

**1999 DRAFTING REQUEST**

**Bill**

Received: **01/19/2000**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **John Townsend (608) 266-3156**

By/Representing: **Sherrie Gates-Hendrix**

This file may be shown to any legislator: NO

Drafter: **jkreye**

May Contact: **Sherrie Gates-Hendrix (DOR)**

Alt. Drafters:

Subject: **Tax - property**

Extra Copies: **Sherrie Gates-Hendrix (electr**

**Pre Topic:**

No specific pre topic given

**Topic:**

Assessment noncompliance; changed assessments; property tax exemptions for treatment plants, pollution abatement and computers

**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>
I?	jkreye 01/19/2000	wjackson 01/19/2000		_____			S&L Tax
/1			martykr 01/20/2000	_____	lrb-docadmin 01/20/2000	lrb-docadmin 01/21/2000	

FE Sent For: **01/21/2000.**

<END>

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*electronic copy*

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1/?	jkreye	1 WLj 1/19	<i>jkreye</i> 1/19	<i>HL</i> <i>1/19</i>			

FE Sent For:

<END>

**Kreye, Joseph**

---

**From:** Gates-Hendrix, Sherrie  
**Sent:** Tuesday, January 18, 2000 4:51 PM  
**To:** Kreye, Joseph  
**Subject:** RE: 324813 - assessment noncompliance law

A new number would be best

-----Original Message-----

**From:** **Kreye, Joseph**  
**Sent:** Tuesday, January 18, 2000 4:56 PM  
**To:** Gates-Hendrix, Sherrie  
**Subject:** RE: 324813 - assessment noncompliance law

Sherrie-

Do you want all these drafts combined under a new LRB number? Or do you want them combined as LRB 99-3248/4?

**Joseph T. Kreye**, Legislative Attorney  
Legislative Reference Bureau  
(608) 266-2263  
[joseph.kreye@legis.state.wi.us](mailto:joseph.kreye@legis.state.wi.us)

-----Original Message-----

**From:** Gates-Hendrix, Sherrie  
**Sent:** Tuesday, January 18, 2000 4:47 PM  
**To:** Kreye, Joseph  
**Cc:** Wischnewski, Marne; **Ourada**, Thomas D  
**Subject:** FW: 324813 - assessment noncompliance law

**Joe-**

We'd like this draft [revised to add agricultural property as a class of property under .70.05(5)(a)1 m] to be combined with 3307/2, 3314/4, and 3319/1 and jacketed for Rep. John Townsend. I'd still like to get an electronic version of the final, combined version.

Thanks.  
Sherrie

-----Original Message-----

**From:** **Smith, Irma**  
**Sent:** Tuesday, January 18, 2000 1:39 PM  
**To:** Gates-Hendrix, Sherrie  
**Subject:** 324813 - assessment noncompliance law

cc File: 99-324813 >>

4266

Kreye, Joseph

---

**From:** Gates-Hendrix, Sherrie  
**Sent:** Tuesday, January 18, 2000 4:47 PM  
**To:** Kreye, Joseph  
**cc:** Wischnewski, Marne; Ourada, Thomas D  
**Subject:** FW: 3248/3 - assessment noncompliance law

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**Sent:** Tuesday, January 18, 2000 1:39 PM  
**To:** Gates-Hendrix, Sherrie  
**Subject:** 324813 - assessment noncompliance law



99-3248/3

4266/1

# 1999 BILL

WPO: Inserts are out of order.

SOON

in 1-19-2000

re gen

1 **AN ACT** to repeal 70.05 (5) (f) and 73.08; and to amend 20.566 (2) (a), 70.05 (5)

2 (a) Im., 70.05 (5) (a) 3., 70.05 (5) (d) and 70.05 (5) (g) of the statutes; relating

3 to: the monitoring of property tax assessments

INSERT 1-3

### Analysis by the Legislative Reference Bureau

Under current law, the department of revenue (DOR) monitors the property tax assessments in all taxation districts. Under current law, a major class of property is property with an assessed value representing more than 5% of the total assessed value of all property in the taxation district in which the major class of property is located. If DOR determines that a major class of property in a taxation district has not been assessed at a value that is within 10% of the full value of such property at least once during the most recent four years, DOR notifies the taxation district that the assessment staff in that district must participate in an assessment education program. Under current law, if DOR determines that a major class of property in the taxation district has not been assessed at a value that is within 10% of the full value of such property in the year that the taxation district's assessment staff participated in an assessment education program and in the following year, DOR must supervise the taxation district's next property tax assessment. Under current law, a class of property includes residential property, commercial property, swampland and productive forest land.

