

# 05hr\_SC-JCEDCA\_ab0129\_pt01



(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2005-06

(session year)

### Senate

(Assembly, Senate or Joint)

### Committee on ... Job Creation, Economic Development and Consumer Affairs (SC-JCEDCA)

### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Mike Barman (LRB) (August/2012)

# Senate

## Record of Committee Proceedings

### **Committee on Job Creation, Economic Development and Consumer Affairs**

#### **Assembly Bill 129**

Relating to: late payments of property tax installments and providing penalties.

By Representatives Ziegelbauer, Kaufert, Ainsworth, Albers, Black, Boyle, Gielow, Kreibich, Lehman, LeMahieu, Musser, Nass, Pettis, Pridemore, Towns and Zepnick; cosponsored by Senators Leibham and Reynolds.

November 11, 2005 Referred to Committee on Job Creation, Economic Development and Consumer Affairs.

March 1, 2006 **PUBLIC HEARING HELD**

Present: (4) Senators Kanavas, Zien, Lassa and Decker.  
Absent: (1) Senator Reynolds.

#### Appearances For

- Bob Ziegelbauer — Representative, Wisconsin State Assembly
- Jayme Sellen, Madison — Wisconsin Counties Association
- Curt Witynski, Madison — League of WI Municipalities

#### Appearances Against

- None.

#### Appearances for Information Only

- None.

#### Registrations For

- Joe Leibham, Madison — Senator
- Ed Huck, Madison — WI Alliance of Cities

#### Registrations Against

- None.

March 1, 2006 **EXECUTIVE SESSION HELD**

Present: (4) Senators Kanavas, Zien, Lassa and Decker.  
Absent: (1) Senator Reynolds.

Moved by Senator Zien, seconded by Senator Lassa that **Senate Substitute Amendment 1** be recommended for adoption.

Ayes: (4) Senators Kanavas, Zien, Lassa and Decker.

Noes: (0) None.

Absent: (1) Senator Reynolds.

**ADOPTION OF SENATE SUBSTITUTE AMENDMENT 1 RECOMMENDED,**  
Ayes 4, Noes 0

Moved by Senator Zien, seconded by Senator Decker that **Assembly Bill 129** be recommended for concurrence as amended.

Ayes: (4) Senators Kanavas, Zien, Lassa and Decker.

Noes: (0) None.

Absent: (1) Senator Reynolds.

**CONCURRENCE AS AMENDED RECOMMENDED,** Ayes 4, Noes 0

James Michel  
Committee Clerk

**ASSEMBLY BILL 129 (LRB -0222)**

An Act to repeal 74.11 (10) (b) and 74.12 (9) (b); to renumber 74.12 (9) (a); to renumber and amend 74.11 (10) (a); and to amend 74.11 (7), 74.11 (11) (a), 74.12 (7), 74.12 (8), 74.12 (10) and 74.12 (12) (a) of the statutes; relating to: late payments of property tax installments and providing penalties.

**2005**

02-22. A. Introduced by Representatives **Ziegelbauer, Kaufert, Ainsworth, Albers, Black, Boyle, Gielow, Kreibich, Lehman, LeMahieu, Musser, Nass, Pettis, Pridemore, Towns and Zepnick**; cosponsored by Senators **Leibham and Reynolds**.

02-22. A. Read first time and referred to committee on Ways and Means ..... 87

03-08. A. Representative Albers withdrawn as a coauthor ..... 116

03-10. A. Fiscal estimate received.

04-27. A. Public hearing held.

05-10. A. Assembly amendment 1 offered by Representative Ziegelbauer (**LRB a0589**) ..... 228

05-10. A. Assembly amendment 2 offered by Representative Ziegelbauer (**LRB a0590**) ..... 228

05-11. A. Executive action taken.

05-11. A. Assembly substitute amendment 1 offered by committee on Ways and Means (**LRB s0114**) ..... 244

05-25. A. Report Assembly Substitute Amendment 1 adoption recommended by committee on Ways and Means, Ayes 10, Noes 0 ..... 257

05-25. A. Report passage as amended recommended by committee on Ways and Means, Ayes 10, Noes 0 ..... 257

05-25. A. Referred to joint committee on Finance ..... 258

10-20. A. **LRB correction** (Assembly substitute amendment 1) ..... 530

10-26. A. Executive action taken.

