

Vote Record

Senate Committee on Economic Development, Housing and Government Operations

Date: 11-16-99
Moved by: _____
AB: 186 _____
AB: _____ SB: _____
AJR: _____ SJR: _____
A: _____ SR: _____

Seconded by: ~~AB~~ ~~SB~~ _____
Clearinghouse Rule: _____
Appointment: _____
Other: _____

A/S Amdt: _____
A/S Amdt: _____ to A/S Amdt: _____
A/S Sub Amdt: _____
A/S Amdt: _____ to A/S Sub Amdt: _____
A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

Be recommended for:

- Passage
- Introduction
- Adoption
- Rejection

- Indefinite Postponement
- Tabling
- Concurrence
- Nonconcurrence
- Confirmation

Committee Member

Sen. Robert Wirch, Chair
Sen. Gwendolynne Moore
Sen. Richard Grobschmidt
Sen. Gary Drzewiecki
Sen. David Zien

<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: _____

Motion Carried

Motion Failed

SENATE HEARING SLIP

(Please Print Plainly)

DATE: NOV. 16, 1999

BILL NO. AB 186

OR
SUBJECT _____

CHARLES TWANER
(NAME)

125 S. WEBSTER
(Street Address or Route Number)

MADISON, WI 53708
(City and Zip Code)

WIS. DEPT. OF REVENUE
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: Nov. 16, 99

BILL NO. AB 186

OR
SUBJECT AB 186

Carol Sumi
(NAME)

14 W. Madison
(Street Address or Route Number)

Madison
(City and Zip Code)

Wis. Alliance of Cities
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

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State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 11/16/99

BILL NO. AB 186

OR
SUBJECT Peter Weissert

(NAME)

(Street Address or Route Number)

(City and Zip Code)

Wis. Association of Business
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

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State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: Nov 16, 1999

BILL NO. AB 186

OR

SUBJECT Dan Thompson

(NAME) 202 State St.

(Street Address or Route Number) Madison, WI 53703

(City and Zip Code) League of Wisconsin

(Representing) Municipalities

Speaking in Favor:

Speaking Against:

Registering in Favor: but not speaking:

Registering Against: but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

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State Capitol - B35 South
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Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: Nov 16 1999

BILL NO. AB 186

OR

SUBJECT _____

Senator (NAME) Gary Drewiecki

(Street Address or Route Number) 419 Washington St

(City and Zip Code) Polaski, WI 54680 0313

(Representing) 30th Senate District

Speaking in Favor:

Speaking Against:

Registering in Favor: but not speaking:

Registering Against: but not speaking:

Speaking for information only; Neither for nor against:

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Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 11/16/99

BILL NO. AB 186

OR

SUBJECT _____

(NAME) Rep Michael Lehman

(Street Address or Route Number) 103 W. State Capitol

(City and Zip Code) _____

(Representing) Author

Speaking in Favor:

Speaking Against:

Registering in Favor: but not speaking:

Registering Against: but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882



AB-186

To: Bob
From: Beth
Date: November 15, 1999
Re: Brewers Baseball Park Board – Questions for Appointees

1. Is the Board working to determine a sunset date for the sales and use tax, or will the tax continue in perpetuity in order to finance, for example, stadium renovations that may be needed 15 years from now?
 2. If the insurance carrier eventually determines that some accident-related expenses are ineligible for reimbursement, how will these costs be paid for? The sales and use tax?
 3. Will insurance funds cover all expenses related to the recent issuance of the \$30 million in additional bonds, such as bond counsel and legal fees?
 4. What will happen if there is inadequate insurance for the losses the Brewers may suffer this upcoming season? Will the District's annual maintenance and repair contribution for the completed stadium be increased above the current \$3.85 million stipulated in various agreements?
 5. Which efforts have been taken to provide support to minority and women-owned businesses, given that the Board has determined that all accident-related work is not subject to the statutory participation percentages and given that these businesses may have suffered financially as a result of disruption in their work?
-

Assembly Bill 186

* The late fee for filing late manufacturing self-reporting forms is "absurdly high". The Department of Revenue agrees that the fee is too high, and believes AB 186 would remedy that situation. Under the bill, a filed objection to a manufacturing property assessment must specify the reasons for the objection, the property owner's estimate of the correct assessment and the basis for that assessment.

