

Assembly Hearing Slip

(Please print plainly)

Date: 3/28/01

Bill No. AB 119

OR
Subject _____

Name Topf Wells

Street Address or Route Number 4914 Marathon Dr.

City and Zip Code Madison, WI 53705

Representing Dane Co. Executive Kathleen Falk

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 3-28-01

Bill No. AB 119

OR
Subject _____

Name E O Hudek

Street Address or Route Number 1445 Madison

City and Zip Code Madison, WI

Representing WI Alliance of Educators

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: March 28, 2001

Bill No. AB 119

OR
Subject _____

Name Allison Burgard

Street Address or Route Number 100 River Place, Suite 101

City and Zip Code Monona 53716

Representing Wisconsin Counties Assoc

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 3-28-01

Bill No. AS 119

Or
Subject (Skenelved)
taxing

Name Annette Tavis

Street Address or Route Number Wisconsin Assn. of Schools

City and Zip Code 22 W. Washington Ave #40

Representing WASB

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input checked="" type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: March 28, 2001

Bill No. AB 119

Or
Subject _____

Name Patty Bussle

Street Address or Route Number 901 W. 9th St, Room 302

City and Zip Code Milwaukee 53233

Representing Milwaukee County

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 3-28-01

Bill No. 119

Or
Subject _____

Name Rick Skindrud

Street Address or Route Number _____

City and Zip Code _____

Representing SOA

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

413 119 - Amendment

1) Done Co only

2) limit of from Co to minus to the amount of services provided to the acquired land by the minus up to the amount of prop taxes that would have been levied.

↳ This would be ~~at~~ a negotiated amount.

Bill: **AB 119**
Author: **Skindrud**
Date Referred: **02-13-2001**
Public Hearing: **N/A 3-29**
Executive Session: **N/A 4-25**

Relating Clause: **authorizing a county to make payments in lieu of taxes to local units of government for unimproved lands.**

Comments from Department of Revenue-
comments.

Comments from the Author-

Author's reasoning for introducing legislation:
By request of Dane County. 1999 AB 531

Author's intent:
To allow ~~Dane~~ ^{ies} Dane County to make payments to municipalities where land was purchased for county parks, and therefore taken off the tax roll.

Does the Author want the legislation moved forward?

Yes No

If no, do we have this in writing?

Yes No

Is the legislation in its final form?

Yes No

If major changes are required, the author shall prepare and introduce the necessary amendments.

Last session, the Counties association opposed this bill until it was made Dane County specific, despite the legislation's permissive construction.

Comments from potentially affected parties-

- *Most of this land is located in towns
- *Towns supported this legislation last session
- *Counties are in support of this legislation* (see note above)
- *Alliance of Cities opposed this legislation last session

A of C object on principle of shifting tax. Remove of make Dane co spec. Limit to Dane Co. also ok w/ Dane Co.

No object to town spec. Dane Co.

Taken 4 farms out of 1 township, placing large burden upon other landowners.

County shares in the cost of towns which they have purchased land.

Intent to compen school dist? No. Intent for towns.

Insig affect on cities, vill d school districts

Ways & Means Committee
Preliminary Report on Referred Legislation
April 17, 2001

Bill: **AB 119**
Author: **Skindrud**
Date Referred: **02-13-2001**
Public Hearing: **03-29-2001**
Executive Session: **04-25-2001**

Relating Clause: **authorizing a county to make payments in lieu of taxes to local units of government for unimproved lands.**

Comments from Department of Revenue-
comments.

Comments from the Author-

Author's reasoning for introducing legislation:
By request of Dane County. 1999 AB 531. Dane County has turned 4 farms from one township into a park. This places a large burden on the rest of the town's property tax payers to make up this loss.

Author's intent:
To allow Dane County to make payments to municipalities where land was purchased for county parks, and therefore taken off the tax roll.

Does the Author want the legislation moved forward?

Yes No

If no, do we have this in writing?

Yes No

Is the legislation in its final form?

Yes No

If major changes are required, the author shall prepare and introduce the necessary amendments.

Last session, the Counties association opposed this bill until it was made Dane County specific, despite the legislation's permissive construction.

Comments from potentially affected parties-

*Most of this land is located in towns

*Towns supported this legislation last session

Counties are in support of this legislation (see note above)

*Alliance of Cities opposed this legislation last session because they object on principle the shifting of tax revenue. If the legislation is made Dane Co. specific, they would remove their objection.

*Dane County has no objection to making this legislation specific to them.

*This bill's affect on cities, villages and school districts would be insignificant.