Under this bill, a class of property also includes agricultural property Under the bill, a major class of property is property with an assessed value representing more than 15% of the total assessed value of all property in the taxation district in

**BILL**

which the major class of property is located. Under the bill, if DOR determines that a major class of property in a taxation district has not been assessed at a value that is within 10% of the full value of such property at least once during the most recent three years, DOR notifies the taxation district that DOR may supervise a subsequent taxation district assessment. If DOR determines that a major class of property in the taxation district has not been assessed at a value that is within 10% of the full value of such property in the year after the taxation district receives such notice, DOR must supervise the taxation district's next property tax assessment. Under the bill, the assessment staff of the taxation district does not participate in an assessment education program prior to DOR's supervision of the taxation district assessment.

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

INSERT A-1

INSERT A-2

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

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

2           **20.566 (2) (a) General program operations.** The amounts in the schedule for  
3 administration of property tax laws, public utility tax laws ~~and~~ distribution of state  
4 taxes, and administration of general program operations under s. 73.10 and  
5 ~~administration of the assessor educational program under s. 73.08.~~

6           **SECTION 2. 70.05 (5) (a)** 1 m. of the statutes is amended to read:

7           **70.05 (5) (a) 1 m.** "Class of property" means residential under s. 70.32 (2) (a) 1.;  
8 commercial under s. 70.32 (2) (a) 2.; agricultural under s. 70.32 (2) (a) 4.; personal  
9 property; or the sum of swamp or waste under s. 70.32 (2) (a) 5., productive forest land  
10 under s. 70.32 (2) (a) 6. and other under s. 70.32 (2) (a) 7.

11           **SECTION 3.** 70.05 (5) (a) 3. of the statutes is amended to read:

12           70.05 (5) (a) 3. "Major class of property" means any class of property that  
13 includes more than ~~5%~~ 15% of the full value of the taxation district.

14           **SECTION 4.** 70.05 (5) (d) of the statutes is amended to read:

**BILL**

1           70.05 (5) (d) If the department of revenue determines that the assessed value  
 2 of each major class of property of a taxation district, including 1st class cities, has not  
 3 been established within 10% of the full value of the same major class of property  
 4 during the same year at least once during the ~~4-year~~ 3-year period consisting of the  
 5 current year and the 8 2 preceding years, the department shall notify the clerk of the  
 6 taxation district of its intention to proceed under par. ~~(f)~~ (g) if the taxation district's  
 7 assessed value of each major class of property for the subsequent year is not within  
 8 10% of the full value of the same major class of property. The department's notice  
 9 shall be in writing and mailed to the clerk of the taxation district on or before  
 10 November 1 of the year of the determination.

11           **SECTION 5.** 70.05 (5) ~~(f)~~ of the statutes is repealed.

12           **SECTION 6.** 70.05 (5) (g) of the statutes is amended to read:

13           70.05 (5) (g) If, in ~~both~~ the year after the year in which a the clerk of a taxation  
 14 ~~district's assessment staff participates in the program under s. 73.08 and in the next~~  
 15 year district receives notice from the department under par. (d), the department ~~of~~ ←  
 16 ~~revenue~~ determines that the assessed value of each major class of property is not  
 17 within 10% of the full value of the same major class of property, the department shall  
 18 order special supervision under s. 70.75 (3) for that taxation district for the  
 19 succeeding year's assessment. That order shall be in writing and shall be mailed to  
 20 the clerk of the taxation district on or before November 1 of the year of the  
 21 determination.

*of revenue*

22           **SECTION 7.** 73.08 of the statutes is repealed.

23           ~~**SECTION 8. Initial applicability.**~~

INSERT 3-21

INSERT 3-22



**BILL**

(1) The treatment of section 70.05 (5) (d) and (g) of the statutes first applies to the property tax assessments as of January 1, 2003.

