

Patch II

99-4203df



freese



jkreye



1999 DRAFTING REQUEST

Bill

Received: **01/12/2000**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Stephen Freese (608) 266-7502**

By/Representing: **rob richard**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact: **LFB**

Alt. Drafters: **grantpr**

Subject: **Tax - property
Education - school finance
Shared Revenue**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Hold harmless provision related to use value assessment

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>
/?	jkreye 02/08/2000			_____			S&L
/1	grantpr 02/09/2000	csicilia 02/10/2000	jfrantze 02/14/2000	_____	lrb_docadmin 02/14/2000	lrb_docadmin 02/15/2000	

FE Sent For:

<END>

2/23/00

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1?	jkreye	1 cgs 2/10 oo	J 2/11	Jb thh 2/14			S&L

FE Sent For:

<END>

Kreye, Joseph

From: Shovers, Marc
Sent: Wednesday, January 12, 2000 9:00 AM
To: Kreye, Joseph
Subject: FW:

I believe that this is yours, K2Man.

Mr. Shovers

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

From: Richard, Rob
Sent: Tuesday, January 11, 2000 2:59 PM
To: Shovers, Marc
Cc: Griffiths, Terri
Subject:

Marc:

Rep. Freese met with John Rader of DOR, and Fred Ammerman, Ruth Hardy and Rick Olin of LFB earlier today to discuss a fix of the current use-value assessment problem. In a memo to Sen. Burke from Bob Lang, it was reported that Lafayette County would be the hardest hit in terms of tax increases due to full phase-in of use-value. Grant County was not much further behind - both are counties in Rep. Freese's district.

If you open up the attached memo, on page 4, you will find Table 1 which explains the costs of the full phase-in. Residential property taxes would increase by \$24 million alone and all property would increase by \$36 million. Rep. Freese does not want residences or anyone else to be grossly effected by the full phase-in by having taxes increase by as much as \$190 or more for farm properties.

Rep. Freese is asking that you begin a draft, based on the computer tax credit model, that would set up a distribution mechanism to offset the full phase-in of use-value. Because of the complications this draft may pose, please call and consult with Mr. Ammerman and Mr. Olin on the appropriate mechanisms and language for the draft. The LFB phone number is 6-3847.

We do not yet have a funding source to offset the approximate \$36 million deficit figure, but Rep. Freese is requesting that you talk with LFB and begin work on the basic structure of the draft.

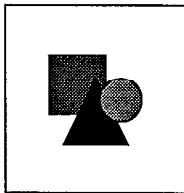
If you have any questions please feel free to call me at 6-7502. Any technical questions should probably be directed to Mr. Ammerman or Mr. Olin. Expedience in this matter is important considering the urgency of the situation for property owners, and the limited amount of time left in the session

Thank you very much!

Rob Richard, Administrative Assistant
Office of Rep. Steve Freese
266-7502



28burke_bl.doc



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

December 28, 1999

TO: Senator Brian Burke
Room 316 South, State Capitol

FROM: Bob Lang, Director

SUBJECT: Impact of Use Value Assessments on Taxpayers

At your request, this memorandum provides information on the impact on taxpayers of accelerating the phase-in of use value agricultural assessments. The attached printout reports the estimated impact on homeowners and farmers by municipality. The printout is arranged in county order and contains nine columns of data. The first four columns relate to taxes for homeowners and report the median home value for each municipality, the estimated taxes on that value assuming use value assessments at the 30% and 100% phase-in levels, and the estimated change in taxes. The remaining five columns relate to taxes on one acre of agricultural land in the municipality. These columns include the estimated value of the land assuming use value assessments at the 30% and 100% phase-in levels, the estimated taxes on each of the values and the estimated change in taxes.

Provisions enacted under 1995 Act 27 require land that is "devoted primarily to agricultural use" to be assessed on the basis of that use. These provisions required agricultural land assessments to be "frozen" at their 1995 levels in 1996 and 1997. Beginning in 1998, use value assessments began being phased in over a ten-year period, which was to end in 2007. At that time, agricultural land assessments were to be based entirely on the land's use for farming.

The Department of Revenue (DOR) established the procedures for implementing the phase-in through administrative rule. Under the rule, agricultural values for 2000 were to reflect 30% of the difference between the "frozen" 1995 values and the current use value. DOR has promulgated an emergency rule that discontinues the phase-in and fully implements use value assessments in 2000.

