

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/22/99**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**

By/Representing: **Walter**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - property**

Extra Copies:

Pre Topic:

SDC:.....Walter - CN#4010,

Topic:

modify developer penalties and definition of agricultural use for assessment purposes

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 06/23/99	wjackson 06/24/99	martykr 06/25/99	_____	lrb_docadmin 06/25/99		
	jkreye 06/29/99	wjackson 06/29/99		_____			
/2			martykr 06/29/99	_____	lrb_docadmin 06/29/99		
/3	jkreye 06/29/99	ygeller 06/29/99	mclark 06/29/99	_____	lrb_docadmin 06/29/99		

FE Sent For:

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/2		13 6/29 jlg	martykr 06/29/99	_____	lrb_docadmin 06/29/99		
FE Sent For:			MRC 6/29	MRC/ES 6/29 <END>			

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/1	jkreye 06/23/99	wjackson 06/24/99	martykr 06/25/99	_____	lrb_docadmin 06/25/99		

FE Sent For:

12 WLJ 6/29

ISR:MGG
6/29

<END>

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1/2	jkreye	1/1 Wlj 6/24	km 6/25	QS km 6/25			

FE Sent For:

<END>

yes

SDC

809201

caucus number 4010

duplicate flag:

duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Use value assessment modification (developer penalties) as recommended by The Wisconsin Assoc. of Assessing Officers. These modifications are also supported by the League of Municipalities and the Alliance of cities.

other notes

drafting instructions: See above.

more instructions:

caucus number 4205

duplicate flag:

duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Health Insurance Reform for Small Businesses. Include SB 1, minus Senate amendment 1. Specify that the program include more than one group health care coverage plan, and that farmers with one employe may be eligible for the program

other notes

drafting instructions: SB 1, minus Senate Amendment 1. See above

more instructions:

caucus number 4206

duplicate flag:

duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Regulation of cable television by municipalities. Add the following to Section 66.082: A municipality which operate a cable communications system shall do so on a competitively neutral and nondiscriminatory basis.

other notes

drafting instructions: See above.

more instructions:

Agency: **Miscellaneous Appropriations**

Number of Amendments: 15

1999-2001 BUDGET AMENDMENTS

+

- Reverse JFC / Jauch action to limit state funding for referenda approved debt to \$420 million as outlined in Motion 888 (item a). Effect would be to maintain current law. Cost = \$13.3 million. Also reverse items g and l in Motion 888 relating to inclining enrollment districts and shifting costs for Milwaukee School Choice and Charter Programs to general school aids.
- 4002 2. Require DOT, not later than June 30, 2001, to conduct a corridor study for USH 8 in Barron, Polk, Price and Rusk Counties and to report the results to the County Boards in each of those counties. Cost = 0
- 4003 3. Modify Decker Motion 531 relating to the Division of Vocational Rehabilitation per the attached language recommended by Secretary Stewart. Cost = 0
- 4004 4. Fund recycling with a \$8 - \$10 tipping fee. (we will decide the amount next week) The program would be structured according to the Decker Recycling Motion 1138. Cost = \$48 to \$60 million SEG
- 4005 5. Provide \$100,000 GPR in 1999-00 to the Arts Board for a one-time grant to a non-profit performing arts foundation. Chvala agreed to this with Greg Huber. This would be in addition to the \$50,000 JFC approved for this project in Motion 1164. Cost = \$100,000
- 6. Wildlife biologist for Marathon County. Cost = \$32,300 SEG 1999-00 and \$43,000 SEG 2000-01 (SEG - Fish & Wildlife Account)
- 4007 7. Group deer bow hunting as outlined in JFC Motion 367, but modified to include antlered deer. Cost = 0
- 4008 8. Stray voltage research study as outlined in JFC Motion 924. Cost = \$400,000 PR
- 4009 9. Can the Stanley Prison as outlined in Motion 474. As fallback, include language from Decker Motion 875 (item c) which basically puts the Doyle opinion into the statutes. Cost = 0
- 1010 10. Use value assessment modifications (developer penalties) as recommended by The Wisconsin Association of Assessing Officers. These modifications are also supported by the League of Municipalities and the Alliance of Cities.
- 4011 11. Rebuild Rib Mountain Chalet. Cost=\$500,000 from Stewardship Fund
- 4012 12. Hospital Rate Setting (1997 Senate Bill 17) modified to clarify that PSC could use a price cap methodology to regulate rates. This is a less labor intensive means of rate regulation and was recommended by PSC Commissioner Mettner as a way of holding down the PSC fiscal note. Cost=0 (assessments on high profit hospitals would pay for the program.)

see S: 70.32 (amend) (2)(c) 1.

Based on discussions with local assessor's, the following technical changes are also being requested:

except that "ag land" does not include any of the following:

- * **Standard Acreage Size** – Tracts of land that are less than 20 acres and are not contiguous with adjoining agricultural property that is owned by the same person should not qualify for agricultural use value.
- * **Standard Income Level** – To receive agricultural use value, a parcel should generate at least \$2,000 in gross agricultural income in the preceding year, as evidenced by the filing of a Schedule F form with the Internal Revenue Service. Another possible consideration for meeting an income qualification for agricultural use valuation is whether the gross income reported on Schedule F exceeds "off-farm" income.
- * **No Agricultural Use Assessment for Platted Areas** – Once a tract of land has been platted or subdivided, it should no longer qualify for agricultural use value.
- * **Nonagricultural Zoning** – If a property is zoned for anything other than agricultural use, such as residential, commercial, or industrial, the property should not qualify for agricultural use value.
- * **Retroactive Penalty Clause** – If a property is classified as agricultural use and then is sold for another use during the year or the use changes, the local jurisdiction would be able to go back for the preceding two years and value the property at its fair market value. This is meant to replace the current penalty provision.

see 74.48



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb09292

JK:.....