State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 • 608-267-8979

Toll-Free Office Hotline: 1-888-769-4724

Email: Sen.Wirch@legis.state.wi.us • Website: www.legis.state.wi.us/senate/sen22/sen22.html • Fax: (608) 267-0984

Home: 3007 Springbrook Road, Pleasant Prairie, Wisconsin 53158 • (262) 694-7379

Assembly Bill 226

- Current law requires the county treasurer to publish a Class 3 notice stating all names and addresses of persons for whom the officer or clerk holds money or security that has not been claimed for at least one year.
- AB 226 provides that the county treasurer must only include names and addresses of owners of money or security that has a value of \$10 or more. If no claims are made within six months of publication, the money or security valued at less than \$10 shall be turned over to the county treasurer.

Senate Bill 251

- This bill requires that a WHEDA loan may not exceed 97 % of the purchase price of the property, thereby removing the requirement that the property be appraised.
- WHEDA says this allows flexibility and reduces some exposure to loss. Property value insurance can be substituted for actual property appraisals.
- The Substitute Amendment to this bill provides that for each property for which a loan is made under the program, there must be either an independent appraisal or a property value insurance policy written on the property. This gives consumers the OPTION.

Senate Bill 252

- ?
- SB 252 repeals the exclusion of unimproved county lands from the annual county appropriation. As a result, the county board may appropriate money to a municipality and school district in an amount that equals the amount which would have been paid in municipal and school taxes on unimproved county-owned lands if those lands had been privately owned.

Senate Bill 228

- ?
- Provides that no annexation of town lands by a city or village may occur without the approval of the town board if:
 - The land to be annexed has been owned by the town for a least five years before the proposed annexation.
 - The land has been zoned for agricultural use for at least five years before the proposed annexation, or
 - The land has been assessed as agricultural use value land for at least five years before the proposed annexation
 - The bill also limits the ability of a city, village or town to extend sewer connections or water lines through property in another municipality unless the extension is approved by the governing body of the municipality on whose property the proposed extension is to be located.
 - Current law requires the PSC to authorize approval for this process. The bill removes the PSC from the process.

- Those opposing the bill (cities and villages) feel SB 228 gives towns the ability to create a “legal wall” around cities and villages, thereby isolating those municipalities and dividing the greater community.
- They also say it prohibits sewer and water utility extensions through towns even if a city or village owns the land in question. This could defeat the establishment of regional business parks, other forms of planned development, and the extension of needed utility services to other communities.
- Opponents also feel it would unduly restrict the rights of property owners by allowing towns to veto the wishes of the majority of owners in affected areas when the town owns the land in question.

Alberta Darling
Wisconsin State Senator



August 2, 1999

Senator Robert Wirch
Room 310 South -- State Capitol
Via Inter D Mail

Dear Senator Wirch:

Recently a constituent pointed out the absurdly high late fee the Department of Revenue must charge for late manufacturing self-reporting forms. The Department has indicated to me that they also agree that the fee is high and that they believe Assembly Bill 186 would remedy the situation.

Assembly Bill 186 passed the Wisconsin State Assembly 98 to 1. The proposal is currently in your committee.

I am writing to strongly encourage you to give AB 186 a public hearing and a vote in your committee as soon as possible. Any further delays are unnecessary.

Thank you for your consideration.

Sincerely,

Alberta
ALBERTA DARLING
State Senator

Capitol Office:

P.O. Box 7882
Madison, Wisconsin, 53707-7882
Phone: 608-266-5830
Fax: 608-267-0588
Toll-free: 1-800-863-1113

District Office:

6373 North Jean Nicolet Road
Glendale, WI 53217
Phone: 414-352-7877
Fax: 414-352-7898



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

One East Main Street, Suite 401; P.O. Box 2536; Madison, WI 53701-2536

Telephone: (608) 266-1304

Fax: (608) 266-3830

Email: leg.council@legis.state.wi.us

DATE: November 9, 1999

TO: SENATOR ROBERT WIRCH, CHAIRPERSON, SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING AND GOVERNMENT OPERATIONS

FROM: Dan Fernbach, Senior Staff Attorney

SUBJECT: 1999 Assembly Bill 186, Relating to Manufacturing Property Assessments

1999 Assembly Bill 186 was introduced on March 8, 1999 by Representative M. Lehman. On May 19, 1999, the Assembly passed the bill, as amended by Assembly Substitute Amendment 1 and Assembly Amendment 1 thereto, on a vote of Ayes, 98; Noes, 1. A Senate public hearing on the bill has been scheduled for November 16, 1999.