Assembly Committee on Ways and Means

DATE _____
 Moved by Wood Seconded by MT
 AB 119 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____
 A _____ SR _____ Other _____
 A/S Amdt 0403/1
 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

*Intro
w/m-t*



	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. John Ainsworth, vice-chair	2			
3.	Rep. Suzanne Jeskewitz	3			
4.	Rep. Frank Lasee	4			
5.	Rep. Samantha Starzyk	5			
6.	Rep. Tom Sykora	6			
7.	Rep. Carol Owens	13			
8.	Rep. Luther Olsen	7			
9.	Rep. Wayne Wood	8			
10.	Rep. Bob Ziegelbauer	9			
11.	Rep. Johnie Morris-Tatum	10			
12.	Rep. Mark Pocan	11			
13.	Rep. Bob Turner	12			
	Totals	13	0		

MOTION CARRIED

MOTION FAILED

Assembly Committee on Ways and Means

DATE _____

Moved by _____

M-T

Seconded by _____

Starzyk

AB 119

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

A _____

SR _____

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

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. John Ainsworth, vice-chair	2			
3.	Rep. Suzanne Jeskewitz	3			
4.	Rep. Frank Lasee	4			
5.	Rep. Samantha Starzyk	5			
6.	Rep. Tom Sykora	6			
7.	Rep. Carol Owens	11			
8.	Rep. Luther Olsen	7			
9.	Rep. Wayne Wood		1		
10.	Rep. Bob Ziegelbauer		2		
11.	Rep. Johnie Morris-Tatum	8			
12.	Rep. Mark Pocan	9			
13.	Rep. Bob Turner	10			
	Totals	10	2		

MOTION CARRIED

MOTION FAILED

Assembly Republican Majority Bill Summary

AB 119: Payments In Lieu Of Taxes

Relating to: authorizing a county to make payments in lieu of taxes to local units of governments for unimproved lands.

By Representatives Skindrud, Ainsworth, Black, Grothman, F. Lasee, Lippert, Miller, Musser, Owens, Seratti and Townsend; cosponsored by Senator Erpenbach.

Date: January 31st, 2002

BACKGROUND

Under current law, a county may appropriate money to a municipality and school district in an amount that is equal to the amount that would have been paid in municipal and school taxes on certain county owned land had that land been privately owned. County land qualifying for this provision must have improvements which may include a county farm, hospital, charitable or penal institutions or state hospital, charitable or penal institutions. Lands which do not qualify for this provision include land on which a courthouse or jail is located. Unimproved land also does not qualify for this provision.

SUMMARY OF AB 119 (AS AMENDED BY COMMITTEE)

Under Assembly Bill 119, unimproved county lands would qualify for the provision allowing for county payments to local taxing districts in lieu of taxes. Assembly Amendment 1 limits this provision to Dane County only. A county payment to a municipality would be limited to the amount of services provided to the land in question by the municipality up to but not exceeding the amount of property taxes that would have been levied. This amount would be negotiated between the county and municipality.

AMENDMENTS

Assembly Amendment 1 to Assembly Bill 119 makes two changes. First, the amendment makes the proposal Dane County-specific. Second, the amendment provides for a county payment in an amount up to the value of services provided to the land by the municipality while not to exceed what the municipality would have realized through a levied property tax [adopted 13-0].

FISCAL EFFECT

A fiscal estimate prepared by the Department of Revenue indicates that there would be no state fiscal effect.

At the local level, only Dane County would realize a fiscal impact under this bill as amended. The effect would be "the sum of the tax rates for the municipality and school district in which the unimproved land is located times the assessed value of the unimproved property."

PROS

1. Would relieve the tremendous burden felt by some municipal (town) taxpayers when a county purchases undeveloped land (farmland), removing the land from the local tax rolls.

CONS

1. Based on principle, this proposal shifts tax revenue.

SUPPORTERS

Rep. Rick Skindrud, author; Senator Jon Erpenbach, lead co-sponsor; Dane County; WASB.

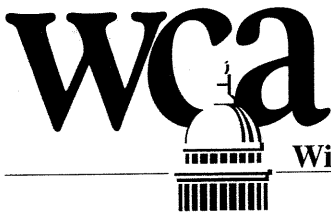
OPPOSITION

None were in opposition to this bill as amended.

HISTORY

Assembly Bill 119 was introduced on 02-13-01, and referred to the Assembly Committee on Ways & Means. A public hearing was held on 03-28-01. On 04-25-01, the Committee voted 11-2 [Representatives Wood and Ziegelbauer voting No] to recommend passage of AB 119 as amended.

CONTACT: Andrew Nowlan, Office of Rep. Michael Lehman



MEMORANDUM

TO: Honorable Members of the Assembly Ways and Means Committee
FROM: Allison Kujawa, WCA Legislative Associate
DATE: March 28, 2001
RE: Opposition to Assembly Bill 119

WCA opposes Assembly Bill 119 and respectfully requests that you do not vote in favor of passage. Under current law, a county may appropriate money to a municipality and school district in an amount, which would have been paid in municipal and school tax on certain lands if those lands were privately owned. The law also explicitly states that counties may not appropriate money to a municipality and school district for the purposes of unimproved county-owned lands if those lands had been privately owned.

Assembly Bill 119 would allow counties to appropriate money to a municipality and school district in an amount that is equal to the amount which would have been paid in municipal and school tax on unimproved county-owned lands if those lands had been privately owned.

