

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **05/12/2003**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Hotynski**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax - property**
Nat. Res. - miscellaneous

Extra Copies: **MGG**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

LFB:.....Hotynski -

Topic:

Calculation of aids in lieu of property taxes

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 05/12/2003	kgilfoy 05/12/2003		_____			
/1			pgreensl 05/13/2003	_____	sbasford 05/13/2003		

FE Sent For:

<END>

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1?	jkreye	1-5/12 kmg	5/13 p8	5/13 p8/jkreye			
FE Sent For:							
<END>							

ALTERNATIVES

A. Aids in Lieu Calculation

1. Maintain the current formula for calculation of aids in lieu of property taxes and reestimate sum sufficient GPR expenditures to be an additional \$1,425,000 in 2003-04 and \$2,435,000 in 2004-05 (the bill does not reflect a reestimate of this GPR sum sufficient commitment).

<u>Alternative A1</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$3,860,000

Rebecca Hotynski

2. For lands purchased after the effective date of the budget act, adjust the current aids in lieu of property taxes formula by defining the estimated value of the property to mean the lower of the equalized value of the property prior to purchase by the Department or the purchase price (instead of the purchase price, as currently provided in statute). In cases where the property had previously been tax exempt, the last recorded equalized value would be used, or a payment of \$1 per acre would be made, whichever amount was greater. The amount determined under this formula would continue to be adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. (While savings of only \$115,000 would be realized in 2004-05, GPR payments for aids in lieu of property taxes would be expected to decline by more than one-half in future biennia.)

<u>Alternative A2</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$3,745,000

3. Adopt alternative 2, but specify that that this formula be applied to the calculation of aids in lieu of taxes payments for all lands purchased beginning January 1, 1992. In addition, delete \$1,830,000 GPR in 2003-04 and \$1,410,000 GPR in 2004-05.

<u>Alternative A3</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	- \$3,240,000

4. Adjust the current aids in lieu of property taxes formula by defining the estimated value of the property to mean the lower of one-half of the equalized value of the property prior to purchase by the Department or one-half of the purchase price (instead of the purchase price, as currently provided in statute). In cases where the property had previously been tax exempt, one-half of the last recorded equalized value would be used, or a payment of \$1 per acre would be made, whichever amount was greater. The amount determined under this formula would continue to be adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. In addition, specify that that this formula be applied to the calculation of aids in lieu of taxes payments for all lands purchased beginning January 1, 1992. Delete \$3,010,000 in



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0172/p

JK:

RM King not run

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FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

in 5-12-03

SOON

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 667, line 16: after that line insert:

3 "SECTION 1536m. 70.114 (1) (b) of the statutes is renumbered 70.114 (1) (b) 1.
4 and amended to read:

5 70.114 (1) (b) 1. "~~Estimated value~~, For land purchased before the effective date
6 of this subdivision *Q → I* ~~...~~ *I ↙* (revisor inserts date), "estimated value," for the year during
7 which land is purchased, means the purchase price and, for later years, means the
8 value that was used for calculating the aid payment under this section for the prior
9 year increased or decreased to reflect the annual percentage change in the equalized
10 valuation of all property, excluding improvements, in the taxation district, as
11 determined by comparing the most recent determination of equalized valuation

1 under s. 70.57 for that property to the next preceding determination of equalized
2 valuation under s. 70.57 for that property.

History: 1989 a. 336; 1991 a. 39; 1997 a. 248.

3 SECTION 1536n. 70.114 (1) (b) ^{2.} of the statutes is created to read:

4 70.114 (1) (b) 2.

5 For land purchased on or after the effective date of this subdivision... (revisor
6 inserts date), "estimated value," for the year during which land is purchased, means

7 the lesser of the purchase price or the most recent determination of the land's
8 equalized valuation under s. 70.57, except that if the land was exempt from taxation,

9 prior to ^{the year} ~~being purchased by~~ [✓] the department [✓] "estimated value," for the year during [✓]

10 which land is purchased, means the lesser of the purchase price, the most recent
11 determination of the land's equalized valuation under s. 70.57, or an amount that

12 would result in a payment under sub. (4) [✓] that is equal to \$1 per acre. "Estimated
13 value," for later years, means the value that was used for calculating the aid payment

14 under this section for the prior year increased or decreased to reflect the annual
15 percentage change in the equalized valuation of all property, excluding

16 improvements, in the taxation district, as determined by comparing the most recent
17 determination of equalized valuation under s. 70.57 for that property to the next

18 preceding determination of equalized valuation under s. 70.57 for that property."

(END)

in the year



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0172/1
JK:kmg:pg

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8 value that was used for calculating the aid payment under this section for the prior
9 year increased or decreased to reflect the annual percentage change in the equalized
10 valuation of all property, excluding improvements, in the taxation district, as
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2 valuation under s. 70.57 for that property.

3 **SECTION 1536n.** 70.114 (1) (b) 2. of the statutes is created to read:

4 70.114 (1) (b) 2. For land purchased on or after the effective date of this
5 subdivision [revisor inserts date], “estimated value,” for the year during which
6 land is purchased, means the lesser of the purchase price or the most recent
7 determination of the land’s equalized valuation under s. 70.57, except that if the land
8 was exempt from taxation in the year prior to the year during which the department
9 purchased the land “estimated value,” for the year during which the land is
10 purchased, means the lesser of the purchase price, the most recent determination of
11 the land’s equalized valuation under s. 70.57, or an amount that would result in a
12 payment under sub. (4) that is equal to \$1 per acre. “Estimated value,” for later
13 years, means the value that was used for calculating the aid payment under this
14 section for the prior year increased or decreased to reflect the annual percentage
15 change in the equalized valuation of all property, excluding improvements, in the
16 taxation district, as determined by comparing the most recent determination of
17 equalized valuation under s. 70.57 for that property to the next preceding
18 determination of equalized valuation under s. 70.57 for that property.”.

19 (END)