(END)

3

INSERT 4-2 ↓

# 1999 BILL

1 AN ACT to repeal 70.11 (21) (e); and to amend 70.11 (21) (a), 70.11 (21) (c) and  
 2 (d), 70.11 (21) (f), 71.05 (11) (b), 73.01 (4) (a) and 73.01--(5)- (a) of the statutes;  
 3 relating to: discontinuing the requirement that owners of treatment plant and  
 4 pollution abatement equipment, except utilities and certain insurers, apply for  
 5 their property tax exemptions.

INSERT A-2

INSERT 1-3

### Analysis by the Legislative Reference Bureau..

Under current law, all owners of treatment plant and pollution abatement equipment must apply for their property tax exemptions. Under this bill, only utilities and certain insurers will be required to do so.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state* 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:*

6 SECTION 1. 70.11 (2 1) (a) of the statutes is amended to read:

INSERT 3-2

**BILL**

INSERT  
3-21.

1           70.11 (21) (a) All property purchased or constructed as a waste treatment  
 2 facility used for the treatment of industrial wastes as defined in s. 281 .01 (5) or air  
 3 contaminants as defined in s. 285.01 (1) but not for other wastes as defined in s  
 4 281 .01 (7) ~~and approved by the department of revenue~~ for the purpose of abating or  
 5 eliminating pollution of surface waters, the air or waters of the state if that property  
 6 is not used to grow agricultural products for sale and, if the property's owner is taxed  
 7 under ch. 76, if the property is approved by the department of revenue. For the  
 8 purposes of this subsection "industrial waste" also includes wood chips, sawdust and  
 9 other wood residue from the paper and wood products manufacturing process that  
 10 can be used as fuel and would otherwise be considered superfluous, discarded or  
 11 fugitive material. The department of natural resources and department of health  
 12 and family services shall make recommendations upon request to the department of  
 13 revenue regarding such property All property purchased or upon which  
 14 construction began prior to July 31, 1975, shall be subject to s. 70.11 (21), 1973 stats.

15           ~~SECTION 2.~~ SECTION 2. 70.11 (2 1) (c) and (d) of the statutes are amended to read:

16           70.11 (21) (c) A prerequisite to exemption under this subsection for owners who  
 17 are taxed under ch. 76 is the filing of a statement on forms prescribed by the  
 18 department of revenue with the department of revenue. This statement shall be filed  
 19 not later than January 15 of the year in which a new exemption is requested or in  
 20 which a waste treatment facility that has been granted an exemption is retired,  
 21 replaced, disposed of, moved to a new location or sold.

22           (d) The department of revenue shall allow an extension to ~~February 15; or, if~~  
 23 ~~the owner is subject to tax under ch. 76, to~~ a date determined by the department by  
 24 ~~rule; of the due date~~ for filing the report form required under par. (c) if a written



**BILL**

INSERT:  
3-21

INSERT  
3-9

1 application for an extension, stating the reason for the request, is filed with the  
2 department of revenue before January 15.

3 ~~SECTION 70.11~~ (2 1) (e) of the statutes is repealed.

4 ~~SECTION 70.11~~ (21) (f) of the statutes is amended to read:

5 70.11 (21) (f) If property about which a statement has been filed under par. (c)  
6 is determined to be taxable, the owner may appeal that determination ~~to the tax~~  
7 ~~appeals commission under s. 73.01 (5) (a), except that assessments under s. 76.07~~  
8 ~~shall be appealed under s. 76.08 and except that assessments under s. 70.995 (5)~~  
9 ~~shall be appealed under s. 70.995 (8).~~

10 ~~SECTION 71.05~~ (11) (b) of the statutes is amended to read:

