, that the most recent valuation of the  
14 taxation district’s property under this section is greater than it should be because of  
15 a clerical, arithmetic, transpositional, or similar error, and that the amount of the  
16 overvaluation represents 10 percent or more of the taxation district’s valuation  
17 under this section in the year prior to the year in which the error occurred.

18           (b) A taxation district receiving payments under par. (a) shall use the payments  
19 to make loans to persons who own property located in the taxation district and who

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1 are paying more property taxes than they should be as a result of the error. A person  
2 may receive a loan by applying, in the manner prescribed by the department, to the  
3 taxation district in which the person's property is located no later than July 31 of the  
4 year following the error. The state shall collect the amount of any loan issued under  
5 this paragraph as a state special charge against the taxation district for the year  
6 after the year in which the error occurred and the special charge shall not be included  
7 in the taxation district's levy. Each person receiving a loan shall be billed for the  
8 amount of the loan as a special charge under ch. 74 on the property tax bill succeeding  
9 the loan. Except for interest and penalties, as provided under s. 74.47, that apply  
10 to any delinquent special charge based on the loan amount, neither the department  
11 nor the taxation district may charge interest on any loan issued under this  
12 paragraph. The maximum loan amount that a person may receive under this  
13 paragraph shall be calculated by multiplying the assessed value of the person's  
14 property by a percentage determined by the department as follows:

15 1. For the year in which the error occurred, apportion county, school district,  
16 technical college district, and metropolitan sewerage district property taxes, and  
17 state forestation taxes under s. 70.58, to the taxation district using the taxation  
18 district's erroneous valuation.

19 2. For the year in which the error occurred, apportion county, school district,  
20 technical college district, and metropolitan sewerage district property taxes, and  
21 state forestation taxes under s. 70.58, to the taxation district using the taxation  
22 district's correct valuation.

23 3. Subtract the amount determined under subd. 2. from the amount  
24 determined under subd. 1.

