

# **05hr\_CRule\_05-035\_AC-Ag\_pt01**



Details:

(FORM UPDATED: 07/12/2010)

## **WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS**

### **2005-06**

(session year)

### **Assembly**

(Assembly, Senate or Joint)

### **Committee on ... Agriculture (AC-Ag)**

### **COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**
- Record of Comm. Proceedings ... **RCP**

### **INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt**
- Clearinghouse Rules ... **CRule**
- Hearing Records ... bills and resolutions
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)
  - (**ajr** = Assembly Joint Resolution)
  - (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**



# State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF ASSESSMENT PRACTICES • MADISON, WI

ADDRESS MAIL TO:

2135 Rimrock Road • P.O. Box 8971  
Madison, WI 53708-8971  
TELEPHONE: (608) 266-7750  
FAX: (608) 267-0835  
INTERNET: [www.dor.state.wi.us](http://www.dor.state.wi.us)

June 15, 2005

The Honorable Alan Lasee  
President State Senate  
Room 219 South State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882

The Honorable John Gard  
Speaker State Assembly  
Room 211 West State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952

Re: Clearinghouse Rule 05-035  
2005 Agricultural Use Value Rule

Dear Senator Lasee and Representative Gard:

This is to notify you, in accordance with s. 227.19(2), Stats., the proposed rule order relating to Chapter Tax 18, 2005 Agricultural Use Value is in final draft form. The proposed rule order and Notice of Hearing were published in the Mid-May 2005 Wisconsin Administrative Register No. 593. A public hearing was held on both the emergency and proposed permanent rule on Thursday, May 26, 2005.

Copies of the proposed rule order and report required under s. 227.19(2) and (3), Stats., are enclosed. A brief summary of the proposed rule order follows:

## Summary of Proposed Rule Order

Rules Being Created: Tax 18.07(1)(b)6, and 7 and (c)7 relating to the 2005 Assessment of Agricultural Land.

## Analysis

Statute interpreted: s. 70.32(2r)(c)  
Statutory authority: s. 227.24, Stats.

Plain language analysis: This emergency rule ensures positive and stable assessment of agricultural land for 2005.

CR-05-035

Letters to Heads of Senate and Assembly

June 15, 2005

Page 2.

Wisconsin Chapter Tax 18 of the administrative code specifies the formula that is used to estimate the net rental income per acre. The formula estimates the net income per acre of land in corn production based on a five-year average corn price per bushel, cost of corn production per bushel and corn yield per acre. For reasons of data availability, there is a three-year lag in determining the 5-year average. The data for the 1998-2002 period yields negative net income per acre due to declining corn prices and increasing costs of corn production. In order to maintain positive and stable assessments, the department now submits a permanent proposed rule that would hold the 2005 use values at 2003 levels.

The rule specifies that the 2005 average net income per acre of agricultural land is to be based on the following:

- the 5-year average corn yield per acre from 1996 to 2000,
- the 5-year average market corn price per bushel from 1996 to 2000, and
- the 5-year average cost of corn production per bushel from 1996 to 2000.

The rule also specifies that the 2005 use values will be based on a capitalization rate that is the sum of the following:

- The 5-year average interest rate for a medium sized, 1-year adjustable rate mortgage for farm loans for the period from 1998 to 2002, and
- The net property tax rate for each municipality for 2001 taxes, payable 2002.

If you have any questions, please contact Frank Humphrey at 261-5364, [fhumphre@dor.state.wi.us](mailto:fhumphre@dor.state.wi.us) or Mickey Lehman at 266-0939, [mlehman@dor.state.wi.us](mailto:mlehman@dor.state.wi.us).

Thank you for your consideration in this matter.

Sincerely,

  
Michael L. Morgan  
Secretary of Revenue

MLM:FAH:\_\_\_\_  
e:rules\ Committees – President Speaker

Enclosure

cc: Assistant Revisor

**DEPARTMENT OF REVENUE**  
**REPORT TO THE LEGISLATURE**  
**CLEARINGHOUSE RULE NUMBER 05-035**  
**SECTION 227.19(2) AND (3), STATS.**

**The Proposed Rule:**

The proposed rule, including the plain language analysis, fiscal estimate and text is attached.