11 71.05 (11) (b) The cost of the following described property, less any federal  
12 depreciation or amortization taken, may be deducted as a subtraction modification  
13 or as subtraction modifications in the year or years in which paid or accrued,  
14 dependent on the method of accounting employed: All property purchased or  
15 constructed as a waste treatment facility utilized for the treatment of industrial  
16 wastes as defined in s. 281 .01 (5), or air contaminants as defined in s. 285.01 (1) but  
17 not for other wastes as defined in s. 281 .01 (7) ~~and approved by the department of~~  
18 ~~revenue under s. 70.11 (21) (a)~~ for the purpose of abating or eliminating pollution of  
19 surface waters, the air or waters of the state and, if the property's owner is taxed  
20 under ch. 76, if the property is approved by the department of revenue. In case of  
21 such election, appropriate add modifications shall be made in subsequent years to  
22 reverse federal depreciation or amortization or to correct gain or loss on disposition.  
23 This paragraph is intended to apply only to depreciable property except that where  
24 wastes are disposed of through a lagoon process, lagooning costs and the cost of land  
25 containing such lagoons may be treated as depreciable property for purposes of this



INSERT  
3-21

**BILL**

**SECTION 5**

1 paragraph. In no event may any amount in excess of cost be deducted. Paragraph  
2 (a) applies to all property purchased prior to July 31, 1975, or purchased and  
3 constructed in fulfillment of a written construction contract or formal written bid,  
4 which contract was entered into or which bid was made prior to July 31, 1975.

5 **SECTION ~~6~~<sup>\*</sup> 6.** 73.01 (4) (a) of the statutes is amended to read:

6 73.01 (4) (a) Subject to the provisions for judicial review contained in s. 73.015,  
7 the commission shall be the final authority for the hearing and determination of all  
8 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.  
9 ~~70.11 (21), 70.38 (4) (a), 70.397, 70.64 and 70.995 (8),~~ s. 76.38 (12) (a), 1993 stats., ss.  
10 76.39 (4) (c), 76.48 (6), 76.91, 77.26 (3), 77.59 (6) (b), 78.01, 78.22, 78.40, 78.555,  
11 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76 and 139.78, subch. XIV of ch.  
12 71 and subch. VII of ch. 77. Whenever with respect to a pending appeal there is filed  
13 with the commission a stipulation signed by the department of revenue and the  
14 adverse party, under s. 73.03 (25), agreeing to an affirmance, modification or reversal  
15 of the department's position with respect to some or all of the issues raised in the  
16 appeal, the commission shall enter an order affirming or modifying in whole or in  
17 part, or canceling the assessment appealed from, or allowing in whole or in part or  
18 denying the petitioner's refund claim, as the case may be, pursuant to and in  
19 accordance with the stipulation filed. No responsibility shall devolve upon the  
20 commission, respecting the signing of an order of dismissal as to any pending appeal  
21 settled by the department without the approval of the commission.

22 **SECTION ~~7~~<sup>\*</sup> 7.** 73.01 (5) (a) of the statutes is amended to read:

23 73.01 (5) (a) Any person who is aggrieved by a determination of the state board  
24 of assessors under s. 70.995 (8) ~~or by the department of revenue under s. 70.11 (21)~~  
25 or who has filed a petition for redetermination with the department of revenue and

**BILL**

1 who is aggrieved by the redetermination of the department may, within 60 days of  
2 the determination of the state board of assessors or of the department or, in all other  
3 cases, within 60 days after the redetermination but not thereafter, file with the clerk  
4 of the commission a petition for review of the action of the department and the  
5 number of copies of the petition required by rule adopted by the commission. If a  
6 municipality appeals, its appeal shall set forth that the appeal has been authorized  
7 by an order or resolution of its governing body and the appeal shall be verified by a  
8 member of that governing body as pleadings in courts of record are verified. The clerk  
9 of the commission shall transmit one copy to the department of revenue and to each  
10 party. In the case of appeals from manufacturing property assessments, the person  
11 assessed shall be a party to a proceeding initiated by a municipality. At the time of  
12 filing the petition, the petitioner shall pay to the commission a \$25 filing fee. The  
13 commission shall deposit the fee in the general fund. Within 30 days after such  
14 transmission the department, except for petitions objecting to manufacturing  
15 property assessments, shall file with the clerk of the commission an original and the  
16 number of copies of an answer to the petition required by rule adopted by the  
17 commission and shall serve one copy on the petitioner or the petitioner's attorney or  
18 agent. Within 30 days after service of the answer, the petitioner may file and serve  
19 a reply in the same manner as the petition is filed. Any person entitled to be heard  
20 by the commission under s. 76.38 (12) (a), 1993 stats., or s. 76.39 (4) (c), 76.48 or 76.91  
21 may file a petition with the commission within the time and in the manner provided  
22 for the filing of petitions in income or franchise tax cases. Such papers may be served  
23 as a circuit court summons is served or by certified mail. For the purposes of this  
24 subsection, a petition for review is considered timely filed if mailed by certified mail

INSERT  
3-21



**BILL**

N.J.E.R.S.  
3:21

1 in a properly addressed envelope, with postage duly prepaid, which envelope is  
2 postmarked before midnight of the last day for filing.