10-31. A. Report Assembly Substitute Amendment 1 adoption recommended by joint committee on Finance, Ayes 16, Noes 0 ..... 558

10-31. A. Report passage as amended recommended by joint committee on Finance, Ayes 16, Noes 0 ..... 558

10-31. A. Referred to committee on Rules ..... 558

11-08. A. Placed on calendar 11-10-2005 by committee on Rules.

11-10. A. Read a second time ..... 612

11-10. A. Assembly substitute amendment 1 **adopted** ..... 613

11-10. A. Ordered to a third reading ..... 613

11-10. A. Rules suspended ..... 613

11-10. A. Read a third time and **passed**, Ayes 74, Noes 18, Paired 6 ..... 613

11-10. A. Ordered immediately messaged ..... 613

11-11. S. Received from Assembly ..... 453

11-11. S. Read first time and referred to committee on Job Creation, Economic Development and Consumer Affairs ..... 454

**2006**

02-17. S. Senate substitute amendment 1 offered by Senator Leibham (**LRB s0534**) ..... 604

03-01. S. Public hearing held.

03-01. S. Executive action taken.

03-04. S. Report adoption of Senate Substitute Amendment 1 recommended by committee on Job Creation, Economic Development and Consumer Affairs, Ayes 4, Noes 0 ..... 684

03-04. S. Report concurrence as amended recommended by committee on Job Creation, Economic Development and Consumer Affairs, Ayes 4, Noes 0 ..... 684

03-04. S. Available for scheduling.

03-08. S. Placed on calendar 3-9-2006 by committee on Senate Organization.

03-09. S. Read a second time ..... 737

03-09. S. Placed at the foot of the ninth order of business on the calendar of 3-9-2006 ..... 737

03-09. S. Rules suspended and taken up ..... 737

03-09. S. Senate substitute amendment 1 **adopted** ..... 738

03-09. S. Ordered to a third reading ..... 738

03-09. S. Rules suspended ..... 738

03-09. S. Read a third time and **concurred in** as amended, Ayes 32, Noes 1 ..... 738

03-09. S. Ordered immediately messaged ..... 738

03-09. A. Received from Senate amended and concurred in as amended (Senate substitute amendment 1 adopted) .... 966

03-09. A. Senate substitute amendment 1 **concurred in** ..... 968

03-09. A. Action ordered immediately messaged ..... 968

03-16. A. Report correctly enrolled ..... 976

04-13. A. Presented to the Governor on 4-13-2006 ..... 1013

04-19. A. Report **approved** by the Governor on 4-18-2006. 2005 Wisconsin Act 349 ..... 1019

04-21. A. Published 5-2-2006 ..... 1027



**Vote Record**  
**Committee on Job Creation, Economic Development and Consumer Affairs**

Date: 3/1/2006

Moved by: Zien

Seconded by: Decker

AB 129 SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

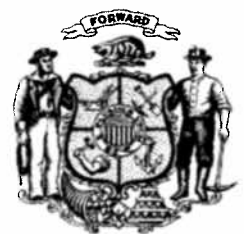
A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

- Be recommended for:
- Passage       Adoption       Confirmation       Concurrence       Indefinite Postponement
  - Introduction       Rejection       Tabling       Nonconcurrency

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Senator Ted Kanavas, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator David Zien</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Thomas Reynolds</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Julie Lassa</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Russell Decker</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	_____	_____	_____	_____



# WISCONSIN STATE LEGISLATURE






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## MEMORANDUM

TO: Honorable Members of the Senate Committee on Job Creation, Economic Development and Consumer Affairs

FROM: Jayme Sellen, Legislative Associate 

DATE: March 1, 2006

RE: Support for Senate Substitute Amendment 1 to Assembly Bill 129

The Wisconsin Counties Association (WCA) supports Senate Substitute Amendment 1 (SSA 1) to Assembly Bill 129 (AB 129). This substitute amendment was written as a compromise between Senator Leibham, Representative Ziegelbauer, WCA and the Wisconsin Treasurers Association.