For purposes of this analysis, the impact of accelerating the phase-in of use value agricultural assessments is estimated relative to the 1999(00) property tax year. Property tax payments for 1999(00) were estimated under two scenarios. First, 1999(00) taxes were estimated assuming that

use value assessments were phased in at the 30% level. This adjustment was necessary because actual 1999 agricultural property values were based on a 20% phase-in. Second, 1999(00) taxes were re-estimated assuming use value assessments were fully phased in for agricultural land.

The analysis used actual 1999 property values, preliminary 1999(00) property tax levies of school districts, technical colleges and counties, as reported to DOR, and estimates of 1999(00) property tax levies of municipalities and special districts. The analysis consisted of five steps.

First, 1999 property values for municipalities were adjusted by replacing actual agricultural values with estimates of agricultural values based on the 30% and 100% phase-in of use value assessments. Agricultural land assessments were based on per acre use value amounts for 2000 calculated by DOR. Based on these municipal adjustments, values for counties, school districts and technical colleges were re-estimated.

Second, state aid payments under the shared revenue and school aid programs were re-estimated based on the estimated changes in property values. The distribution formulas for these programs are based on the policy of tax base equalization, so changes in values cause changes in state aid.

Third, the 1999(00) tax levies of municipalities, counties and school districts were adjusted to reflect the estimated changes in state aid. Tax levies of technical colleges were reduced, where necessary, to reflect the 1.5 mill rate limitation on non-debt tax levies.

Fourth, the estimated 1999(00) tax levies of counties, school districts and technical colleges were apportioned based on the estimated values assuming use value assessments at the 30% and 100% phase-in levels.

Fifth, tax rates for 1999(00) were calculated based on the adjusted values and tax levies for each municipality. Estimated tax bills for the median-valued home and for one acre of agricultural land (using the weighted average value of agricultural land for each municipality) were calculated based on these rates.

Statewide Impact

For 1999, DOR certified a statewide equalized value of \$266.6 billion. Agricultural land had a value of \$7.6 billion and comprised 2.9% of the statewide total, based on a phase-in level of 20%. Based on DOR's per acre use value amounts for 2000, agricultural land would have a statewide value of \$7.1 billion assuming 30% phase-in of use value assessments and \$5.1 billion assuming 100% phase-in of use value assessments. Therefore, the DOR emergency rule would have the effect of removing an estimated \$2.0 billion in tax base.

The estimated loss in tax base would have several statewide effects. First, the statewide average tax rate, net of school levy tax credits, would increase by about \$0.16 per \$1,000 of value. As a point of reference, the 1999(00) statewide average tax rate is estimated at \$21.51 per \$1,000 of value. A higher statewide average tax rate would cause state ad valorem taxes under Chapter 76 of the state statutes to be higher by about \$180,000 (\$120,000 SEG and \$60,000 GPR). Total property taxes would be slightly lower under 100% phase-in of use value assessments than under 30% phase-in. State forestry taxes would be lower by about \$400,000 (SEG), and technical college levies would be about \$500,000 lower. If 100% phase-in of use value assessments had occurred in 1999(00), the Western Wisconsin, Southwest Wisconsin and Milwaukee Area Technical College districts would have had to lower their levies to comply with the 1.5 mill rate limitation on non-debt tax levies. Lower state forestry taxes and technical college taxes would be somewhat offset by higher tax levies for tax increment districts. Because higher tax rates will result under 100% phase-in of use value assessments, tax levies for tax increment districts are estimated to be about \$800,000 higher, than under 30% phase-in.

Estimated Shift in Property Taxes

The property tax differs from most other taxes because less tax base does not result in less tax. Instead, less tax base causes property taxes to be redistributed, or shifted, to property that remains taxable.

Table 1 reports the estimated distribution of property taxes on a statewide basis by type of property assuming 30% and 100% phase-in of use value assessments. Full phase-in would cause taxes on agricultural land to be lower by \$36.0 million, or 26.8%. The percentage of net taxes borne by agricultural property would decrease from 2.4% to 1.8%, on a statewide basis. The taxes otherwise borne by agricultural land would be shifted to other types of property. For example, the total taxes on swamp, waste and forest lands would be higher by 0.9% and the taxes on "other" property, which consists of improvements on farms, would be 1.3% higher. However, most of the taxes shifted from agricultural property would be redistributed to residential property. Taxes on residential property would be \$24.7 million higher under full use value assessments, and the percentage of taxes on residential property would increase from 66.5% to 67.0%.

