

1999 ASSEMBLY BILL 790

February 23, 2000 – Introduced by Representatives FREESE, PETROWSKI, GRONEMUS, HAHN, HASENOHRL, HUEBSCH, JESKEWITZ, JOHNSRUD, MUSSER, OTT, URBAN, SYKORA and PETTIS, cosponsored by Senators DRZEWIECKI, SCHULTZ, DARLING and FARROW. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 38.28 (2) (b) 2., 79.03 (3) (b) 4. (intro.), 121.06 (4), 121.15 (3m)
2 (a) 1., 121.15 (4) (a), 121.90 (2) (intro.) and 121.90 (2) (a); and **to create** 20.835
3 (1) (ed) and 79.096 of the statutes; **relating to:** the use value assessment of
4 agricultural land and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the assessed value of agricultural land is frozen at the assessed value of the land as of January 1, 1995. Beginning in 1998, and ending no later than December 31, 2008, the assessed value of agricultural land is reduced by a four-part formula that includes subtracting the use value of the land from its frozen assessed value. The use value of agricultural land is based on the income that is or could be generated from the rental of the land for agricultural use. By using the four-part formula to determine the value of agricultural land, the use value assessment of agricultural land is phased-in during a period of no more than ten years.

Under current law, after the formula for reducing the assessed value of agricultural land no longer applies, agricultural land is assessed at its use value. The department of revenue recently promulgated emergency rules that would end the use of the formula for reducing the value of agricultural land beginning with property tax assessments in 2000 and that would require that agricultural land be assessed at its use value beginning with property tax assessments in 2000.

Under this bill, beginning in 2001 and ending in 2007, certain taxing jurisdictions, including municipalities, counties and school districts, receive

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payments from the state to compensate the jurisdictions for any decrease in property tax revenue as a result of the use value assessment of agricultural land in those jurisdictions.

For further information see the *state and local* 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:

1 **SECTION 1.** 20.835 (1) (ed) of the statutes is created to read:

2 20.835 (1) (ed) *State aid; agricultural land.* A sum sufficient to make the state
3 aid payments under s. 79.096.

4 **SECTION 2.** 38.28 (2) (b) 2. of the statutes is amended to read:

5 38.28 (2) (b) 2. The most current equalized values certified by the department
6 of revenue shall be used in aid determinations. Equalized values shall include the
7 full value of computers that are exempt under s. 70.11 (39) as determined under s.
8 79.095 (3) and the amount calculated under s. 79.096 (2) (b).

9 **SECTION 3.** 79.03 (3) (b) 4. (intro.) of the statutes is amended to read:

10 79.03 (3) (b) 4. (intro.) “Local purpose revenues” means the sum of payments
11 under s. ss. 79.095 and 79.096, local general purpose taxes, regulation revenues,
12 revenues for services to private parties by a county’s or municipality’s general
13 operations or enterprises, revenue for sanitation services to private parties, special
14 assessment revenues, tax base equalization aids and, for municipalities only, a proxy
15 for private sewer service costs, a proxy for private solid waste and recycling service
16 costs and a proxy for retail charges for fire protection purposes. In this subdivision:

17 **SECTION 4.** 79.096 of the statutes is created to read:

18 **79.096 State aid; agricultural land. (1) DEFINITIONS.** In this section:

19 (a) “Department” means the department of revenue.

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1 (b) “Gross tax rate” has the meaning given in s. 79.095 (1) (b).

2 (c) “Taxing jurisdiction” means a municipality, county, school district or
3 technical college district.

4 **(2) PAYMENTS.** Beginning in 2001 and ending in 2007, annually on the first
5 Monday in July, the department shall pay to each taxing jurisdiction for which the
6 result under par. (b) is a positive number an amount determined by the department
7 as follows:

8 (a) Calculate the value of agricultural land in the taxing jurisdiction, as of
9 January 1 of the preceding year, using the valuation method under s. 70.32 (2r) (b).

10 (b) Calculate the value of agricultural land in the taxing jurisdiction, as of
11 January 1 of the preceding year, using the valuation method under s. 70.32 (2r) (c)
12 and subtract that amount from the amount determined under par. (a).

13 (c) Multiply the amount determined under par. (b) by the taxing jurisdiction’s
14 gross tax rate for the preceding year.

15 **(3) TREATMENT OF PAYMENTS BY SCHOOL DISTRICTS AND TECHNICAL COLLEGE**
16 **DISTRICTS.** School districts and technical college districts shall treat the payments
17 made under this section as if the payments had been received in the previous fiscal
18 year.

19 **(4) DISPUTES.** Any dispute between the department and a taxing jurisdiction
20 about the values determined under sub. (2) (a) or (b) shall be resolved by using the
21 procedures under s. 70.995 (8).

22 **SECTION 5.** 121.06 (4) of the statutes is amended to read:

23 121.06 **(4)** For purposes of computing state aid under s. 121.08, equalized
24 valuations calculated under sub. (1) and certified under sub. (2) shall include the full

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1 value of computers that are exempt under s. 70.11 (39), as determined under s.
2 79.095 (3), and the amount calculated under s. 79.096 (2) (b).

3 **SECTION 6.** 121.15 (3m) (a) 1. of the statutes, as affected by 1999 Wisconsin Act
4 9, is amended to read:

5 121.15 **(3m)** (a) 1. “Partial school revenues” means the sum of state school aids,
6 other than the amounts appropriated under s. 20.255 (2) (bi) and (cv), property taxes
7 levied for school districts and aid paid to school districts under ~~s. ss.~~ 79.095 (4) and
8 79.096 (2), less the amount of any revenue limit increase under s. 121.91 (4) (a) 2. due
9 to a school board’s increasing the services that it provides by adding responsibility
10 for providing a service transferred to it from another school board, less the amount
11 of any revenue limit increase under s. 121.91 (4) (a) 3. and less the amount of any
12 revenue limit increase under s. 121.91 (4) (h).

13 **SECTION 7.** 121.15 (4) (a) of the statutes, as created by 1999 Wisconsin Act 9,
14 is amended to read:

15 121.15 **(4)** (a) In this subsection, “state aid” has the meaning given in s. 121.90
16 (2) except that it excludes aid paid to school districts under ~~s. ss.~~ 79.095 (4) and 79.096
17 (2).

18 **SECTION 8.** 121.90 (2) (intro.) of the statutes, as affected by 1999 Wisconsin Act
19 9, is amended to read:

20 121.90 **(2)** (intro.) “State aid” means aid under ss. 121.08, 121.09 and 121.105
21 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
22 (4) ~~and,~~ including adjustments made under s. 121.15 (4), and amounts under ss.
23 79.095 (4) and 79.096 (2) for the current school year, except that “state aid” excludes
24 all of the following:

25 **SECTION 9.** 121.90 (2) (a) of the statutes is amended to read:

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1 121.90 **(2)** (a) Any additional aid that a school district receives as a result of ss.
2 121.07 (6) (e) 1. and (7) (e) 1. and 121.105 (3) for school district consolidations that
3 are effective on or after July 1, 1995, as determined by the department. ~~“State aid”~~
4 ~~also includes amounts under s. 79.095 for the current school year.~~

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(END)