

2001 DRAFTING REQUEST

Bill

Received: 11/06/2000

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-5468**

By/Representing: **Ziegler**

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

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - property**

Extra Copies:

Pre Topic:

DOA:.....Ziegler -

Topic:

Correcting palpable errors in the property tax assessment roll

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>
/1	jkreye 11/09/2000	gilfokm 11/09/2000	pgreensl 11/10/2000	_____	lrb_docadmin 11/10/2000		S&L

FE Sent For:

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17	jkreye	11/9/00 kmg	11/10/00 pg	11/10/00 pg/25			

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TITLE: Technical Change: Correcting Assessment/Tax Roll Errors

0925

SUMMARY OF RECOMMENDATION:

Amend current law to include specific language directing that palpable errors in the assessment roll that are discovered after the Board of Review can be corrected before property taxes are calculated. While this situation may be covered under current law, the statutes are confusing and the department recommends more specific language.

DESCRIPTION OF CURRENT LAW AND PROBLEM:

Under current law if an error is discovered after the Board of Review most taxation district clerks feel the assessment roll or the tax roll cannot be corrected until after the property taxes have been calculated. The statutes seem to be silent on correcting palpable errors after the Board of Review and before the tax roll is prepared. Taxation district clerks and treasurers are directed to correct errors in many situations.

S. 70.52 directs the clerk to correct the assessment roll after receiving it from the assessor (assessor signs affidavit before delivering assessment roll to clerk). S. 70.47(6) directs the board of review to correct errors (in addition to hearing evidence on valuation). S. 70.73(1) directs the clerk or treasurer to correct errors before the tax roll is delivered to the county treasurer (settlement). S. 70.73 directs the clerk to correct the assessment roll and to correct the tax roll. Note: s. 70.73 seems to apply to limited types of errors. S. 70.74 directs the town or village board or the board of trustees or common council to reassess taxes in certain cases where a tax had been previously and incorrectly set aside by court order, etc. S. 74.05(2) directs the clerk to correct errors in the tax roll resulting from a palpably erroneous entry in the assessment roll. S. 74.33 authorizes the governing body of a municipality to refund or rescind taxes due to palpable errors. S. 74.35 authorizes a person to bring a claim against a taxation district for "unlawful taxes" due to an alleged palpable error. S. 74.37 allows a person to bring a claim against a taxation district for an excessive assessment of the value of the property separate from the board of review.

Some would argue that at least one of those statutes apply to the period between the board of review and the actual preparation of the property tax roll. With computerized assessment/tax rolls they are often the same file, just with taxes included after a certain date. However, the situation can be clarified with specific language.

RECOMMENDATION:

Amend s. 70.73 to include specific language directing the clerk to correct palpable errors as defined in s. 74.33 in the assessment roll. That definition is already used in several statutes. Make it clear that these corrections are after the Board of Review has adjourned. Provide that equalized values can be reviewed if very large errors are found in assessed values.

FISCAL/ADMINISTRATIVE IMPACT:

Minimal. Will reduce time and effort by taxation district clerk in preparing tax bills and then canceling/correcting the erroneous bills.

DRAFTING INSTRUCTIONS:

Amend s. 70.73 by adding a section (2) that refers to palpable errors under s. 74.33. Amend s. 74.41 to allow a taxation district to file with DOR same as for taxes refunded but only allow a s. 70.57 correction if equalized values would have been affected. A chargeback is not applicable since no taxes were levied in error.

EFFECTIVE DATE:

For taxes levied based on assessments as of January 1, 2000.

PERSON TO CONTACT:

Frank Humphrey (608 266-1657) or
Ken Schuck (608 266-0204)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0925

JK: [Signature]

DOA:.....Ziegler – Correcting palpable errors in the property tax assessment roll

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

in 11-9-00

SOON

1

AN ACT ^{DON'T GEN. CAT.} relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

Under current law, a municipal board of review reviews the municipality's property tax assessment roll, hears any objections to property tax assessments, and orders the municipal clerk to correct or change the roll, as appropriate. After the board of review adjourns, the property tax that is due from property owners in the municipality is calculated and the resulting tax roll is transferred to the municipal treasurer.

Under current law, after a municipality's property tax roll is transferred to the municipal treasurer, the municipal governing body may refund or rescind any property taxes that the municipality assessed as a result of palpable errors. Under current law, "palpable error" means: 1) a clerical error in a property's description or tax calculation; 2) including real property improvements in a property's assessment even though the improvements did not exist on January 1 of the year in which the property is assessed; 3) imposing property taxes on property that is exempt from property taxation; 4) assessing property that is not located in the municipality; 5) assessing the same property twice in one year, and 6) an arithmetic, transpositional, or similar error related to the property's listing on the tax roll. The

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governing body must notify DOR of any taxes that the body recinded or refunded because of a palpable error.

Under this bill, if a municipal clerk or treasurer discovers a palpable error in the assessment roll after the board of review has adjourned for the year, the clerk or treasurer must correct the assessment roll before calculating the property tax that is due on the property related to the error and notify DOR of the correction.

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. 70.73 (1m) of the statutes is created to read:

2 70.73 (1m) AFTER BOARD OF REVIEW. If a town, village, or city clerk or treasurer
3 discovers a palpable error, as described under s. 74.33 (1), in the assessment roll after
4 the board of review has adjourned for the year under s. 70.47 (4), the clerk or
5 treasurer shall correct the assessment roll before calculating the property taxes that
6 are due on the property related to the error and notify the department of revenue of
7 the correction under s. 74.41 (1).

8 SECTION 2. 74.41 (1) (d) of the statutes is created to read:

9 74.41 (1) (d) Have been corrected under s. 70.73 (1m).

10 SECTION 9344. Initial applicability; revenue.

11 (1) PALPABLE ERRORS. The treatment of sections 70.73 (1m) and 74.41 (1) (d) of
12 the statutes first applies to ~~the~~ property tax assessments ~~as of~~ January 1, 2001.

13 (END)

STST

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~~occurring on~~



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