SSA 1 changes AB 129 to a straight five working day grace period for delinquent personal and real estate property tax on each installment without losing the second installment. This compromise meets the goals and concerns of the authors while being less of an administrative burden on local treasurers. Assembly Substitute Amendment 1 would require each county to make changes to their computer programs to track the proposed change. This change would be an added expense to the taxpayer.

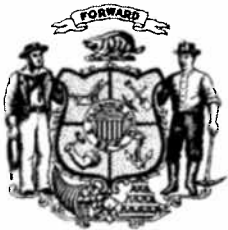
While SSA 1 will not prevent late payments, it will aid a majority of late payers. Under SSA 1, they will no longer be charged interest and penalties if they pay their delinquent property taxes within five working days of the deadline.

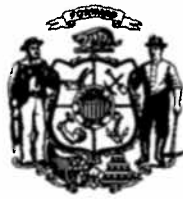
Thank you for considering my comments. Please feel free to contact me if you have any questions.





# WISCONSIN STATE LEGISLATURE





BOB ZIEGELBAUER

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STATE REPRESENTATIVE • TWENTY FIFTH ASSEMBLY DISTRICT

DATE: March 1, 2006

TO: Senate Job Creation, Economic Development and Consumer Affairs  
Committee

FROM: Rep. Bob Ziegelbauer

RE: **Support for AB129**

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Attached please find a chart explaining my proposal as well as assorted material I have used in the past to explain it, and a copy of the Senate Substitute Amendment.

Thanks in advance for your support.

Bob Z.

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FAX (608) 282-3625 • HOME PAGE: [www.bobziegelbauer.com](http://www.bobziegelbauer.com) • E-MAIL: [bob.ziegelbauer@legis.wi.gov](mailto:bob.ziegelbauer@legis.wi.gov)  
DISTRICT: 1213 S. 8TH STREET, P.O. BOX 325, MANITOWOC, WI 54221-0325  
MANITOWOC OFFICE: (920) 684-6783 • HOME: (920) 684-4362

## 2005 Assembly Bill 129

### Scenario

- \$4,000 tax bill, 4 installment option (However, rules for 2 or 3 payment options work the same way.)
- Taxpayer missed March 31<sup>st</sup> due date, pays in April

### CURRENT LAW

	Installment #1	Installment #2		APR* Cost	Installment #3	Installment #4			
Property Tax Due	January 31 \$1000	Feb March 31 \$1000	April		May 31 \$1000	June July 31 \$1000	Aug	Sept	Oct Nov Dec
Penalty A Interest on #2			1.5% x 1 x \$1000 (April interest)	\$15					
B Interest on #2			1.5% x 2 x \$1000 (Feb & March interest)	\$30					
C Interest on #3			1.5% x 1 x \$1000 (April interest)	\$15					
D Interest on #3			1.5% x 2 x \$1000 (Feb & March interest)	\$30					
E Interest on #4			1.5% x 1 x \$1000 (April interest)	\$15					
F Interest on #4			1.5% x 2 x \$1000 (Feb & March interest)	\$30					
G	March installment overdue			\$1,000					
	May installment now due			\$1,000					
	July installment now due			\$1,000					
	<b>Total interest</b>			<b>\$135</b>					
	<b>Total payment</b>			<b>\$3,135</b>					

### AB 129 w/ ASA 1

- No penalty on payments **before** they are due;
- No interest for time **prior** to installment due date;
- No loss of installment option
- Penalty limited to "Penalty A" (i.e. 18% APR penalty)
- September 1<sup>st</sup> concession to County Treasurers

\*APR = Annual Percentage Rate

**Kostelic, Luanne**

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**From:** DRFREUDS RECORDS [drfreudsrecords@sbcglobal.net]  
**Sent:** Monday, May 09, 2005 2:47 PM  
**To:** John Schlice  
**Subject:** RE: Ziegelbauer's AB 129 memo / amendments

John:

Thanks again for all your help.  
I'm hopeful that this time I'll finally make some progress on this.