TABLE 1

**Estimated Distribution of Property Taxes Under Use Value Phase-In Scenarios
(Dollars in Millions)**

	<u>Under 30% Phase-In</u>		<u>Under 100% Phase-In</u>		<u>Change</u>	<u>Percent</u>
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>		
Residential	\$3,744.2	66.5%	\$3,768.9	67.0%	\$24.7	0.7%
Commercial	1,096.1	19.5	1,102.2	19.6	6.1	0.6
Manufacturing	212.7	3.8	214.0	3.8	1.3	0.6
Swamp, Waste & Forest	113.2	2.0	114.2	2.0	1.0	0.9
Other	128.3	2.3	130.0	2.3	1.7	1.3
Personal	198.0	3.5	199.2	3.5	1.2	0.6
Agricultural	<u>134.5</u>	<u>2.4</u>	<u>98.5</u>	<u>1.8</u>	<u>-36.0</u>	<u>-26.8</u>
Statewide Total	\$5,627.0	100.0%	\$5,627.0	100.0%	\$0.0	0.0%

Impact on Taxpayers

In general, full phase-in of use value assessments will cause taxes on agricultural land to be lower and taxes on residences to be higher. On a statewide basis, the taxes on a median-valued home, with an estimated value of \$101,874, which is taxed at the statewide average tax rate, would increase by \$17 (0.8%), from \$2,108 to \$2,125. Based on about 13 million acres of agricultural land statewide, the taxable value of agricultural land, on average, would decrease by \$154 on a per acre basis, from \$547, assuming 30% phase-in, to \$393, assuming 100% phase-in. If taxed at the statewide average tax rate for towns, the tax on those values would decrease by \$2.66 per acre, from \$9.66, assuming 30% phase-in, to \$7.00, assuming 100% phase-in.

The attached printout reports the estimated impact of accelerating the phase-in for homeowners and for owners of agricultural land in each municipality. In most municipalities, the taxes on agricultural land are estimated to be lower by \$5 or less, per acre (based on the weighted average value of this land in each municipality). However, average tax reductions in excess of \$5 per acre are estimated in 368 municipalities, and taxes on agricultural land are estimated to be higher in 222 municipalities under 100% phase-in. Although the use value assessment procedure will result in lower agricultural values in most municipalities, average per acre values under use value assessment are estimated to be higher than frozen 1995 agricultural values in some municipalities. In these municipalities, higher agricultural values result under 100% phase-in of use value assessments than under 30% phase-in, and will cause higher taxes on that property.

Table 2 reports the distribution of municipalities by the estimated change in taxes per acre of agricultural land (separate figures are reported for the parts of municipalities located in multiple

counties). For particular parcels, those with more productive farmland would experience a larger change than those with less productive farmland.

TABLE 2

Distribution of Municipalities by Estimated Change in Taxes on Agricultural Land

<u>Estimated Change in Taxes Per Acre</u>	<u>Number of Municipalities</u>
Decrease Over \$20	60
Decrease \$10 to \$20	109
Decrease \$5 to \$10	199
Decrease \$0 to \$5	1,179
Tax Increase	222
No Agricultural Land	130

In most municipalities, accelerating the use value assessment phase-in will cause taxes on homes to be higher by \$20 or less. Taxes are estimated to be higher by \$50 or more in 48 municipalities. Some of the higher increases are the result of high median home values. However, some of the larger increases are projected to occur in rural areas where the taxes that would otherwise be levied on agricultural land will be shifted to other types of property. If these homeowners also own agricultural land, tax reductions on the land would often more than offset higher taxes on the farm homestead. The highest tax bill increases are predicted for areas where agricultural land comprises a relatively large percentage of tax base and where above-average reductions in agricultural land assessments will occur because of the 100% phase-in of use value assessments. Higher county and municipal taxes are the primary cause of tax bill increases on homes in these areas. The inability of the shared revenue formula to fully equalize tax base by shifting state aid to these areas results in the apportionment of the existing county and municipal levies among less tax base and in higher taxes on properties, such as residences, where there is no change in value.