WCA believes allowing county boards to make a payment-in-lieu of taxes for the purposes of unimproved lands, sets a dangerous precedent. AB 119 could potentially have the impact of pressuring county boards to make these payments on the numerous acres of county parks and forestlands. Adding an annual payment for tax revenue lost to the municipality in which the land is located, would serve as a major deterrent to the acquisition of additional park and public green space. Counties in northern Wisconsin have expressed concern related to current county forestland that could possibly be put up for sale and placed back on the tax roles.

The insertion of this permissive language into the state statutes may be setting precedence for the language to become mandatory in the future. In addition, this bill does not allow municipalities and school districts to make payments to counties for their land purchases.

Thank you for considering our comments. If you have any questions please do not hesitate to contact me at 224-5330.



Legislative Fiscal Bureau

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

March 28, 2001

TO: Representative Richard Skindrud
Room 18 West, State Capitol

FROM: Rick Olin, Fiscal Analyst

SUBJECT: Information on AB 119

At your request, this memorandum provides information on the potential costs associated with AB 119, regarding payments in lieu of taxes on county-owned land.

AB 119 would allow county boards to appropriate money to underlying municipalities and school districts that contain unimproved, county-owned land that is equal to the amount of municipal and school taxes that would be levied on the land if it was privately owned. State law exempts all property owned by counties and most other local governments from the property tax.

Because the proposed provision is permissive, it is not possible to estimate the total amount of payments that would be made if the bill was enacted. However, it is possible to provide information on the potential costs of the proposal. Based on Department of Revenue (DOR) data on 1999 sales, which would equate with taxable values for 2000, the sale price for unimproved land averaged \$1,787 per acre on a statewide basis. Based on preliminary data for the 2000(01) property tax year, the statewide average municipal purpose tax rate for towns is estimated at \$2.43 per \$1,000 of value and the statewide average school-purpose tax rate in towns is estimated at \$9.93 per \$1,000 of value. This equals a combined rate of \$12.36 per \$1,000 of value. Therefore, the payments under the bill relative to one acre of unimproved land would average \$4.35 for towns, \$17.75 for schools and \$22.10 in total. Based on this information, if 1,000 acres was subject to in-lieu of tax payments, the resulting payments would total \$22,100 (\$4,350 + \$17,750).

Based on the same data, the average per acre value of unimproved land in Dane County is estimated at \$6,694, and the average tax rates in Dane County towns are estimated at \$2.85 per \$1,000 of value for municipal purposes and \$12.21 per \$1,000 of value for school purposes. The combined rates equal \$15.06 per \$1,000 of value and would generate average payments estimated at \$100.82 per acre. Schools would receive \$81.74 of the total, and towns would receive \$19.09. If

100 acres was subject to in-lieu of tax payments, payments would total \$10,082. It should be noted, however, that payments could vary considerably from these averages depending on the type of land involved and its location in the county.

The impact of use value assessment on the proposal is uncertain. If land is engaged in an agricultural use, it would be assessed at lower values than the amounts reported above. For purposes of this analysis, the values are based on full market values. If the land was valued like agricultural land, lower payment rates would result.

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

RO/sas

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1638/1

INTRODUCTION # AB 119

Admin. Rule #

Subject

Authorize Counties to Make Payments in Lieu of Taxes to Local Governments on Unimproved Lands

Fiscal Effect

State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be Possible to Absorb
 Within Agency's Budget Yes No

 Decrease Costs

Local: No Local Government Costs

see text of fiscal note

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

Under current law, a county may make a payment in lieu of property taxes to a municipality and school district for the following types of property: a county or municipal airport; a county or state hospital, charitable or penal institution; a county farm; or state-owned land used for agricultural purposes. The payment equals the amount of taxes that would have been levied by the municipality and school district on the land, without buildings, if the land had been privately owned.

Under the bill, a county may also make a payment in lieu of taxes to a municipality and school district for the taxes that would have been levied on county-owned unimproved land.

Local Fiscal Effect. For counties that choose to make a payment under the bill, the bill's fiscal effect is the sum of the tax rates for the municipality and school district in which the unimproved land is located times the assessed value of the unimproved property. Most county-owned unimproved land is located in towns.

The 1999 statewide average town tax rate was \$2.44 per \$1,000 of value and the 1999 statewide average school district tax rate in towns was \$10.19 per \$1,000 of value. Thus, for each \$100,000 of county-owned unimproved property, a county on average would pay a total of \$1,263, of which \$244 would go to towns and \$1,019 would go to school districts.

The bill will have no fiscal effect in counties that do not choose to make a payment under the provisions of the bill.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Blair P. Kruger, (608) 266-1310	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	3/16/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1638/1

Admin. Rule #

INTRODUCTION # AB 119

Subject

Authorize Counties to Make Payments in Lieu of Taxes to Local Governments on Unimproved Lands

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ see text of fiscal note
NET CHANGE IN REVENUES	\$ _____	\$ see text of fiscal note

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue	Yeang-Eng Braun	3/14/01
Blair P. Kruger, (608) 266-1310	(608) 266-2700 <i>Yeang Eng Braun</i>	