Bob Ziegelbauer

*John Schlice <jschlice@stevenspoint.com> wrote:*

\* Those amendments would be acceptable to me and would address the problem of the inadvertent missing payment. I had a gentleman in today that missed the April 30<sup>th</sup> payment because he was having surgery. He is currently paying off his wife's hospital bill ( she has cancer) and his plea was that the interest he is being charged would make one months payment to the hospital. This is the type of situation we are trying to resolve in a fair manner.

John Schlice  
Comptroller-Treasurer  
City of Stevens Point

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**From:** Kostelic, Luanne [mailto:Luanne.Kostelic@legis.state.wi.us]  
**Sent:** Monday, May 09, 2005 1:57 PM  
**To:** John Schlice; jhuber@co.oneida.wi.us  
**Cc:** DRFREUDS RECORDS  
**Subject:** Ziegelbauer's AB 129 memo / amendments

If you have any questions or comments, Rep. Bob Ziegelbauer can be reached in Manitowoc today (May 9th) at 920-684-6783 or in Madison on Tuesday & Wednesday at 1-888-529-0025.

Thanks,

Luanne

**Office of Rep. Bob Ziegelbauer**

**Staff:** Luanne Kostelic

**State Capitol:**

207-North, PO Box 8953; Madison, WI 53708-8953

05/10/2005



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**WISCONSIN LEGISLATIVE COUNCIL  
AMENDMENT MEMO**

<b>2005 Assembly Bill 129</b>	<b>Assembly Substitute Amendment 1</b>
<i>Memo published: May 17, 2005</i> <span style="float: right;"><i>Contact: William Ford, Senior Staff Attorney (266-0680)</i></span>	

**ASSEMBLY BILL 129**

Under **current law**, if an installment payment of property taxes is not paid by the due date, the entire amount of property taxes levied on that property becomes delinquent. The effect of this is to accelerate the due date for any subsequent installment payments of property taxes.

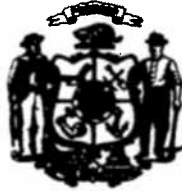
Also, under current law, interest and penalties on delinquent property taxes are computed from the preceding February 1 until the date that the taxes are paid.

**Assembly Bill 129** provides that if an installment payment of property taxes is not paid by the due date, only the amount of that installment becomes delinquent. The taxpayer would retain the ability to pay any subsequently due installment payments on the date that those installment payments are due. Also, under Assembly Bill 129, interest and penalties on delinquent installments of property taxes would be computed from the date that the installment was due, rather than from the preceding February 1.

**Assembly Substitute Amendment 1** provides that the provisions of the bill do not apply if either more than one installment payment is delinquent at the same time or if any amount of the property tax remains unpaid by September 1. In either of these two cases, the entire amount of property taxes levied on a property would become delinquent and interest and penalties would be charged from the preceding February 1.

**LEGISLATIVE HISTORY**

On May 11, 2005, the Assembly Committee on Ways and Means introduced Assembly Substitute Amendment 1, adopted the substitute amendment by a vote of Ayes, 10; Noes, 0, and recommended the bill for passage, as amended, by a vote of Ayes, 10; Noes, 0.



BOB ZIEGELBAUER

STATE REPRESENTATIVE • TWENTY FIFTH ASSEMBLY DISTRICT

**Committee on Ways & Means**

**Rep. Jeff Wood, Chair**

**Wednesday, April 27, 2005**

**9:30 a.m., 300-Northeast, State Capitol**

**Support for 2005 AB 129**

Mr. Chairman and Committee Members:

Thank you for holding a hearing on AB 129, which deals with a grossly unfair but correctable provision in the statutes dealing with the collection of property taxes in Wisconsin.

**Penalties - Late Property Tax Payments**

Current law allows for paying property tax bills on an installment basis. Cities and villages have the option of providing for 2, 3 or 4 installments, while towns offer 2 installments. This bill deals with the ridiculous penalties that are imposed in current law when an installment payment is late.

