Clearinghouse Rule 13-036

PROPOSED ORDER OF THE DEPARTMENT OF REVENUE REPEALING, RENUMBERING AND AMENDING, AND AMENDING RULES

The Wisconsin Department of Revenue proposes an order to: **repeal** Tax 12.06 (1) (a) 1. a. to g. and (b) 1. a. to e., 12.07 (1) and (2), 12.075, 12.08, 12.10, 12.40, 12.50 (4), subchs. I and II (title) of ch. Tax 18, and 18.08; **renumber and amend** Tax 12.06 (1) (a) 1. (intro.) and (b) 1. (intro.) and 12.07 (intro.); and **amend** Tax 12.05 (1) (b) and (c) (intro.), 12.065 (1) (c), (2) (b), and (6), 12.50 (1) and (3) (b), 18.04, 18.05 (1) (a), and 18.07 (2); **relating to** property tax and assessment of agricultural property.

The scope statement for this rule, SS 006-13, was approved by the Governor on January 17, 2013, published in Register No. 686 on February 14, 2013, and approved by the Secretary of Revenue on February 25, 2013.

Analysis by the Department of Revenue

Statutes interpreted: ss. 70.11 (21), 70.111 (18), 70.32 (2) (c) 1i., 70.365, 70.64, and 70.995 (12), Stats.

Statutory authority: ss. 70.32 (2) (c) 1i. and 73.09 (1), Stats.

Explanation of agency authority: Section 70.32 (2) (c) 1i. Stats., provides that agricultural use "means agricultural use as defined by the department of revenue by rule…" This provision applies to the proposed change to ch. Tax 18.

Section 73.09 (1), Stats., provides "[t]he department of revenue shall establish by rule the level of certification under sub. (3), the continuing education requirements under sub. (4), examinations under sub. (5), and the requirements for and responsibilities associated with temporary certification under sub. (6) for all assessors and assessment personnel of each local unit of government and for county assessor systems under s. 70.99." This provision applies to ch. Tax 12.

Related statute or rule: There are no other applicable statutes or rules.

Plain language analysis: The proposed rule makes the following changes:

- Amends s. Tax 12.06 to eliminate redundancy with the Wisconsin Property Assessment Manual.
- Revises s. Tax 12.065 (2) (b) to remove a dated reference to a transitional period.
- Revises s. Tax 12.07 to provide for more frequent update of assessment districts through the Wisconsin Property Assessment Manual.
- Repeals ss. Tax 12.075, 12.08, 12.10, 12.40, and 12.50 (4), which have been made obsolete by statute.
- Updates address and other references in ss. Tax 12.05 (1) (b) and (c), 12.065 (1) (c), (2) (b), and (6), and 12.50 (1) and (3) (b).

- Repeals subchapter I of Chapter Tax 18 and removes other references throughout the chapter to an agricultural assessment transitional period that lasted from 1996 to 1997.
- Amends s. Tax 18.05 (1) (a) so that the definition of agricultural use is consistent with s. 70.32 (2) (c) 1i., Stats.

Summary of, and comparison with, existing or proposed federal regulation: 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 department is not aware of a similar rule in an adjacent state.

Summary of factual data and analytical methodologies: 2012 Executive Order 61 and 2011 Wisconsin Act 46 requires state agencies to work with the Small Business Regulatory Review Committee to review the agency's administrative rules that may be particularly onerous to small businesses in Wisconsin. In response, the department initiated a comprehensive review of all of its administrative rules. The changes described above were identified as part of that review. No other data was used in the preparation of this rule order or this analysis.

Analysis and supporting documents used to determine effect on small business: This rule order makes changes to reflect current law and current department policy. It makes no policy or other changes having an effect on small business.

Anticipated costs incurred by private sector: This rule order does not have a fiscal effect on the private sector.

Effect on small business: This rule order does not affect small business.

Agency contact person: Please contact Dale Kleven at (608) 266-8253 or dale.kleven@revenue.wi.gov, if you have any questions regarding this rule order.

Place where comments are to be submitted and deadline for submission: Comments may be submitted to the contact person shown below no later than the date on which the public hearing on this proposed rule order is conducted. Information as to the place, date, and time of the public hearing will be published in the Wisconsin Administrative Register.

Dale Kleven
Department of Revenue
Mail Stop 6-40
2135 Rimrock Road
P.O. Box 8933
Madison, WI 53708-8933

SECTION 1. Tax 12.05 (1) (b) and (c) (intro.) are amended to read:

Tax 12.05 (1) (b) The applicant shall have a job commitment from an elected or appointed assessor, from a firm contracting to make the assessment under s. 70.05 (2), 70.055, or 70.75, Stats., or a job commitment from the ~~bureau of property tax~~ department.