**Reference to Applicable Forms:**

No new or revised forms are required by these rules.

**Need for the rule order:**

To ensure positive and stable 2005 assessments for agricultural land.

**Basis and Purpose of the Proposed Rule**

The rule is necessary to ensure positive and stable 2005 assessments for agricultural land.

**Public Hearing**

A public hearing was held on Thursday, May 26, 2005 and the record was held open for written comment until June 2, 2005 pursuant to ss. 227.17 and 227.18, Stats. There were no public appearances at the public hearing nor were any written comments received by the Department. The published deadline for receiving comments was June 2, 2005.

**List of persons who appeared or registered for or against the proposed rule order conducted on May 26, 2005.**

Mr. Tom Ourada and Ms. Milda Aksamitauskas, Department of Revenue (DOR) employees registering as attended from the Office of the DOR Secretary and Division of Research and Policy respectively. Mr. John Evans, DOR Office of General Counsel served as the Hearing Attorney and Frank A. Humphrey, Director for the Bureau of Assessment Practices, State and Local Finance Division, Wisconsin Department of Revenue, provided an opening explanatory statement and speaking for the Department.

**Summary of Public Comments and the Agency's response:**

There were no public comments received either at the hearing or afterwards during the public comment period that ended June 2, 2005.

**Modifications to the proposed rule order made as a result of public hearing testimony or public comment period:**

There were no modifications made.

**Legislative Council staff clearinghouse report:**

The report is included with this submission.

**Legislative Council Staff Recommendations:**

(1) The preface to the rule should follow the format described in s. 1.02 Manual. (2) The term "as follows" should be deleted from the treatment clause of the Clearinghouse Rule 05-035 (Sec.1.04 Manual).

**Response to Legislative Council Staff recommendations:**

All recommendations were accepted in whole.

**Copy of an economic impact report:**

The Department has prepared a fiscal estimate that is included.

**Copy of report prepared by Department of Administration regarding an economic impact report:**

There was no report prepared by the Department of Administration regarding an economic impact report.

**Final regulatory flexibility analysis:**

It was determined that there is not a significant fiscal effect on small business.

Agency contact person: Please contact Frank Humphrey at (608) 261-5364 or [fhumphre@dor.state.wi.us](mailto:fhumphre@dor.state.wi.us) if you have questions regarding this rule order.

MLM:FAH

## PROPOSED ORDER OF THE DEPARTMENT OF REVENUE

The Wisconsin Department of Revenue hereby proposes an order to create Tax 18.07(1) (b) 6. and 7. and 18.07(1) (c) 7. relating to the 2005 agricultural use value.

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### ANALYSIS PREPARED BY THE DEPARTMENT OF REVENUE

**Statutory Authority:** s. 227.11(2), Stats.

**Statute interpreted:** s. 70.32 (2r) (c), Stats.

**Explanation of agency authority:**

Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by it, if the agency considers it necessary to effectuate the purpose of the statute.

**Related Statute or rule:** s. 70.32 (2r) (c), Stats.

**Plain Language analysis:**

Pursuant to s. 70.32(2r) (c), agricultural land is assessed according to the income that could be generated from its rental for agricultural use. Wisconsin Chapter Tax 18 specifies the formula that is used to estimate the net rental income per acre. The formula estimates the net income per acre of land in corn production based on a 5-year average corn price per bushel, cost of corn production per bushel and corn yield per acre. The net income is divided by a capitalization rate that is based on a 5-year average interest rate for a medium-sized, 1-year adjustable rate mortgage and net tax rate for the property tax levy two years prior to the assessment year.

For reasons of data availability, there is a three-year lag in determining the 5-year average. Thus, the 2003 use value is based on the 5-year average corn price, cost and yield for the 1996-2000 period, and the capitalization rate is based on the 5-year average interest rate for the 1998-2002 period. The 2005 use value is to be based on the 5-year average corn price, cost and yield for the 1998-2002 period, and the capitalization rate is to be based on the 2000-2004 period.

The data for the 1998-2002 period yields negative net income per acre due to declining corn prices and increasing costs of corn production. As a result, reliance on data for the 1998-2002 period will result in negative use values.