RMR

in 6-23-99

SDC:.....Walter - CN#4010, modify developer penalties and definition of agricultural use for assessment purposes

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

D-N

SOON

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 812, line 2: after that line insert:

3 "SECTION 1655^{LgC}. 70.32 (2) (c) 1. of the statutes is renumbered 70.32 (2) (c) 1.

4 (intro.) and amended to read:

5 70.32 (2) (c) 1. (intro.) "Agricultural land" means land, exclusive of buildings
6 and improvements, that is devoted primarily to agricultural use, as defined by rule,
7 except that "agricultural land" does not include any of the following:

8 SECTION 1655^{LgC}. 70.32 (2) (c) 1. a. to d. of the statutes is created to read:

9 70.32 (2) (c) 1. a. A tract of land that is less than 20 acres and that is not
10 contiguous to agricultural land that is owned by the person who owns the tract.

1 b. A tract of land that is platted or subdivided.

2 c. Land that generates less than \$2,000 in gross farm profits resulting from
3 agricultural use as defined under s. 91.01 (1).[✓]

4 d. Land that is not zoned for agricultural use.”.

5 [✓] 2. Page 951, line 5: after that line insert:

6 “SECTION 1801s. 74.48 (1) [✓] of the statutes is amended to read:

7 74.48 (1) If a person owns land that ~~has been~~ is valued as agricultural land

8 ⁸ ~~under s. 70.32 (2r) (b) is sold by a person who~~ ^g and has owned it such land for less than

9 ⁹ ~~5 years and who has benefited from a value lower than that established by either~~ ^{STET comma and}

10 sells the land or the use of the land changes so that the land is not valued as

11 agricultural land under s. 70.32 (2r) (a), there is imposed on that person a penalty

12 equal to 5% of the difference between the sale price of the agricultural land and the

13 value that would be established for it under s. 70.32 (2r) (e) the property taxes that

14 the person would have paid related to the land if the land had been assessed at the

15 land's fair market value during the last year of two years that the person's ownership

16 person owned the land.”.

17 [✓] 3. Page 1600, line 3: after that line insert:

18 “(22tn) AGRICULTURAL USE VALUE. The treatment of sections 70.32 (2) (c) 1. [✓] and

19 74.48 (1) [✓] of the statutes first applies to the property tax assessments as of January

20 1, 2000.”[⊙]

(END)

INIT APP

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0929/2dn 1

JK: /:....

nlj

Please review this draft carefully to ensure that it complies with your intent. Do you want the penalty provision to apply only to a person who owns land for less than ~~the~~ *five* years? If a person owns the land less than ~~3~~ *two* years, how is the penalty assessed?

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: Joseph.Kreye@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0929/1dn
JK:wlj:km

June 25, 1999

Please review this draft carefully to ensure that it complies with your intent. Do you want the penalty provision to apply only to a person who owns land for less than five years? If a person owns the land less than two years, how is the penalty assessed?

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: Joseph.Kreye@legis.state.wi.us

6-28-99

Rick Olin

6-99/6

redraft

6-0929

difference between use value & FMV

recalculation of gross 2 year tax bill

and compared to FMV.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0929/1
JK:wj:km

in 6-29-99

SDC:.....Walter - CN#4010, modify developer penalties and definition of agricultural use for assessment purposes

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 812, line 2: after that line insert:

3 **“SECTION 1655L.** 70.32 (2) (c) 1. of the statutes is renumbered 70.32 (2) (c) 1.

4 (intro.) and amended to read:

5 70.32 (2) (c) 1. (intro.) “Agricultural land” means land, exclusive of buildings

6 and improvements, that is devoted primarily to agricultural use, as defined by rule,

7 except that “agricultural land” does not include any of the following:

8 **SECTION 1655Lq.** 70.32 (2) (c) 1. a. to d. of the statutes are created to read:

9 70.32 (2) (c) 1. a. A tract of land that is less than 20 acres and that is not

10 contiguous to agricultural land that is owned by the person who owns the tract.

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9 5 years and who has benefited from a value lower than that established by, and either
10 sells the land or the use of the land changes so that the land is not valued as
11 agricultural land under s. 70.32 (2r) (a), there is imposed on that person a penalty

12 equal to 5% of the difference between ^{plain} ~~the~~ sale price of the agricultural land and the
13 value that would be established for it under s. 70.32 (2r) (e) ~~the property taxes that~~ ^{plain}
14 ~~the person would have paid related to the land if the land had been assessed at the~~
15 ~~land's fair market value~~ during the last year of two years that the person's ownership
16 person owned the land.”.

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21 (END)

fair market value

plain

plain



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13 ~~agricultural land and the value that would be established for it under s. 70.32 (2r)~~
14 ~~(e)~~ during the last year of 2 years that the person's ownership person owned the
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18 74.48 (1) of the statutes first applies to the property tax assessments as of January
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20 (END)

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related to the land if the land had been assessed
at the land's fair market value and the property
taxes that the person paid



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0929/3
JK:wlj:mrc

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