Also, taxes are estimated to be lower under the full phase-in of use value on residences in 23 municipalities. In general, these homes are located in northern Wisconsin municipalities where taxes on agricultural land are estimated to be higher under 100% phase-in. Table 3 reports the distribution of municipalities by the estimated change in taxes on the median-valued home (separate figures are reported for the parts of municipalities located in multiple counties).

TABLE 3

Distribution of Municipalities by Estimated Change in Taxes on the Median-Valued Home

<u>Estimated Change in Taxes</u>	<u>Number of Municipalities</u>
Increase Over \$100	15
Increase \$50 to \$100	33
Increase \$20 to \$50	411
Increase \$10 to \$20	693
Increase \$0 to \$10	724
Tax Bill Decrease	23

While this analysis reflects the magnitude of the change in property taxes that taxpayers will experience due to the accelerated phase-in of use value assessment, the reported amounts should be regarded as estimates. Agricultural land assessments based entirely on use value will not occur until the 2000(01) tax year. For that year, tax levies and values will change relative to the 1999(00) data used in this exercise. Also, the full impact of 100% phase-in of use value will not occur until the 2001(02) tax year because the distribution formula for state school aid payments uses equalized values from the prior school year.

Since use value assessments would otherwise continue to be phased in over the next seven years, the impact of an immediate shift to full phase-in will diminish over time. After seven years, there will be no difference between the two scenarios. In the interim, the impact of full phase-in will tend to diminish by one-seventh each year, although year-to-year changes in use values may cause variations from this trend.

BL/RO/lah
Attachment

see mechanism of s. 79.095 (1997 a 227)

under s. 79.095, each municipality reports the value of computers that are exempt

the value is multiplied by the tax rate to determine payments to the taxing jurisdiction

If adopt similar mech to take care of use value problem, what value = should each municipality report?

1-12
call Rick Olin 6-99/6

aid model based on computer aid
- "total" = total hamlets

Rep willing to take a less comprehensive approach

will talk to Gene Miller of DOR after Friday 1-14-00

estimate of lost tax x the tax rate
conceptually somewhat different than state aid computer

Peter Grant — conceptual intersection with $\frac{2}{3}$ of the "revenue limit"



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

Post-it* Fax Note	7671	Date	2/8	# of pages	2
To	Joe	From	Rick		
Co./Dept.	LRB	Co.			
Phone #		Phone #	6-9916		
Fax #		Fax #			

January 28, 2000

TO: Representative Stephen Freese
Room 115 West, State Capitol

FROM: Rick Olin, Fiscal Analyst

SUBJECT: Hold Harmless Proposal Relating to Use Value

At your request, this memorandum describes your proposal to provide state aid to hold local governments harmless from the effects of accelerating the phase-in of use value assessments of agricultural land.

Provisions enacted under 1995 Act 27 require land that is "devoted primarily to agricultural use" to be assessed on the basis of that use. These provisions required agricultural land assessments to be "frozen" at their 1995 levels in 1996 and 1997. Beginning in 1998, use value assessments began being phased in over a ten-year period, which was to end in 2007. At that time, agricultural land assessments were to be based entirely on the land's use for farming.

The Department of Revenue (DOR) established procedures for implementing the phase-in through administrative rule. Under the rule, agricultural values for 2000 were to reflect 30% of the difference between the "frozen" 1995 values and the current use value. DOR has promulgated an emergency rule that discontinues the phase-in and fully implements use value assessments in 2000.

Accelerating the phase-in of use value assessments will cause property taxes to be shifted from agricultural property to other types of property. Your proposal would provide state aid payments that would roughly offset the amount of taxes that otherwise would be shifted due to the accelerated phase-in. Payments would be made to counties, municipalities, school districts and technical college districts for the period that includes property tax years 2000(01) through 2006(07).

The Department of Revenue (DOR) would administer the aid program. Each year, DOR would estimate the difference in agricultural values under full use value and under the originally scheduled phase-in for each local government eligible for a payment. The aid for each local

government would equal its estimated change in agricultural value multiplied by the jurisdiction's prior year tax rate. Payments would not be made to local governments where there is no agricultural land or where the estimated value under the originally scheduled phase-in is lower than the estimated value under full use value. In addition, the estimated change in agricultural value would be added to the measure of tax base used in the calculation of each jurisdiction's aid under the shared revenue, general equalization school aid and technical college aid programs. Because the general equalization school aid formula uses prior year data, no tax base adjustment would be made until aid calculations for 2001-02. Also, hold harmless aid payments to counties and municipalities would be included in the definition of local purpose revenues for purposes of calculating shared revenue payments. Hold harmless aid payments to school districts would be included in the definition of partial school revenues for purposes of calculating two-thirds funding of partial school revenues. Finally, the payments would not be counted as a school aid for purposes of determining state support for K-12 education, but would be considered a state aid for purposes of calculating school district revenue limits.