Under the proposed rule order, the 2005 average net income per acre of agricultural land is to be based on corn yield, production and price data for the 1996-2000 period and interest and tax rate data for the 1998-2002 period as detailed in the summary of factual data section below.

**Summary of, and comparison with, existing or proposed federal regulations:**

There is no existing or proposed federal regulation that is intended to address the activities to be regulated by the rule.

### **Comparison with rules in adjacent states:**

The valuation of agricultural land in Illinois, Michigan and Minnesota are specified by statute; therefore, there are no administrative rules related to agricultural valuation in these states. The Iowa administrative rule related to agricultural valuation provides no detail regarding the formula used to calculate agricultural land value; reference is made to the Iowa real property appraisal manual.

### **Summary of factual data and analytical methodologies:**

Under the proposed rule order, the 2005 average net income per acre of agricultural land is to be based on the following:

- the 5-year average corn yield per acre from 1996-2000
- the 5 year average market corn price per bushel from 1996-2000, and
- the 5- year average cost of corn production per bushel from 1996-2000

The rule also specifies that the 2005 use values will be based on a capitalization rate that is the sum of the following:

- the 5- year average interest rate for a medium sized 1-year adjustable rate mortgage for farm loans for the period from 1998 to 2002, and
- the net property tax rate for each municipality for the 2001 taxes, payable 2002.

### **Analysis and supporting documents used to determine effect on small business or in preparation of economic impact report:**

The department has prepared a fiscal estimate regarding this proposed rule order. It was determined that there is not a significant fiscal effect on small business.

#### **Effect on small business:**

This proposed rule order does not have a significant fiscal effect on small business.

#### **Fiscal Estimate:**

The proposed rule amending Chapter Tax 18 would have the effect of freezing the 2005 assessment of agricultural land at 2003 levels. The proposed permanent rule is identical to the emergency rule promulgated December 29, 2004.

Under the current rule, the 2005 use value of agricultural land would be based on the 5-year average corn price, cost and yield for the 1998-2002 period, and the capitalization rate is based on the 5-year average interest rate for the 2000-2004 period.

Using the data for these periods, it is estimated that agricultural land values would be negative. It is unclear how property with negative values would be taxed.

Under the proposed permanent rule, the 2005 use values are to be based on the same data used to calculate the 2003 use values. As a result, statewide agricultural land values will approximately equal the estimated 2005 value of \$1.95 billion.

Under the proposed permanent rule, local assessors will apply 2003 unit values to calculate 2005 values; however, parcel records and land values will require updates due to new assessment ratios and possible changes in land use.

Under the proposed rule, there will be no loss of state forestry tax revenue. To the extent that the current rule would result in an exemption of agricultural land and therefore a loss of state forestry tax revenue, the proposed rule would result in an increase in \$390,000 in state forestry tax revenues (\$1.95 billion x .0002) relative to current law.

**Agency contact person:**

Please contact Frank Humphrey at (608) 261-5364 or [fhumphre@dor.state.wi.us](mailto:fhumphre@dor.state.wi.us) with any questions regarding this proposed rule order.

**Place where comments are to be submitted and deadline for submission:**

A public hearing was held on May 26, 2005 and comments were to be sent by June 2, 2005 to the attention of the agency contact person listed above at the Department of Revenue, Mail Stop 6-97, 2135 Rimrock Road, P.O. Box 8971, Madison WI 53708-8971. No Comments have been received.



Text of Rule:

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Section 1: Tax 18.07(1)(b)6. and 7. and (1)(c)7. are created to read:

18.07(1)(b)6. To avoid negative use values in 2005, the 2005 average gross income per acre for each category of agricultural land shall be calculated as described in subd. 2, except that each category's 5-year average yield per acre shall be based on yield data from 1996 to 2000, and the 5-year average market price per unit of output shall be based on market price data from 1996 to 2000.

7. To avoid negative use values in 2005, the 2005 average total cost of production per acre for each category of agricultural land shall be calculated as described in subd. 3, except that the 5-year average cost of production per acre shall be based on cost data from 1996 to 2000.

18.07(1)(c)7. To avoid negative use values in 2005, the 2005 capitalization rate for each municipality shall be calculated as described in subd. 5, except the statewide moving average rate, as described in subd. 4, shall be based on data from 1998 to 2002, and the net tax rate for each municipality shall be based on 2001 taxes, payable 2002.