A. CURRENT LAW AND THE PROVISIONS OF 1999 ASSEMBLY BILL 186

Under current law, the Department of Revenue (DOR) assesses manufacturing property for property tax purposes. The department has sole discretion to determine the items to be classified as manufacturing property. If a reviewing authority for property assessments reduces a manufacturing property's assessed value or determines that manufacturing property is exempt from property taxes, an affected taxpayer may file a claim with the municipality for a tax refund. The municipality would then pay the refund in *one lump sum*, including interest paid at the rate of *0.8% per month*.

Also, under current law, a manufacturer may file an objection to a property tax assessment of its manufacturing property with the State Board of Assessors *within 60 days* of receiving the DOR's *assessment notice* of the manufacturer's property.

Under the bill, as originally introduced, property may be classified as manufacturing property in any year, provided that *on or before March 1* of that year the DOR has made the classification independently or at the request of the owner.

Also, the municipality may *pay a property tax refund* to an owner of manufacturing property in *five annual instalments* rather than in a lump sum, with interest on the refund

amount payable at a rate of 10% per year *or* the rate determined by the last auction of six-month U.S. Treasury bills, whichever is less.

B. PROVISIONS OF ASSEMBLY SUBSTITUTE AMENDMENT 1 TO ASSEMBLY BILL 186

The differences between original Assembly Bill 186, and Assembly Substitute Amendment 1, as amended by Assembly Amendment 1, are as follows:

1. Time for Filing an Objection

Under the bill, objections to valuation amounts, assessment charges and the taxability of manufacturing property must be filed with the State Board of Assessors *within 50 days* of the issuance of the manufacturing property assessment, rather than the 60 days provided under current law.

Assembly Substitute Amendment 1 retains the current 60-day time limit regarding the number of days for filing objections.

2. Extension of Time for Filing an Appeal

Under the bill, a municipality's objection to a manufacturing property assessment must be made *within 50 days* of the date the assessment was issued, rather than the current 60 days. Also, the bill provides that if the property owner files an objection, but the affected municipality does not, the municipality may file an appeal *within 15 days* after the owner's objection is filed.

Assembly Substitute Amendment 1 retains the current 60-day time limit for a municipality to object to a manufacturing property assessment, and also *retains the 15-day extension* under the original bill for a municipality to file an appeal. In addition, if the municipality files an objection but the property owner has not, the substitute amendment allows the owner another 15 days to file an appeal.

3. Reasons for Objection

Under the bill, a filed objection to an assessment must specify the *reasons* for the objection, the property owner's *estimate* of the correct assessment and the *basis* for that assessment. Also, the State Board of Assessors or the Tax Appeals Commission *may deny a redetermination* if an objection does not comply with statutory requirements.

Assembly Substitute Amendment 1 retains the original bill's required components of an owner's objection to a manufacturing property assessment, but deletes the ability of the state board or commission to deny a redetermination due to the objection's noncompliance with statutory requirements.

Also, the substitute amendment, as amended by Assembly Amendment 1, allows the state board to grant an objecting manufacturer a reasonable amount of *additional time to file supplemental information* to support its objection if it shows reasonable cause for the need to grant additional time. If an affected municipality has filed an appeal related to the objection and additional time is granted, the state board *must notify the municipality* of the supplemental information filed by the manufacturer.

4. Penalty Schedule

Under the bill, penalties for *late filing of required annual manufacturing property report forms* are as follows:

- a. \$50 if the form is filed *one to 10 days late*;
- b. \$50 or 0.05% of the prior year's assessment, whichever is greater, but not more than \$250 if the form is filed *11 to 30 days late*; and
- c. \$100 or 0.1% of the prior year's assessment, whichever is greater, but not more than \$500 if the form is filed *more than 30 days late*.

Assembly Substitute Amendment 1 lowers the penalty in item a., above, to \$25, retains the penalty in item b., above, and increases the maximum penalty in item c., above, to \$750.

5. Time for Filing Reports

Under the bill, the DOR, upon written request filed on or before March 1, must allow a *30-day extension* for the filing of the annual manufacturing property report form, rather than the current allowable extension to April 1.

Assembly Substitute Amendment 1 retains the original bill's requirement that written requests for extensions must be filed on or before March 1, and retains the current law that requires the DOR to allow an extension until April 1.