Hold harmless aid payments would be made on the first Monday in July, beginning in 2001. For the initial year, aid payments totaling \$40.9 million are estimated. Due to the July payment date, the proposal would not have a fiscal effect in the current biennium, but would commit resources in the 2001-03 biennium. Since payments would occur after the close of the school and technical college fiscal years, your proposal would direct school districts and technical college districts to account for the aid as a receipt for the prior fiscal year.

Since your proposal would make payments based on the difference between full use value and the original phase-in schedule, the cost would diminish over time. In the first year, the payment would be based on 70% of the difference between the 1995 "frozen" value and full use value. This would drop to 60% for the second year and by 10% in each subsequent year.

Finally, since your proposal would add value back to the state's equalizing aid formulas, the shift in aid that would otherwise occur due to DOR's emergency rule would not occur. Therefore, there would not be any reason to provide hold harmless aid through these other aid programs.

If you have any questions on this information, please let me know.

RO/dls



State of Wisconsin
1999 - 2000 LEGISLATURE

Handwritten circled text: *2000*

LRB-4203/
JK&PG:.....

Handwritten initials: *CS*

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 *Gen* AN ACT *Gen*; relating to: the use value assessment of agricultural land and making
2 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 ~~DORE~~ recently promulgated emergency rules that would end the use of the formula for reducing the value of agricultural land beginning with the ~~year 2000~~ property tax assessments, and that would require that agricultural land be assessed at its use value beginning with ~~the year 2000~~ property tax assessments.

16 2000

16 2000

Under this bill, beginning in 2001 and ending in 2007, certain taxing jurisdictions, including municipalities, counties and school districts, receive 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.* ~~Beginning in 2001,~~ a sum sufficient
3 to make the state aid payments under s. 79.096.

4 SECTION 2. 79.03 (3) (b) 4. (intro.) of the statutes is amended to read:

5 79.03 (3) (b) 4. (intro.) "Local purpose revenues" means the sum of payments
6 under ~~s.~~ ss. 79.095 and 79.096, local general purpose taxes, regulation revenues,
7 revenues for services to private parties by a county's or municipality's general
8 operations or enterprises, revenue for sanitation services to private parties, special
9 assessment revenues, tax base equalization aids and, for municipalities only, a proxy
10 for private sewer service costs, a proxy for private solid waste and recycling service
11 costs and a proxy for retail charges for fire protection purposes. In this subdivision:

12 SECTION 3. 79.096 of the statutes is created to read:

13 **79.096 State aid; agricultural land.** (1) DEFINITIONS. In this section:

14 (a) "Department" means the department of revenue.

15 (b) "Gross tax rate" has the meaning given in s. 79.095 (1) (b).

16 (c) "Taxing jurisdiction" means a municipality, county, school district or
17 technical college district.

18 (2) PAYMENTS. ~~Beginning in 2001 and ending in 2007,~~ the department shall
19 annually, ~~and later than~~ ^{on} the first Monday in July, pay to each taxing jurisdiction for
20 which the result under ~~subd. 2.~~ ^{subd. 2.} is a positive number an amount determined by the
21 department as follows:

pon (b)

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

3 ¶ (b) ~~2~~ Calculate the value of agricultural land in the taxing jurisdiction, as of
4 January 1 of the preceding year, using the valuation method under s. 70.32 (2r) (c)
5 and subtract that amount from the amount determined under ~~subd. 1~~ ^{par. (a)}

6 ¶ (c) ~~3~~ Multiply the amount determined under ~~subd. 2~~ ^{par. (a)} by the taxing jurisdiction's
7 gross tax rate for the preceding year.

8 ¶ (4) ^(b) ~~4~~ Any dispute between the department and a taxing jurisdiction about the
9 values determined under ~~par. (a)~~ ^{subd. 2 or (b)} shall be resolved by using the procedures under s.
10 70.995 (8).