**FINAL REGULATORY FLEXIBILITY ANALYSIS**

The proposed rule will have no adverse impact on small businesses.

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The proposed rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro), Stats.

DEPARTMENT OF REVENUE

DATE: June 14, 2005

By: 

Michael L. Morgan  
Secretary of Revenue

MLM:FAH

FISCAL ESTIMATE FORM

2005 Session

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB # 05-

INTRODUCTION #

Admin. Rule # Chapter Tax 18 (permanent)

Subject  
 2005 Use Value Assessment for Agricultural Land

Fiscal Effect

- State:  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation
- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input checked="" type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues            |   |
| <input type="checkbox"/> Create New Appropriation        | <input type="checkbox"/> Decrease Costs                        |   |

Local:  No Local Government Costs

- |  |   |   |
|--|---|---|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                       | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:<br><input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Villages <input checked="" type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| 2. <input checked="" type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |   |

Fund Sources Affected

- GPR     FED     PRO     PRS     SEG     SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

The proposed rule amending Chapter Tax 18 would have the effect of freezing the 2005 assessment of agricultural land at 2003 levels. The proposed permanent rule is identical to the emergency rule promulgated December 29, 2004.

Under the current rule, the 2005 use value of agricultural land would be based on the 5-year average corn price, cost and yield for the 1998-2002 period, and the capitalization rate is based on the 5-year average interest rate for the 2000-2004 period.

Using the data for these periods, it is estimated that agricultural land values would be negative. It is unclear how property with negative values would be taxed.

Under the proposed permanent rule, the 2005 use values are to be based on the same data used to calculate the 2003 use values. As a result, statewide agricultural land values will approximately equal the estimated 2005 value of \$1.95 billion.

Under the proposed permanent rule, local assessors will apply 2003 unit values to calculate 2005 values; however, parcel records and land values will require updates due to new assessment ratios and possible changes in land use.

Under the proposed rule, there will be no loss of state forestry tax revenue. To the extent that the current rule would result in an exemption of agricultural land and therefore a loss of state forestry tax revenue, the proposed rule would result in an increase in \$390,000 in state forestry tax revenues (\$1.95 billion x .0002) relative to current law.

Long-Range Fiscal Implications:

Agency/Prepared by: Wisconsin Department of Revenue Milda Aksamitauskas, (608) 261-5173	Authorized Signature/Telephone No. Dennis Collier, <i>Dennis Collier</i> (608) 266-5773	Date 4/27/05
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FISCAL ESTIMATE WORKSHEET

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

Detailed Estimate of Annual Fiscal Effect

2005 Session

LRB # 05	Admin. Rule #
INTRODUCTION #	Chapter Tax 18 (permanent)

Subject  
 2005 Use Value Assessment for Agricultural Land

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	( FTE)	( - FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$ -</b>
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S	390,000	-
<b>TOTAL State Revenues</b>	<b>\$390,000</b>	<b>\$ -</b>

NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$ _____	\$ See text of fiscal note.
NET CHANGE IN REVENUES	\$390,000	\$ See text of fiscal note.

Agency/Prepared by:	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue	Dennis Collier <i>Dennis Collier</i>	4/27/05
Milda Aksamitauskas, (608) 261-5173	(608) 266-5773	



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**WISCONSIN LEGISLATIVE COUNCIL  
RULES CLEARINGHOUSE**

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**Ronald Sklansky**  
*Clearinghouse Director*

**Richard Sweet**  
*Clearinghouse Assistant Director*

**Terry C. Anderson**  
*Legislative Council Director*

**Laura D. Rose**  
*Legislative Council Deputy Director*

**CLEARINGHOUSE REPORT TO AGENCY**

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

**CLEARINGHOUSE RULE 05-035**

AN ORDER to create Tax 18.07 (1) (b) 6. and 7. and (c) 7, relating to the 2005 assessment of agricultural land.

Submitted by **DEPARTMENT OF REVENUE**

04-28-2005 RECEIVED BY LEGISLATIVE COUNCIL.

05-19-2005 REPORT SENT TO AGENCY.

