

2001 DRAFTING REQUEST

Bill

Received: 03/05/2001

Received By: jkreye

Wanted: Soon

Identical to LRB: 99-4203/1

For: Stephen Freese (608) 266-7502

By/Representing: rob

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters: grantpr

Subject: Tax - property

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

The use value assessment of agricultural land

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 03/06/2001	jdye 03/07/2001		_____			S&L
/1			martykr 03/07/2001	_____	gretskl 03/07/2001	lrb docadmin 03/07/2001	

FE Sent For:

<END>

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/?	jkreye	1 3/4 jld	3/4 jld	PC 3 Km 7			

FE Sent For:

<END>

Memorandum

To: Joseph Kreye, Attorney
Peter Grant, Managing Attorney

From: Representative Steve Freese

Date: March 5, 2001

Re: Bill draft request of 1999 Assembly Bill 790

4203/1

Please prepare a bill draft identical to 1999 Assembly Bill 790, with the exception that the payment schedule would not start until the first Monday in July of 2002.

If you have any questions or concerns please contact my legislative aide, Rob, at 6-7502 or rob.richard@legis.state.wi.us

had off the end
date or well?

keep that
at 2007

2734/1

JLD

m 5-6-01

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.

ss assessed at its use value which that

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- 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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ASSEMBLY BILL 790

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:

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

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

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

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

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

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

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

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

RWF

ASSEMBLY BILL 790

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 2001²⁰⁰² 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).

Pw/F
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SECTION 5. 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

ASSEMBLY BILL 790

Page 1
2

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

~~SECTION 6. 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. ss. 79.095 (4) and 79.096 (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).~~

~~SECTION 7. 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. ss. 79.095 (4) and 79.096 (2).~~

~~SECTION 8. 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), and amounts under ss. 79.095 (4) and 79.096 (2) for the current school year, except that "state aid" excludes all of the following:~~

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

ASSEMBLY BILL 790

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.

(END)

INSERT 5-4 ✓

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2734/?ins
JK&PG:.....

Insert 5 - 4

1 **SECTION 1.** 121.15 (3m) (a) 1. of the statutes is amended to read:

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

10 **SECTION 2.** 121.15 (4) (a) of the statutes is amended to read:

11 121.15 (4) (a) In this subsection, "state aid" has the meaning given in s. 121.90
12 (2) except that it excludes aid paid to school districts under ~~s.~~ ss. 79.095 (4) and 79.096
13 (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.

14 **SECTION 3.** 121.90 (2) (intro.) of the statutes is amended to read:

15 121.90 (2) (intro.) "State aid" means aid under ss. 121.08, 121.09 and 121.105
16 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
17 (4) and including adjustments made under s. 121.15 (4), and amounts under ~~s.~~ ss.
18 79.095 (4) and 79.096 (2) for the current school year, except that "state aid" excludes
19 all of the following:

History: 1993 a. 16; 1995 a. 27; 1997 a. 27, 113, 237, 286; 1999 a. 9, 32, 186.



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

March 7, 2001

MEMORANDUM

To: Representative Freese

From: Joseph T. Kreye, Legislative Attorney

Re: LRB-2734 The use value assessment of agricultural land

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-2263 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

STEPHEN R. MILLER
CHIEF

April 11, 2001

MEMORANDUM

To: Representative Fresse

From: Joseph T. Kreye, Legislative Attorney, (608) 266-2263
Peter R. Grant, Assistant Chief Counsel, (608) 267-3362

Subject: Technical Memorandum to 2001 AB-262 (LRB-2734/1)

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

April 11, 2001

TO: Joe Kreye and Peter Grant
Legislative Reference Bureau

FROM: Dennis Collier
Department of Revenue

SUBJECT: Technical Memorandum on 2001 AB 262 relating to Aids to Local Taxing
Jurisdictions Based on Phased In Use Values of Agricultural Land

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)	\$33,500	0.5

If you have any questions regarding this technical memorandum, please contact Blair Kruger at 266-1310.