**SECTION 9443. Effective dates; revenue.**

(1) WASTE TREATMENT EQUIPMENT. This act takes effect on January 1, 2001.

(END)

# 1999 BILL

INSERT 1-3

1

~~AN ACT to renumber and amend 70.365; and to create 70.365 (2) of the~~

2

statutes; relating to the notice of changed property tax assessments.

### *Analysis by the Legislative Reference Bureau*

Under current law, if property is assessed, for property tax purposes, at a value that is different than the value of the property in the previous year, the property tax assessor must notify the property owner of that difference at least 15 days before the meeting of the taxation district's board of review or board of assessors. After the taxation district assessor has completed the property tax assessment roll, which specifies the assessments of all property located in the taxation district, the property tax assessment roll is available for public inspection.

Under this bill, if property is assessed, for property tax purposes, at a value that is different than the value of the property in the previous year, the property tax assessor shall not notify the property owner of that difference, if the changed assessment is made by the assessor with the property owner's consent and while the property tax assessment roll is available for public inspection.

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

3

SECTION 4. 70.365 of the statutes is renumbered 70.365 (1) and amended to

4

read:

INSERT A-1

INSERT 2-1

INSERT B-9







**BILL**

INSERTS  
3-9

1 70.365 (1) ~~When~~ Except as provided under sub. (2), when the assessor assesses  
2 any taxable real property, or any improvements taxed as personal property under s.  
3 77.84 (l), and arrives at a different total than the assessment of it for the previous  
4 year, the assessor shall notify the person assessed if the address of the person is  
5 known to the assessor, otherwise the occupant of the property. The notice shall be  
6 in writing and shall be sent by ordinary mail at least 15 days before the meeting of  
7 the board of review or before the meeting of the board of assessors in 1st class cities  
8 and in 2nd class cities that have a board of assessors under s. 70.075 and shall  
9 contain the amount of the changed assessment and the time, date and place of the  
10 meeting of the local board of review or of the board of assessors. However, if the  
11 assessment roll is not complete, the notice shall be sent by ordinary mail at least 15  
12 days prior to the date to which the board of review has adjourned. The assessor shall  
13 attach to the assessment roll a statement that the notices required by this section  
14 have been mailed and failure to receive the notice shall not affect the validity of the  
15 changed assessment, the resulting changed tax, the procedures of the board of review  
16 or of the board of assessors or the enforcement of delinquent taxes by statutory  
17 means. The secretary of revenue shall by rule prescribe the form of the notice  
18 required under this section. The form shall include information notifying the  
19 taxpayer of the procedures to be used to object to the assessment.

20 ~~SECTION 2.~~ 70.365 (2) of the statutes is created to read:

21 70.365 (2) ' An assessor shall not send a notice under sub. (l), if the change of  
22 assessment is made by the assessor with the property owner's consent and while the  
23 assessment roll is available for examination under s. 70.45.

24 SECTION 3. Initial applicability.

end of INSERT 3-9

**BILL**

1  
2  
3

(1) NOTICE OF CHANGED ASSESSMENT This act first applies to the property tax assessments as of January 1, 2000.

(END)

# 1999 BILL

INSERT 1-3

1  
2  
3

~~AN ACT to amend~~ 70.36 (1m), 70.36 (2), 79.095 (3) and 79.095 (4) of the statutes;  
relating to the administration of the property tax exemption for computers  
and providing a penalty.

INSERT A-1

### Analysis by the Legislative Reference Bureau

Under current law, computer equipment is exempt from the tax on personal property, if the property owner files a return with the taxation district assessor that provides information about the computer equipment, including the equipment's fair market value. If a person who is required to file a return fails to report information about any exempt computer equipment owned by the person, the person is subject to a penalty of \$10 for every \$100 of value of such equipment and the taxation district collects the penalty

Under current law, the state compensates a taxation district for the tax revenue that the district loses as a result of exempting computer equipment from the tax on personal property.

