

### 2001 DRAFTING REQUEST

#### Bill

Received: 03/21/2001

Received By: jkreye

Wanted: Soon

Identical to LRB: 01-1375

For: Legislative Council - JLC

By/Representing: mark patronsky

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax - property

Extra Copies:

#### Pre Topic:

No specific pre topic given

#### Topic:

Property tax exemption for barns and agricultural outbuildings

#### 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 03/21/2001	jdyer 03/22/2001		_____			Tax
/1			jfrantze 03/22/2001	_____	lrb_docadmin 03/22/2001	lrb_docadmin 03/22/2001	

FE Sent For:

<END>

*NO*

*FE requested by Senator Rissler (see attached) 04-27-01*

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/?	jkreye	1 3/22 jld	2/22	3/22 Self			

FE Sent For:

<END>

JACKET FOR SENATE WHEN READY.

THANKS.

Stays

2916/1

# 2001 BILL

in 3-21-01

5004

Regen

1 AN ACT *to amend* 70.36 (1); and *to create* 44.34 (14), 70.11 (41) and 70.36 (1r)  
 2 of the statutes; **relating to:** exempting certain barns and agricultural  
 3 outbuildings from property taxation and providing a penalty.

### *Analysis by the Legislative Reference Bureau*

This bill is explained in the NOTES provided by the joint legislative council in the bill.

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.

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

PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on the historic building code. The joint legislative council established the special committee and directed it to study the Wisconsin historic building code and its administration to ensure that the code effectively facilitates practical, cost-effective, and safe historic rehabilitation projects, as well as any related issues.

This bill creates a property tax exemption for certain barns and agricultural outbuildings. For further information, see the NOTES that are included in the bill.

4 **SECTION 1.** 44.34 (14) of the statutes is created to read:  
 5 44.34 (14) Establish criteria for barns and agricultural outbuildings that are  
 6 exempt from taxation under s. 70.11 (41), prepare the form of an affidavit for a

**BILL****SECTION 1**

1 property owner to file under s. 70.11 (41), and disseminate information to the general  
2 public regarding the criteria and affidavit under this subsection.

NOTE: This provision directs the state historical society to prepare information to assist the owners of barns and other agricultural outbuildings in claiming the property tax exemption for those types of buildings that is provided in this bill in new s. 70.11 (41). The information prepared by the state historical society will consist of methods for determining the ages and uses of a barn or agricultural outbuilding and a suggested form for the affidavit that the owner must submit to the assessor to claim the property tax exemption.

3 **SECTION 2.** 70.11 (41)<sup>✓</sup> of the statutes is created to read:

4 **70.11 (41) BARNs AND AGRICULTURAL OUTBUILDINGS.** A barn or an agricultural  
5 outbuilding, if the owner of the barn or agricultural outbuilding files an affidavit  
6 with the assessor of the taxation district in which the barn or agricultural  
7 outbuilding is located that attests that the barn or agricultural outbuilding was  
8 constructed before 1950; is unused, used for an agricultural purpose, or used for a  
9 nonagricultural purpose that generates less than \$2,000 in gross revenue annually;  
10 is not used as a residence; and satisfies the criteria established by the state historical  
11 society under s. 44.34 (14) regarding the age, condition, use, attributes, and  
12 significance to the rural landscape of the barn or agricultural outbuilding.

NOTE: This bill creates a property tax exemption for certain barns and other types of agricultural outbuildings. The property tax exemption applies only to the barn or agricultural outbuilding, and not to the land where the building is located.

The owner of the barn or agricultural outbuilding must submit an affidavit to the assessor to request the property tax exemption. The owner must attest in the affidavit that the barn or outbuilding was constructed prior to 1950 and that the current use of the barn or outbuilding meets the requirements of the state. The barn or outbuilding must be used for an agricultural purpose, unused, or used for a nonagricultural commercial purpose that generates less than \$2,000 in gross revenue annually. It is not necessary for the barn to be located in an area that is zoned for agriculture or even that is predominately agricultural. The special committee expects that this property tax exemption will encourage the preservation of barns that are now in residential, commercial, or manufacturing areas. The requirements related to the use of the barn or outbuilding will assure that the property tax exemption is not available for barns that have been converted to other productive uses, such as residences or retail establishments.