RS:WF

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached            YES             NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached            YES             NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached            YES             NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached            YES             NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached            YES             NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached            YES             NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached            YES             NO



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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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**Ronald Sklansky**  
*Clearinghouse Director*

**Richard Sweet**  
*Clearinghouse Assistant Director*

**Terry C. Anderson**  
*Legislative Council Director*

**Laura D. Rose**  
*Legislative Council Deputy Director*

### CLEARINGHOUSE RULE 05-035

#### Comments

**[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated January 2005.]**

#### **2. Form, Style and Placement in Administrative Code**

- a. The preface to the rule should follow the format described in s. 1.02 (2), Manual.
- b. The term “as follows” should be deleted from the treatment clause of Clearinghouse Rule 05-035. [See s. 1.04, Manual.]



## Napralla, Erin

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**From:** Humphrey, Frank A  
**Sent:** Monday, June 27, 2005 10:43 AM  
**To:** Napralla, Erin  
**Cc:** Ott, Alvin; Brennan, Audra D; Lehman, Michael A; Gerstner, Jean L; Ourada, Thomas D  
**Subject:** FW: 2005 Agricultural Use Value Rule CR 05-035

Good morning Ms. Erin Napralla:

As we discussed, the Department of Revenue proposed 2005 Agricultural Use Value Rule CR 05-035 has been referred to the Assembly Committee on Agriculture.

This email is being forwarded on behalf of the Department of Revenue (DOR) and State and Local Finance Administrator, Mr. Mickey Lehman to request of Representative Alvin Ott and the Assembly, Committee on Agriculture an expedited Committee Review on the Department's proposed 2005 Agricultural Use Value Rule CR 05-035. The Legislative Council Report and Administrative rule should be in your possession and if needed can be provided again.

The Department of Revenue notes that the 2005 Agricultural Use Value Rule CR 05-035 was recently referred to the Agricultural and Insurance Committee on June 16, 2005. As you are aware, the Wisconsin Administrative Rule Procedures Manual at s. 3.03 ( c ), pg. 40 provides that the Committee may waive its jurisdiction over a proposed rule by adopting by a majority vote of a quorum of the committee, a motion to waive the committee's jurisdiction and then forwarding the motion to the Joint Committee on Review of Administrative Rules (JCRAR).

In view of the fact that no public comments or opposition were offered at the recently held public hearing that took place on May 26th and that no written comments were received while the record was held open until June 2, 2005, the Department respectfully request that the Assembly Committee on Agriculture waive its jurisdiction and permit the DOR to promulgate in final form the applicable 2005 Agricultural Use Value Rule.

The DOR is willing to assist in any way to facilitate this waiver action by the Assembly Committee on or before Friday, July 1st to provide time to complete the processing with the Revisor of Statutes and the Secretary of State by July 6th. This will permit the Adopted Order to be submitted in final form by July 15th and printed in the month end July, 2005 Register and the effective date to be the first day of August, 2005 following publication. This would provide for a seamless transition and ensure the law protects the interests of the agricultural community throughout Wisconsin.

If there are any questions concerning this request, I may be reached at the telephone number listed below. Additionally, Mickey Lehman may be reached at (608)266-0939 or Jean Gerstner, Deputy Administrator, may be reached at (608)266-9759.

Thanks in advance for the consideration of this request.