DF:rv;ksm



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

One East Main Street, Suite 401; P.O. Box 2536; Madison, WI 53701-2536

Telephone: (608) 266-1304

Fax: (608) 266-3830

Email: leg.council@legis.state.wi.us

DATE: December 20, 1999

TO: MEMBERS OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING AND GOVERNMENT OPERATIONS

FROM: Dan Fernbach, Senior Staff Attorney

SUBJECT: 1999 Assembly Bill 186, Relating to Various Changes in the Taxation of Manufacturing Property

On November 16, 1999, the Senate Committee on Economic Development, Housing and Government Operations conducted a public hearing on 1999 Assembly Bill 186. Prior to the Senate hearing, the Assembly adopted and passed Assembly Substitute Amendment 1 to the bill, as amended by Assembly Amendment 1, by a vote of Ayes, 98; Noes, 1.

At the Senate public hearing, Senator Grobschmidt asked for a memorandum on whether the bill, as passed by the Assembly, resolves the objections of Hutchinson Technology Inc. (HTI) of Eau Claire, as set forth in a letter to Senator Zien, dated August 18, 1999.

A. HTI'S OBJECTIONS TO ASSEMBLY BILL 186

In its August 18, 1999 letter to Senator Zien, HTI claims that Assembly Bill 186 "adversely affects manufacturers' ability to effectively compete and create or keep jobs" in the state due to the following provisions:

1. SECTION 3 (p. 3, L. 5) of the Substitute Amendment

This provision allows municipalities to repay manufacturers who win manufacturing property assessment appeals in *five annual instalments*. HTI opposes the lengthening of the refund payment period and believes that taxpayers who win appeals should get the total amount of the refund immediately.

2. SECTION 9 (p. 5, l. 13) of the Substitute Amendment

This provision requires that a taxpayer who files an objection to a manufacturing property assessment must file its objection in writing *setting forth the reasons* for the objection. HTI believes that this is unfair to the taxpayer because assessors by law are not required to state the reasons for an assessment on the initial assessment notice. Therefore, the taxpayer should not have to state all of its reasons on the initial filing form for the objection.

3. SECTION 10 (p. 6, ll. 1 to 7) of the Substitute Amendment

This provision gives the State Board of Assessors the *discretion to give taxpayers additional time to file supplemental information* to support the taxpayer's objection to an assessment of manufacturing property. HTI believes that it is neither fair nor reasonable to permit one party to grant discretionary extensions to the other party.

It would appear that Assembly Substitute Amendment 1 to the bill, as amended and passed by the Assembly, *does not resolve any of the objections to the bill* as set forth in HTI's letter to Senator Zien.

DF:wu;tlu



Michael (Mickey)

Lehman

State Representative

58th Assembly District

Committee Chair: Ways and Means

JAN 6 2000

January 6, 2000

Speaker Scott Jensen
Room 211 West, State Capitol
Madison, WI 53708

Senator Chuck Chvala
Room 211 South, State Capitol
Madison, WI 53708

Senator Fred Risser
Room 220 South, State Capitol
Madison, WI 53708

Drzewiecki &
possibly Zien
may have problems
w/ AB 186 request
from Alliance of
Cities - 1-11-00

Dear Speaker Jensen, Senator Chvala and Senator Risser:

I would like to request assistance from your offices in the matter of Assembly Bill 186, relating to manufacturing property assessment. AB 186 is currently located in the Senate Committee on Economic Development, Housing and Government Operations.

I introduced AB 186 at the request of the Wisconsin Department of Revenue after several years of work on the issue with the Department and numerous affected groups. The concerns raised were addressed with a compromise reached at a meeting which was attended by DOR, Wisconsin Alliance of Cities, League of Wisconsin Municipalities, Wisconsin Paper Council, S.C. Johnson & Son, WMC, Snap On Tool Inc., Rep. Wayne Wood, International Paper, and The City of Two Rivers. As a result of the compromise, all opposition to the legislation was removed. Assembly Bill 186 received wide-ranging and bi-partisan support in the Assembly where it passed on a vote of 98-1.

On May 20th, 1999, AB 186 was referred to the Senate Committee on Economic Development, Housing and Government Operations where it received a public hearing on November 16th, 1999. At the hearing, Senator Moore had several questions regarding the legislation. The Department of Revenue, Alliance of Cities, and myself has been unsuccessful in contacting Senator Moore regarding her questions.