Under this bill, if a person who is required to file a return fails to report information about any exempt computer equipment owned by the person, the person is subject to a penalty of \$10 for every \$1,000 of value of such equipment and the department of revenue (DOR) collects the penalty. Under the bill, DOR may audit returns that are related to exempt computer equipment and, as the result of such an audit, adjust the payments made to taxation districts to compensate for the tax revenue that the district loses as a result of exempting computer equipment from the tax on personal property.

**BILL**

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

INSERT  
2-1

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

1           **SECTION 1.** 70.36 (1m) of the statutes is amended to read:

2           70.36 (1m) Any person, firm or corporation that fails to include information on  
3 property that is exempt under s. 70.11 (39) on the report under s. 70.35 shall forfeit  
4 pay to the department of revenue a penalty of \$10 for every \$100 \$1,000 or major  
5 fraction thereof that is not reported.

6           **SECTION 2.** 70.36 (2) of the statutes is amended to read:

7           70.36 (2) It is hereby made the duty of the district attorney of any county, upon  
8 complaint made to the district attorney by the assessor or by a member of the board  
9 of review of the assessment district in which it is alleged that property has been so  
10 withheld from the knowledge of such assessor or board of review, or not included in  
11 any return required by s. 70.35, to investigate the case forthwith and bring an action  
12 in the name of the state against the person, firm or corporation so complained of. All  
13 Except as provided in sub. (1m), forfeitures collected under the provisions of this  
14 section shall be paid into the treasury of the taxation district in which such property  
15 had its situs for taxation.

16           **SECTION 3.** 79.095 (3) of the statutes is amended to read:

17           **79.095 (3) REVIEW BY DEPARTMENT.** The department shall adjust each rate  
18 reported under sub. (2) (b) to a full-value rate. The department shall review and  
19 correct the information submitted under sub. (2) (a), shall determine the full value  
20 of all of the computers reported under sub. (2) (a) and of all the computers under s.  
21 79.095 (12r) and, on or before October 1, shall notify each taxing jurisdiction of the

INSERT  
3-22





**BILL**

INSERT 3-22

1 full value of the computers that are exempt under s. 70.11 (39) and that are located  
2 in the jurisdiction. To review and correct the information submitted under sub. (2)  
3 (a), the denartment mav audit renorts that are submitted under s. 70.35 regarding  
4 computers that are exempt under s. 70.11 (39). The department shall adjust the full  
5 value that is reported to taxing jurisdictions under this subsection in the year after  
6 an error occurs or a value has been changed due to an appeal. All disputes between  
7 the department and municipalities about the value of the property reported under  
8 sub. (2) (a) or of the property under s. 70.995 (12r) shall be resolved by using the  
9 procedures under s. 70.995 (8).

10 **SECTION ~~4~~ 79.095 (4)** of the statutes is amended to read:

11 79.095 (4) **PAYMENT.** The department shall calculate the payments due each  
12 taxing jurisdiction under this section by multiplying the full value as of the January  
13 1 of the preceding year of the computers that are exempt under s. 70.11 (39) and that  
14 are located in the jurisdiction by the full-value gross tax rate of the jurisdiction for  
15 the preceding year. The denartment shall adiust the navments due each taxing  
16 jurisdiction under this section to reflect the results of an audit under sub. (3). The  
17 department shall certify the amount of the payment due each taxing jurisdiction to  
18 the department of administration, which shall make the payments on or before the  
19 first Monday in May.

end of INSERT 3-22

**SECTION 5. Initial applicability.**

20  
21 (1) This act first applies to the payments that are due on or before the first  
22 Monday in May, 2000.

23 (END)





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LEGISLATIVE REFERENCE BUREAU

LRB-4266/ins  
JK:.....

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1 SECTION ~~1~~ <sup>#</sup> **Initial applicability.**

2 (1) **MONITORING PROPERTY TAX ASSESSMENTS.** The treatment of section 70.05 (5)  
3 (d) and (g) of the statutes first applies to the property tax assessments as of January  
4 1, 2003.