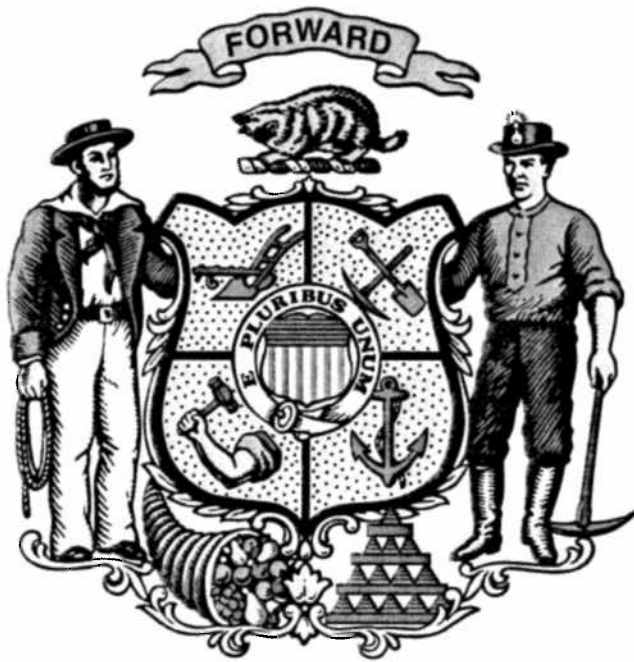
Best regards,

Frank

*Frank Humphrey*  
*Director - Bureau of Assessment*  
*Practices*

*(1-5364)*





## Napralla, Erin

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**From:** Napralla, Erin  
**Sent:** Monday, June 27, 2005 2:47 PM  
**To:** Rep.Ainsworth; Rep.Gronemus; Rep.Hines; Rep.Loeffelholz; Rep.Molepske; Rep.Nerison; Rep.Parisi; Rep.Petrowski; Rep.Sinicki; Rep.Suder; Rep.Towns; Rep.Vruwink; Rep.WilliamsM; Ziegelbauer, Bob  
**Cc:** Anderson, John; Berken, Nathan; Boardman, Kristina; Christopher, Marc; Cross, William; Emerson, Anne; George, Mary Beth; Hilgemann, Luke; Hughes, Carolyn; Hutkowski, Hariah; Junck, Linda; Kostelic, Luanne; Kraak, Maureen; Langan, Casey; Loomans, Scott; Mueller, Virginia (Legislature); Parrott, Douglas; Patronskey, Mark; Peterson, Eric; Polzin, Cindy; Redell, Carol; Scott, Katie; Shea, Heather; Whitmore, Lori; Ourada, Thomas D  
**Subject:** Clearinghouse Rule Referred to Assembly Committee on Agriculture  
**Attachments:** 05-035.pdf

The following Clearinghouse Rule has been referred to the Assembly Committee on Agriculture for a 30 day review period:

**Clearinghouse Rule 05-035:** Relating to the 2005 assessment of agricultural land.

A copy of the rule is attached. Please contact my office if you have any questions or would like to request a hearing on this rule.

The initial 30 day deadline for committee review is Monday, July 25, 2005.



05-035.pdf (367  
KB)

DATE: June 24, 2005

TO: Erin Napralla

Committee on Agriculture

FROM: Patrick E. Fuller, Assembly Chief Clerk

RE: Clearinghouse Rules Referral

The following Clearinghouse Rule has been referred to your committee.

### **CLEARINGHOUSE RULE 05-035**

AN ORDER to create Tax 18.07 (1) (b) 6. and 7. and (c) 7., relating to the 2005 assessment of agricultural land.

Submitted by **Department of Revenue.**

Report received from Agency on **June 15, 2005.**

To committee on **Agriculture.**

Referred on **Friday, June 24, 2005.**

Last day for action - **Monday, July 25, 2005.**

Under section 227.19 (4) of the Wisconsin Statutes, your committee has 30 days to take action or get an extension. The day **after** the official referral date is day one of your review period. Therefore, the 30th day should fall four weeks and two days after the referral date. For example, for Clearinghouse Rules referred on a Monday, a Wednesday would be your 30th day. For Clearinghouse Rules referred on a Tuesday, a Thursday would be your 30th day. For Clearinghouse Rules referred on a Wednesday, a Friday would be your 30th day. For Clearinghouse Rules referred on a Thursday or Friday, your 30th day would fall on a weekend. Therefore, your time would expire on the next working day (Monday) as provided for in s. 990.001 of the Wisconsin Statutes. Also, if the 30th day falls on a legal holiday, time would expire on the next working day.

Section 227.19 **requires** you to notify each member of your committee that you have received this Clearinghouse Rule. Although some committee chairs choose to do so, you are not required by law or rule to send a copy of the text of the rule to each member at this time. Instead, your notice could state that members should contact you if they wish to receive a hard copy of the rule. Another option would be to email the rule to members. **(Please note that the text of Rules beginning with the prefix "01" is available online in the Clearinghouse Rules infobase in FOLIO.)** Please put a copy of your official notification memo in the rule jacket.