11 **SECTION 4. Initial applicability.**
12 (1) The treatment of sections 79.03 (3) (b) 4. (intro.) and 79.096 of the statutes
13 first applies to payments made in 2001.

14 ~~END~~ CS

^(b) **TREATMENT OF PAYMENTS BY SCHOOL DISTRICTS AND**
→ ¶ (3) ~~3~~ School districts and technical college
districts shall treat the payments made under
this section as if the ^{payments} had been received
in the previous fiscal year.

CS
TECHNICAL COLLEGE DISTRICT.

C

¶ Section #. 121.06 (4) of the statutes is amended to read:

¶ 121.06 (4) For purposes of computing state aid under s. 121.08, equalized valuations calculated under sub. (1) and certified under sub. (2) shall include the full value of computers that are exempt under s. 70.11 (39) ² as determined under s. 79.095 (3)

History: 1973 c. 61, 90; 1977 c. 29 ss. 1084, 1647 (13); 1977 c. 300 s. 8; 1981 c. 20; 1983 a. 27; 1985 a. 225; 1987 a. 403 s. 256; 1989 a. 336; 1993 a. 307; 1995 a. 27 ss. 4044, 9145 (1); 1997 a. 27, 113, 237.

, and the amount
calculated under
s. 79.096 (2)(b) ✓

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

¶ 121.15 (3m) (a) 1. "Partial school revenues" means the sum of state school aids, other than the amounts appropriated under s. 20.255 (2) (bi) and (cv), property taxes levied for school districts and aid paid to school districts under ~~s. 79.095 (4)~~^{ss.} ~~and 79.095 (2)~~^{and 79.095 (2) ✓}, less the amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a school board's increasing the services that it provides by adding responsibility for providing a service transferred to it from another school board, less the amount of any revenue limit increase under s. 121.91 (4) (a) 3. and less the amount of any revenue limit increase under s. 121.91 (4) (h).

History: 1977 c. 29 s. 1098; 1977 c. 273; Stats. 1977 s. 121.15; 1979 c. 34; 1985 a. 29, 120; 1987 a. 27; 1989 a. 207; 1993 a. 16, 437; 1995 a. 27 ss. 4073 to 4075m, 9145 (1); 1997 a. 27, 113, 228; 1997 a. 237 ss. 368v to 369, 727p; 1999 a. 9, 17.

¶ Section #. 121.15 (4) (a) of the statutes, as created by 1999 Wisconsin Act 9, is amended to read:

¶ 121.15 (4) (a) In this subsection, "state aid" has the meaning given in s. 121.90 (2) except that it excludes aid paid to school districts under ~~s. 121.095 (4)~~^{ss.} and 121.096 (2) ✓

History: 1977 c. 29 s. 1098; 1977 c. 273; Stats. 1977 s. 121.15; 1979 c. 34; 1985 a. 29, 120; 1987 a. 27; 1989 a. 207; 1993 a. 16, 437; 1995 a. 27 ss. 4073 to 4075m, 9145 (1); 1997 a. 27, 113, 228; 1997 a. 237 ss. 368v to 369, 727p; 1999 a. 9, 17.

¶ Section #. 121.90 (2) (intro.) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

¶ 121.90 (2) (intro.) "State aid" means aid under ss. 121.08, 121.09 and 121.105 and subch. VI, as calculated for the current school year on October 15 under s. 121.15 (4) ~~and~~ including adjustments made under s. 121.15 (4), except that "state aid" excludes all of the following:

History: 1993 a. 16; 1995 a. 27; 1997 a. 27, 113, 237, 286; 1999 a. 9; s. 13.93 (2) (c).

and amounts under ss. 121.095 (4) ✓
and 121.096 (2) ✓ for the current
school year, ←

¶ SEE #. AM, 121.90 (2) (a)

SENATE BILL 146

SECTION 186

1 ~~121.90 (2) "State aid" means aid under ss. 121.08, 121.09 and 121.105 and~~
 2 ~~subch. VI, as calculated for the current school year on October 15 under s. 121.15 (4),~~
 3 ~~and amounts under ^{ss.} ~~s. 79.095 (4)~~ ^{and 79.096 (2)} for the current school year, except that "state aid"~~
 4 ~~excludes all of the following:~~

5 ⁴ ~~121.90 (2)~~ (a) Any additional aid that a school district receives as a result of ss. 121.07 (6)
 6 (e) 1. and (7) (e) 1. and 121.105 (3) for school district consolidations that are effective
 7 on or after July 1, 1995, as determined by the department. "State aid" also includes
 8 ~~amounts under s. 79.095 for the current school year.~~

NOTE: The stricken language was inserted by 1997 Wis. Act 237, but the treatment of s. 121.90 (2) by 1997 Wis. Act 286 resulted in the positioning of that language within the provision being incorrect. "79.095" is changed to "79.095 (4)" to specify the part within that statute that relates to payments.