(c) (intro.) The certified individual signing the assessment roll for a local tax unit of government or county assessor system under s. 70.99, Stats., or the applicant's immediate supervisor if in the ~~bureau of property tax~~ department, shall be responsible to see that the following conditions are met:

SECTION 2. Tax 12.06 (1) (a) 1. (intro.) is renumbered 12.06 (1) (a) 1. and is amended as renumbered to read:

Tax 12.06 (1) (a) 1. Assessment technician shall be authorized to perform~~,~~ duties in accordance with the Wisconsin Property Assessment Manual~~, and~~ under the direct supervision of a property appraiser or an assessor~~, the following duties:~~.

SECTION 3. Tax 12.06 (1) (a) 1. a. to g. are repealed

SECTION 4. Tax 12.06 (1) (b) 1. (intro.) is renumbered 12.06 (1) (b) 1. and is amended as renumbered to read:

Tax 12.06 (1) (b) 1. Property appraiser shall be authorized to perform~~,~~ duties in accordance with the Wisconsin Property Assessment Manual~~, and~~ under the direct supervision of an assessor~~, the duties of an assessment technician and the following duties:~~.

SECTION 5. Tax 12.06 (1) (b) 1. a. to e. are repealed

SECTION 6. Tax 12.065 (1) (c), (2) (b), and (6) are amended to read:

Tax 12.065 (1) (c) "Committee" means the advisory committee appointed by the department from, but not limited to, the following groups: the department; league of Wisconsin municipalities, the assessor's section; the Wisconsin association of assessing officers; county assessor systems; the ~~vocational technical school program~~ Wisconsin technical college system; the ~~alliance of cities~~ University of Wisconsin Extension; the Wisconsin towns association; private appraisal firms or individuals.

(2) (b) The program shall be attended and completed not earlier than 5 years preceding the expiration of the applicant's current certification period. ~~For certifications issued after January 1, 1981, the earliest program attended may not begin prior to the date of issuance of the applicant's current certification.~~

(6) ADDRESS. All correspondence to the department shall be sent to:

Wisconsin Department of Revenue
~~Committee on Continuing Assessor Education~~ Division of State and Local Finance
~~c/o Assessor Certification and Training Unit~~
PO Box ~~8933~~ 8971
~~2135 Rimrock Road~~
Madison, WI 53708-~~8933~~ 8971

SECTION 7. Tax 12.07 (intro.) is renumbered 12.07 and amended as renumbered to read:

Tax 12.07 **Assessment districts.** Based on the complexity of assessment functions, the department of revenue has established, by assessment district, the levels of certification required for statutory assessors ~~as follows:~~ for counties and municipalities provided in the Wisconsin Property Assessment Manual, which shall be revised after every decennial census of the United States of America. Assessor certification levels specified in the Wisconsin Property Assessment Manual shall take effect January 1 of the second year after the revision.

SECTION 8. Tax 12.07 (1) and (2) are repealed

SECTION 9. Tax 12.075, 12.08, and 12.10 are repealed

SECTION 10. Tax 12.40 is repealed

SECTION 11. Tax 12.50 (1) and (3) (b) are amended to read:

Tax 12.50 (1) APPLICABILITY. The general property tax exemption applies whether the solar and wind energy systems ~~certified by the department of commerce under s. 101.57 (4), Stats.,~~ are deemed personal property or are so affixed to the realty as to be classified as real estate.

(3) (b) The claim for exemption shall be submitted to the assessor no later than the ~~April~~ March 1 immediately following the assessment date for which the exemption is claimed.

SECTION 12. Tax 12.50 (4) is repealed

SECTION 13. Subchapters I and II (title) of ch. Tax 18 are repealed

SECTION 14. Tax 18.04 is amended to read:

Tax 18.04 **Purpose.** The purpose of this subchapter is to provide definitions and procedures for the department and municipal assessors to classify certain real property as agricultural or other, and to value such property for property tax purposes~~, beginning in 1998~~.

SECTION 15. Tax 18.05 (1) (a) is amended to read:

Tax 18.05 (1) (a) Activities included in subsector 111 Crop Production, set forth in the North American Industry Classification System (NAICS), United States, 1997, published by the executive office of the president, U.S. office of management and budget. ~~"Agricultural use" does not include growing short rotation woody trees with a growing and harvesting cycle of 10 years or less for pulp or tree stock under NAICS industry 111421.~~

SECTION 16. Tax 18.07 (2) is amended to read:

Tax 18.07 (2) Not later than January 1~~, 1998, and each January 1 thereafter~~ of each year, the department shall provide assessors with the use value per acre for each category of agricultural land in each municipality, calculated under sub. (1). The use value per acre for each category of agricultural land in each municipality shall be published annually in the Wisconsin property assessment manual.

SECTION 17. Tax 18.08 is repealed

SECTION 18. Effective date. This 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.

Initial Regulatory Flexibility Analysis

This rule order does not affect small businesses.

DEPARTMENT OF REVENUE

Dated: _____ By: _____
Richard G. Chandler
Secretary of Revenue

E:Rules/SBRRB (SLF 12) Proposed Order (v2)