Three copies of the Clearinghouse Rule and its accompanying documents are contained in the jacket. If you wish to have your Legislative Council attorney review the Clearinghouse Rule, send him/her a copy. I only need one copy remaining in the jacket when you report it out of committee at the end of the review period.

The identical process is happening simultaneously in the Senate. Keep track of their action on the rule.

For assistance with the Clearinghouse Rule process, please consult Kay Inabnet (6-5550) or your Legislative Council attorney. If you wish to learn more on this subject, read *Review of Administrative Rules* which is part of the Legislative Council's Wisconsin Legislator Briefing Book series, section 227.19 of the Wisconsin Statutes or part 2 of the *Administrative Rules Procedures Manual* written by the Revisor of Statutes Bureau and the Wisconsin Legislative Council staff.



2005?

CR 05-035?

4/27

Mark P. advises against giving up jurisdiction on the rule.

① Doesn't feel the Dept. gave a good enough reason for us to take such extraordinary action.

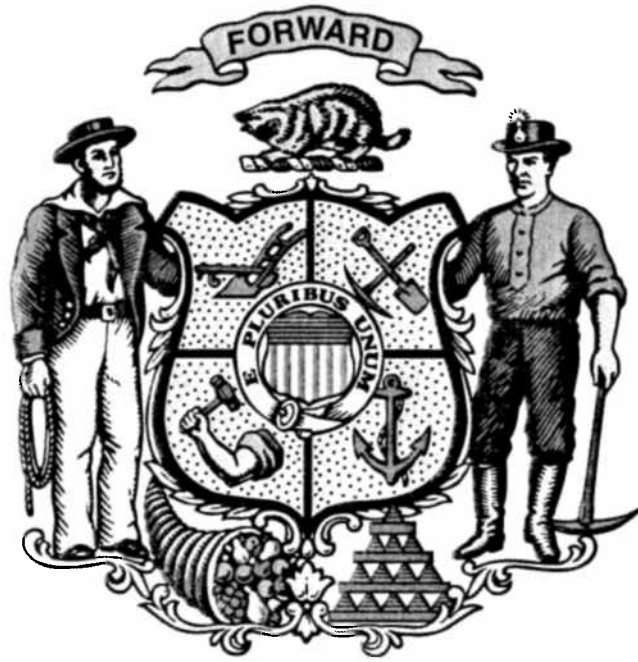
- Why will the sky fall if we don't do this?

② If they messel something up on their timeline, it's their responsibility to go to JCRAR to request an additional extension.

③ To waive jurisdiction, we need to have the committee meet + vote by Thursday of this week.

Per Tom Ourada: Emergency Rule in effect until September 24<sup>th</sup>. They are asking for this because they got behind in drafting the permanent rules, + because they are proposing new rule for the '06 formula.

Keeping our 30 day review should not be detrimental.



## Napralla, Erin

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**From:** Napralla, Erin  
**Sent:** Tuesday, June 28, 2005 9:00 AM  
**To:** Ourada, Thomas D; Humphrey, Frank A  
**Subject:** Clearinghouse Rule 05-035

Tom & Frank,

I spoke with Representative Ott this morning about the possibility of waiving committee jurisdiction on 05-035. He has decided to maintain jurisdiction for our initial 30-day review period.

As we discussed yesterday, the Representative recognizes the logistical issues with waiving our jurisdiction. Further, he does not see an obvious urgency that would make it necessary to circumvent the legislative review process.

The committee's review period ends on Monday, July 25th. The rule was circulated to members yesterday afternoon.

Please feel free to let me know if you have any questions.

Erin

*Erin Napralla  
Research Assistant  
Clerk, Assembly Committee on Agriculture  
Office of State Representative Al Ott  
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Al Ott

State Representative • 3rd Assembly District

July 26, 2005

Secretary Michael Morgan  
Wisconsin Department of Revenue  
2135 Rimrock Road #624-A  
Madison, WI 53708

Dear Secretary Morgan,

This letter is to inform you that the following clearinghouse rule has been reported out of the Assembly Committee on Agriculture:

Clearinghouse Rule #05-035

A public hearing was not held, and no action was taken on the rule

Please feel free to contact my office if you should have any questions.

Sincerely,

Al Ott  
State Representative  
Chair, Assembly Committee on Agriculture