



## 2011 ASSEMBLY BILL 273

September 21, 2011 – Introduced by Representative KERKMAN, cosponsored by Senators WIRCH, WANGGAARD and DARLING. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 20.566 (2) (b), 70.57 (4) (a), 70.57 (4) (b) (intro.) and 70.57 (4)  
2           (c); and **to create** 70.57 (4) (d) of the statutes; **relating to:** the loan program  
3           for property taxes imposed as a result of an error in equalized value and making  
4           an appropriation.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the Department of Revenue (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 state as a special charge against the taxation district for the year following the year in which DOR's error occurred.

Under this bill, DOR must make the payments if the overvaluation represents 7.5 percent or more of the taxation district's equalized value in the year prior to the year in which the error occurred. In addition, if property tax bills have not already been distributed to property owners, DOR will make one payment to the taxation district and, instead of making loans to individual taxpayers, the taxation district

**ASSEMBLY BILL 273**

will use the payment to reduce the property taxes that would otherwise be imposed as a result of the error.

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

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

1           **SECTION 1.** 20.566 (2) (b) of the statutes is amended to read:

2           20.566 (2) (b) *Valuation error loans.* ~~The amounts in the schedule A sum~~  
3 ~~sufficient~~ to make the payments under s. 70.57 (4) (a).

4           **SECTION 2.** 70.57 (4) (a) of the statutes is amended to read:

5           70.57 (4) (a) From the appropriation under s. 20.566 (2) (b), the department  
6 shall provide payments to any taxation district that certifies to the department, in  
7 the manner prescribed by the department, that the most recent valuation of the  
8 taxation district's property under this section is greater than it should be because of  
9 a clerical, arithmetic, transpositional, or similar error made by the department, as  
10 confirmed by the department, and that the amount of the overvaluation represents  
11 ~~10~~ 7.5 percent or more of the taxation district's valuation under this section in the  
12 year prior to the year in which the error occurred.

13           **SECTION 3.** 70.57 (4) (b) (intro.) of the statutes is amended to read:

14           70.57 (4) (b) (intro.) ~~A~~ If property tax bills for the assessment year in which  
15 the error relates have been distributed to property owners, the taxation district  
16 receiving payments under par. (a) shall use the payments to make loans to persons  
17 who own property located in the taxation district and who are paying more property  
18 taxes than they should be as a result of the error. A person may receive a loan by  
19 applying, in the manner prescribed by the department, to the taxation district in  
20 which the person's property is located no later than June 15 of the year following the

**ASSEMBLY BILL 273**

1 error. The state shall collect the amount of any loan issued under this paragraph as  
2 a state special charge against the taxation district for the year after the year in which  
3 the error occurred and the special charge shall not be included in the taxation  
4 district's levy. The taxation district shall assess the loan amount as a special charge  
5 against the property for which the loan was made on the property tax bill succeeding  
6 the loan, as provided under ch. 74 and s. 66.0627 (1) (c). Except for interest and  
7 penalties, as provided under s. 74.47, that apply to any delinquent special charge  
8 based on the loan amount, neither the department nor the taxation district may  
9 charge interest on any loan issued under this paragraph. The maximum loan  
10 amount that a person may receive under this paragraph shall be calculated by  
11 multiplying the assessed value of the person's property by a decimal determined by  
12 the department as follows:

13 **SECTION 4.** 70.57 (4) (c) of the statutes is amended to read:

14 70.57 (4) (c) The With regard to loans made under par. (b), the department shall  
15 make the payments under par. (a) monthly, based on the amounts requested in loan  
16 applications to the taxation district each month, except that the department shall  
17 make no payments to a taxation district after June 30 of the year following the year  
18 in which the error occurred.

19 **SECTION 5.** 70.57 (4) (d) of the statutes is created to read:

20 70.57 (4) (d) If property tax bills for the assessment year in which the error  
21 relates have not been distributed to property owners, the department may make one  
22 payment from the appropriation under s. 20.566 (2) (b) to the taxation district to  
23 reduce the property taxes that would otherwise be imposed as a result of the error.  
24 The department shall confirm the amount of the payment and provide guidance to  
25 the taxation district in allocating the amount to specific parcels. In the year following

**ASSEMBLY BILL 273****SECTION 5**

1 the error, the taxation district, with the guidance of the department, shall collect  
2 from property owners in the taxation district an amount equal to the amount of the  
3 payment and shall remit the amount collected to the department. The department  
4 may not charge interest for any payment under this paragraph. Notwithstanding  
5 s. 66.0602 or 79.05, payments under this paragraph in both the year the payment is  
6 made to the taxation district and the year the taxation district returns the payment  
7 to the department shall not be included in determining the taxation district's or the  
8 county's levy, or allowable levy under s. 66.0602, or in determining the taxation  
9 district's eligibility for, and calculation of payments, under s.79.05. Solely for  
10 purposes of relating annual revenue to estimated expenses, the amounts collected  
11 and remitted to the state under this paragraph shall be deemed accrued receipts as  
12 of the close of the fiscal year, but no revenue shall be deemed accrued receipts unless  
13 it is deposited by this state on or before August 31.

**SECTION 6. Initial applicability.**

(1) This act first applies to valuations made in 2011.

(END)