5 (2) **NOTICE OF CHANGED ASSESSMENT.** The treatment of section 70.365 (1) and (2)  
6 of the statutes first applies to the property tax assessments as of January 1, 2000.  
7 *renumbering g*  
8 *and the creation of section 70.365 (2) of the statutes*  
9 *apply*

7 (3) **PROPERTY TAX EXEMPTION FOR COMPUTERS.** The treatment of sections 70.36  
8 (1m) and (2) and 79.095 (3) and (4) of the statutes first applies to the payments that  
9 are due on or before the first Monday in May, 2000.

10 SECTION ~~2~~ <sup>#</sup> **Effective dates.** This act takes effect on the day after publication,  
11 except as follows:

12 (1) **WASTE TREATMENT EQUIPMENT.** The treatment of sections 70.11 (21) (a) and  
13 (c) to (f), 71.05 (11) (b) and 73.01 (4) (a) and (5) (a) of the statutes takes effect on  
14 January 1, 2001.

END OF INSERT 4-2

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A  
15

**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU  
Legal Section Telephone: 266-3561  
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 0 1/20/2000

To: Representative Townsend

Relating to LRB drafting number: LRB-4266

**Topic**

Assessment noncompliance; changed assessments; property tax exemptions for treatment plants, pollution abatement and computers

**Subject(s)**

Tax - property

1. **JACKET** the draft for introduction John F. Townsend  
in the Senate  or the Assembly  (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached \_\_\_\_\_.  
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction JF.  
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Joseph T. Kreye, Legislative Attorney  
Telephone: (608) 266-2263

State of Wisconsin



**LRB COPY**

**APPENDIX TO**

**1999 ASSEMBLY BILL 726**

*Report of the Joint Survey Committee on  
Tax Exemptions*

*STATE OF WISCONSIN*

*REPORT OF THE JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS*

*1999 ASSEMBLY BILL 726*

[Introduced by Representatives Townsend, Porter, Musser, J. Lehman, Spillner, Hundertmark, Owens, Goetsch, Petrowski and Freese; cosponsored by Senators Breske, Roessler, Plache and Welch.]

**General Nature of Proposal**

The bill makes numerous changes to various property tax provisions of state law. Provisions affecting tax exemptions contained in the bill are more fully described below.

**Computer Equipment**

Under current law, computer equipment is exempt from the tax on personal property if the property owner files a return with the taxation district assessor that provides information about the computer equipment, including the equipment's fair market value. If a person who is required to file a return fails to report information about any exempt computer equipment owned by the person, the person is subject to a penalty of \$10 for every \$100 of value of such equipment and the taxation district collects the penalty. In addition, under current law, the state compensates a taxation district for the tax revenue that the district loses as a result of exempting computer equipment from the tax on personal property.

Under the bill, if the person who is required to file a return fails to report information about any exempt computer equipment owned by the person, the person is subject to a penalty of \$10 for every \$1,000 of value of such equipment and the Department of Revenue (DOR) collects the penalty. Under the bill, DOR may audit returns that are related to exempt computer equipment and, as the result of such an audit, adjust the payments made to taxation districts to compensate for the tax revenue that the district loses as a result of exempting computer equipment from the personal property tax.

**Treatment Plant and Pollution Abatement Equipment**

Under current law, treatment plant and pollution abatement equipment are exempt from the property tax, but the owners of the plants or equipment must apply to the DOR for their property tax exemptions. Under the bill, only utilities and certain insurers will be required to apply for the exemption.

**Legality Involved**

There are no questions of legality involved.

### **Fiscal Effect Upon the State and Its Subdivisions**

The DOR estimates the fiscal effect of the above provisions as follows:

#### **Computer Equipment**

Fiscal Effect. No penalties were collected in 1999, the first year that exempt computer property was required to be reported. Future penalties are also expected to be minimal.

#### **Treatment Plant and Pollution Abatement Equipment**

Fiscal Effect. This provision has no fiscal effect on units of local government. The provision will require minor revisions to the waste treatment exemption application form and ***the Wisconsin Property Assessment Manual***. The cost- of these changes can be absorbed.

### **Public Policy Involved**

The provisions of the bill affecting tax exemptions are good public policy.