9 SECTION 187. The treatment of 121.905 (3) (a) of the statutes by 1997 Wisconsin
 10 Acts 113 and 164 is not repealed by 1997 Wisconsin Act 286. All treatments stand.

NOTE: There is no conflict of substance.

11 SECTION 188. The treatment of 121.905 (3) (b) of the statutes by 1997 Wisconsin
 12 Act 164 is not repealed by 1997 Wisconsin Act 286. All treatments stand.

NOTE: There is no conflict of substance.

13 SECTION 189. The treatment of 121.91 (3) (c) of the statutes by 1997 Wisconsin
 14 Act 113 is not repealed by 1997 Wisconsin Act 237. Both treatments stand.

NOTE: There is no conflict of substance.

15 SECTION 190. 128.17 (1) (d) of the statutes is amended to read:

16 128.17 (1) (d) Wages, including pension, welfare and vacation benefits, due to
 17 workmen, clerks, traveling or city ~~salesmen~~ salespersons or servants, which have
 18 been earned within 3 months before the date of the commencement of the
 19 proceedings, not to exceed \$600 to each claimant.

NOTE: Replaces gender specific word form.

EHO

2-3

Section #. 38.28 (2) (b) 2. of the statutes is amended to read:

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

History: 1971 c. 154, 211; 1973 c. 90; 1975 c. 39, 224; 1977 c. 29, 418; 1979 c. 34, 221; 1981 c. 20, 269; 1983 a. 27; 1985 a. 29; 1985 a. 332 s. 251 (3); 1987 a. 27, 399; 1989 a. 31, 102, 336; 1991 a. 39, 322; 1993 a. 16, 377, 399, 437; 1995 a. 27 ss. 1812, 9145 (1); 1995 a. 225; 1997 a. 27, 237; 1999 a. 9.

and the amount
calculated under
s. 79.096 (2) (b)

**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: 02/14/2000

To: Representative Freese

Relating to LRB drafting number: LRB-4203

Topic

Hold harmless provision related to use value assessment

Subject(s)

Tax - property, Education - school finance, Shared Revenue

1. **JACKET** the draft for introduction Stev Freese

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 _____.

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. Krcyc, Legislative Attorney
Telephone: (608) 266-2263

LRB-4203/1
JK & POG

CCC to AB790

#. Page 4, line 3: delete the material

beginning with "Act" and ending with

"q" on line 4 and substitute "Act 17".

cjs



State of Wisconsin
1999-2000 LEGISLATURE

CORRECTIONS IN:

1999 ASSEMBLY BILL 790

Prepared by the Legislative Reference Bureau
(March 14, 2000)

1. Page 4, line 3: delete the material beginning with "Act" and ending with "9" on line 4 and substitute "Act 17".



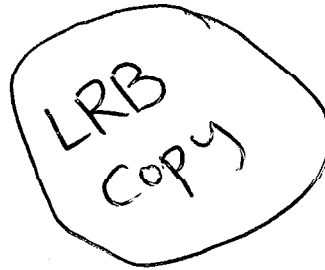
State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

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P. O. BOX 2037
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LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

STEPHEN R. MILLER
CHIEF



March 9, 2000

MEMORANDUM

To: Representative Freese

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **1999 AB 790** (LRB 99-4203/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 8, 2000

TO: Joseph Kreye and Peter Grant
Legislative Reference Bureau

FROM: Yeang-Eng Braun *YEB*
Department of Revenue

SUBJECT: Technical Memorandum on AB 790 Regarding Aid Payment Reflecting Phase-In of Agricultural Use Value

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE</u>
one-time	s. 20.566 (2)(a)	\$ 8,400	
annual	s. 20.566 (2)(a)	\$ 29,500	0.5

If you have any questions regarding this technical memorandum, please contact Jackie Wipperfurth at 266-9513.

YEB:DPH:dls
t:\fsn99-00\dh\ab790.tec