The Department of Revenue, Alliance of Cities, and myself has requested of Senator Wirch that the Senate Committee hold an executive session on AB 186. I would

Office: P.O. Box 8952 • Madison, WI 53708-8952 • (608) 267-2367 • Toll-free: (888) 534-0058 • Fax: (608) 282-3658 • Rep.Lehman@legis.state.wi.us
Home: 1317 Honeysuckle Road, Hartford, WI 53027 • (262) 673-3967

58th District Includes - CITIES: Cedarburg, Hartford and West Bend (Wards 23-29, 34-38, 40, 41, 43-47, 49, 51-53); VILLAGES: Jackson, Neosho and Slinger;
TOWNS: Addison, Cedarburg (Wards 1,2,3,6, and 7), Hartford, Jackson, Polk (Wards 1, 2, 3, 4, 5 and 8), Rubicon, Trenton and West Bend

like to ask your offices for any assistance that it may provide in facilitating an executive session on the legislation and keeping the legislative process going.

Thank you for your time and attention to this matter. If you have any questions about the legislation, please do not hesitate to contact me, as I would be happy to answer them at your convenience.

Respectfully,

MICHAEL "Mickey" LEHMAN
State Representative
58th Assembly District

ML:amn

cc: Senator Bob Wirch ✓
Senator Richard Grobschmidt
John Rader, Wisconsin Department of Revenue
Charlie Turner, Wisconsin Department of Revenue
Gail Sumi, Wisconsin Alliance of Cities



30th Anniversary
1969-1999

WISCONSIN ALLIANCE OF CITIES

14 W. MIFFLIN • P.O. BOX 336 • MADISON, WI 53701-0336
(608) 257-5881 FAX 257-5882 • EMAIL: wiscall@inxpress.net

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Oshkosh
Platteville
Racine
Sheboygan
Stevens Point
Superior
Two Rivers
Watertown
Waukesha
Wausau
Wauwatosa
West Allis
West Bend
Whitewater
Wisconsin Rapids

November 16, 1999

To: Members of the Senate Economic Development, Housing and Government Operations Committee

From: Gail Sumi, Intergovernmental Coordinator

Re: AB 186 – Manufacturing Assessment

The Wisconsin Alliance of Cities supports AB 186, relating to manufacturing assessment, as amended by the substitute in the Assembly.

When manufacturers successfully appeal an assessment of their property, the refund of the overage puts cities in a bind. Even though the state is responsible for assessing the property, current law requires the city to pay the refund *and the interest* - at a rate of 9.6% annually. Although overlying taxing jurisdictions pay the city their portion of the refund, the city alone is responsible for the interest payment.

The substitute will require the state to pay the interest on manufacturing property if a reviewing authority finds that the assessment was excessive or that the property should be exempt. It caps the interest at a reasonable rate and allows the state to provide the refund to the municipality in the biennium following the municipality's outlay. Because the state and not municipalities assess manufacturing property, responsibility for paying the interest if an assessment is successfully appealed rightfully lies with the state.

In addition, AB 186 allows the municipality to provide a refund in five installment payments if certain conditions are met. This will allow the municipality to plan for the refund in their budgeting process and will lessen the impact on property taxpayers.

We ask for your support of AB 186 as amended and thank you for your consideration of our comments.



Tommy G. Thompson
Governor

Cate Zeuske
Secretary of Revenue

INFORMATION ON AB 186

Municipal Tax Refunds from Manufacturing Assessment Litigation

Periodically a municipality pays a large tax refund when the Department loses in litigation of a high value manufacturing property assessment case. Now, a taxpayer must file a claim for the refund by November 1, and the municipality must pay the refund by the following January 31. That places a financial hardship on smaller municipalities. This bill mitigates the problem with the following provisions:

- Allows municipalities to spread tax refunds over a 5-year period.
- Makes the State pay the interest on the refunds instead of the municipality.
- Gives the municipality a 15-day cross appeal period making it easier for them to participate.
- Requires appellants to provide evidence at the first level of appeal (State Board of Assessors) which will reduce the number and amount of refunds.

Other minor provisions include: reducing the interest rate from nine tenths of a percent a month to the rate for 6-month treasury bills (more market related); and requiring municipalities to share omitted taxes with the other taxing jurisdictions (now they keep it all).

Revision of the Manufacturing Self-reporting Form Late-filing Penalty

The Legislative Audit Bureau recommended this penalty and it is extremely important to our work. However, historically we have received many complaints from manufacturers about the maximum penalty (\$2,000). On the other hand, the minimum penalty of \$10 is no longer enough to motivate compliance. This bill reduces the maximum penalty and its harshness, graduates the penalty more to lateness (more reasonable) and increases the minimum penalty to improve compliance, with the following provisions:

- One to 10 days late, gets a flat penalty of \$25.
- Eleven to 30 days late, gets 0.05% of the previous assessment, a \$50 minimum and a \$250 maximum.
- Over 30 days late, get 0.1 % of the previous assessment, a \$100 minimum and a \$750 maximum (we had proposed \$500).