The state historical society is directed to promulgate criteria to be used by the assessor in determining eligibility. These criteria will specify the age, condition, qualities, significance, and contribution to the rural landscape that is necessary in order for a barn or an agricultural outbuilding to qualify for the property tax exemption.



# Barman, Mike

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**From:** Barman, Mike  
**Sent:** Friday, April 27, 2001 9:07 AM  
**To:** Uecker, Deborah  
**Cc:** Kreye, Joseph  
**Subject:** SB-122 FE Request From Senate President Risser



SB-122 FE  
Request.pdf

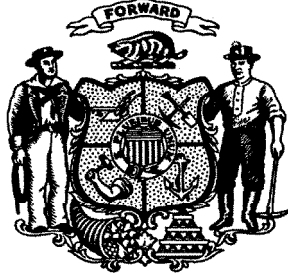
SB-122 FE Request

State of Wisconsin  
JOINT LEGISLATIVE COUNCIL

*Co-Chairs*

**FRED A. RISSER**  
President, State Senate

**KITTY RHOADES**  
Representative, State Assembly



**LEGISLATIVE COUNCIL STAFF**

**Terry C. Anderson**  
*Director*

**Laura D. Rose**  
*Deputy Director*

April 26, 2001

Mr. Steve Miller, Director  
Legislative Reference Bureau  
100 North Hamilton  
Madison, WI 53703

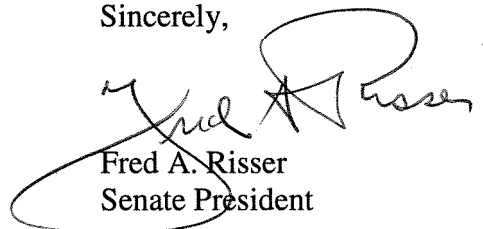
Dear Mr. Miller:

Pursuant to Joint Rule 41 (3) (b), I am requesting that the Legislative Reference Bureau have the Department of Administration prepare a fiscal estimate on 2001 Senate Bill 122 and 2001 Assembly Bill 276, introduced by the Joint Legislative Council.

These bills are currently in the Joint Survey Committee on Tax Exemptions.

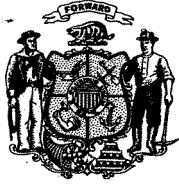
Thank you for your attention to this matter.

Sincerely,

  
Fred A. Risser  
Senate President

FAR:tlw:wu

Copy sent to  
DOA  
(via e-mail)  
04-27-01  
AMB



# 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

May 10, 2001

## MEMORANDUM

**To:** Legislative Council  
Terry Anderson (Director)

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

**Subject:** Technical Memorandum to **2001 SB-122** (LRB-2916/1)

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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

May 10, 2001

**TO:** Joe Kreye  
Legislative Reference Bureau

**FROM:** Dennis Collier  
Department of Revenue

**SUBJECT:** Technical Memorandum on SB 122/AB 276 regarding Exempting from Property Tax Barns and Agricultural Outbuildings

We have the following concerns about the draft:

1. At page 2, lines 5-8, the property owner is required to file an affidavit as a condition of exemption. Under s. 70.11(intro), the property owner is also required to file an application for exemption by March 1. The affidavit appears to duplicate the purpose of the application and create unnecessary paperwork for the property owner and assessor.

Assuming an affidavit is necessary, misunderstandings might be avoided by requiring the affidavit to be filed by March 1, along with the exemption application.

2. At page 3, lines 15-16, the penalty of \$10 for every \$1,000 of property taxes avoided is significantly out of line with the penalty for not reporting personal property -- \$10 for every \$100 of value not reported. At a tax rate of \$20 per \$1,000, the latter penalty is 500 times greater than the former. Is it the author's intent to have such disparate penalties for attempting to evade taxes?
3. At page 3, lines 13-14, a property owner would not file an affidavit with the board of review (BOR) since BORs do not deal with questions of exemption.
4. The author might consider delaying the effective date to give the State Historical Society time to develop the criteria and information required under the bill.

If you have questions regarding this technical memorandum, please contact Blair P. Kruger at 266-1310 or [bkruger@dor.state.wi.us](mailto:bkruger@dor.state.wi.us).