- nobody ever litigated
- penalties - \$350,000 pr yr.

Clarify Longstanding Policy of March 1 Cutoff Date for Manufacturing Classification

Chapter 10 of the Wisconsin Property Assessment Manual says, "In order for a business to be classified manufacturing for the first time for a specific year, one of the following requirements must have been met:

- either the department must have classified the business manufacturing by March 1 for that year;
- or
- the business must have contacted the department in writing requesting classification on or before March 1 and subsequently have been granted manufacturing classification for that year."

The March 1 cutoff date is based on the statutory due date for filing manufacturing property self-reporting forms (M-Forms). The problem is that businesses request classification after March 1 and become upset when told they are too late for this year, we will pick them up for next year. They question the March 1 cutoff date since there is no specific statutory basis other than the M-Form filing date and they want retroactive M&E exemption. Clarifying the statute will avoid argument and starting off on the wrong foot.

Contact Person: Charles Turner
Telephone: 608-266-3845



AUG 23 1999

Hutchinson Technology Inc.
2435 Alpine Road
Eau Claire, WI 54703-9562
715 838 9800
715 838-9801 Fax

August 18, 1999

Senator Dave Zien
WI State Senate
P.O. Box 7882
Madison, WI 53707

Dear Senator Zien:

You may recall meeting and spending a few brief minutes with me when you attended the groundbreaking for our Trace expansion in Eau Claire on Wednesday, June 16, 1999. At that time, I provided to you my business card, and you made notes on the back of it concerning our position on Assembly Bill 186. Now that the bill is before the Economic Development Housing & Government Operations Committee, I am compelled to remind you of how strongly HTI feels this is not a bill that supports the "business friendly environment" that helped bring Hutchinson Technology Inc. (HTI) to Wisconsin.

I am writing to let you know that HTI strongly opposes Assembly Bill 186 as it adversely affects manufacturers' ability to effectively compete and create or keep jobs in WI.

Manufacturers, in order to compete world wide, need every economic advantage that exists today, and the aspects of this bill that impede this economic advantage and are particularly concerning to HTI include:

- The provision lengthening the time municipalities can repay taxpayers when appeals are won. Expansion & growth require cash, which is not always easy to raise. So when the state or one of its subdivisions has inappropriately collected cash (real estate taxes), that cash should be refunded to them immediately, not over an extended period of time. Manufacturers are not allowed to pay to WI taxes over 5 years, and WI should not be allowed to extend its refund of taxes to manufacturers to 5 years.
- The provision requiring all the details of the objection be included at the time the objection is filed, is unfair to taxpayers as these issues are complex and require time to be adequately prepared, supported, and explained. Assessors aren't required to deliver all of the reasons, calculations, and support used in making the assessment at the time of the assessment. Let's not make the playing field any less level than it already is!
- The State Board of Assessors should not be given discretion to permit manufacturers to provide additional time to file supplemental information to support their positions. This process of appeal, by nature, is personal as the appeal filed by the taxpayer suggests that the assessor's assessment is incorrect. Not many people are very objective when their work is called into question, and permitting one of the parties to grant discretionary extensions to the other party involved in the dispute would be an unfair, unreasonable practice. The argument over extensions to provide supplemental information is one none of us needs to get into; the supplemental information should be allowed to be delivered as it is today.

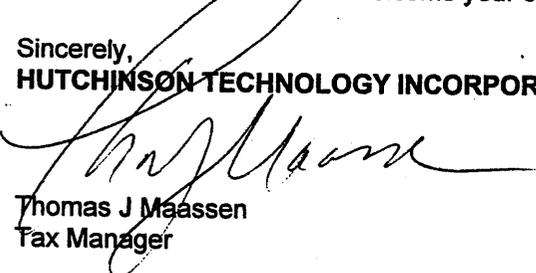


Hutchinson Technology Inc.
2435 Alpine Road
Eau Claire, WI 54703-9562
715 838 9800
715 838-9801 Fax

Senator Dave Zien
August 18, 1999
Page 2

Please continue to create and maintain Wisconsin as a business friendly state enabling those companies locating here or considering locating here to maintain the competitive advantage Wisconsin offers them. **VOTE AGAINST AB-186.** I welcome your comments or questions at 715-838-7746.

Sincerely,
HUTCHINSON TECHNOLOGY INCORPORATED



Thomas J Maassen
Tax Manager