For an example of how this works, consider a **tax bill of \$3000** in a city with a 4-installment option, payments of \$750 due on January 31, March 31, May 31, and July 31. Assume that the first payment was made on time but the **second payment is a week late**, due March 31<sup>st</sup> but paid April 7<sup>th</sup>. (Current law applies similarly to 2 and 3 payment options.)

**7(!) Penalties incurred by the taxpayer with a \$750, 2<sup>nd</sup> installment paid one week late:**

1. **\$7.50** – a 1% penalty on the **late payment** at 12% per annum calculated for the **entire month** of April; (Penalty would continue under LRB-0222/1.)
2. **\$15.00** – a 1% per month penalty on the **late payment** for the months of February and March even though it wasn't due until March 31<sup>st</sup>; (Penalty would be eliminated under this bill.)
3. **\$7.50** – a 1% penalty on the **3rd installment** for the entire month of April even though it wasn't due until May 31<sup>st</sup>; (Penalty would be eliminated under this bill.)
4. **\$15.00** – a 1% per month penalty on the **3rd installment** for the months of February and March even though it wasn't due until May 31<sup>st</sup>; (Penalty would be eliminated under this bill.)
5. **\$7.50** – a 1% penalty on the **4th installment** for the entire month of April even though it wasn't due until July 31<sup>st</sup>; (Penalty would be eliminated under this bill.)
6. **\$15.00** – a 1% per month penalty on the **4th installment** for the months of February and March even though it was not due until July 31<sup>st</sup>; (Penalty would be eliminated under this bill.)

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MANITOWOC OFFICE: (920) 684-6783 • HOME: (920) 684-4362

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7. **AND, the installment option is lost for the rest of the year.** Because one installment is late, the entire tax bill must be paid in full by the end of the month or even more interest in the amount of 1% per month will accrue on the entire tax bill. (Installment option would not be lost under this bill.)

**Total penalty = \$67.50, plus loss of the installment option for the remainder of the year!!**

It seems to me that despite our differing views on how to reduce the property tax burden we **ought to be able to agree that the penalties in current law for late payment of property taxes are an outrage!**

This bill provides that interest and penalty is charged only on the amount of the delinquent installment payment and only from the day after the delinquent installment was due. Attached please find the LRB analysis and bill, as well as a Legislative Council memo on ASA 1 to 2003 AB 133.

Thank you again for your consideration. I would be happy to answer any questions you might have. (Also, below please find an email on this proposal.)

###

-----Original Message-----

**From:** Jennie Huber [mailto:jhuber@co.oneida.wi.us]  
**Sent:** Thursday, February 03, 2005 3:19 PM  
**To:** Rep.Meyer  
**Cc:** Ziegelbauer, Bob  
**Subject:** LRB-0221

Dan,

Representative Ziegelbauer has crafted legislation, LRB-0221 Late Payments of Property Tax Installments and Providing Penalties. His proposal provides that interest and penalty is charged only on the amount of the delinquent installment payment and only from the day after the delinquent installment was due.

I am sure there will be stiff opposition to this measure from the County Treasurers' Association; however, as the Oneida County Treasurer, I am asking that you sign on as a sponsor of this legislation and that you support Mr. Ziegelbauer's bill when it comes to the time for legislative debate and a vote.

My staff and I are right now facing Oneida County taxpayers who are three or four days late in paying their January 31st installment of taxes. These people all understand there is a penalty for not having met the deadline but they are astounded to find they have lost the option to pay their second installment in July and must pay penalty/interest on the entire tax balance. Some are completely overwhelmed, afraid and moved to tears. This is especially so for those elderly and economically disadvantaged who struggle to pay their daily living expenses and are now further burdened by having to pay a substantial penalty for a simple mistake or an unfortunate circumstance.

I am standing with my taxpayers on this one, any one of whom may find himself the victim of misfortune causing him to be delinquent in paying his taxes, when I ask you to support LRB 0221.

Jennie Huber  
Oneida County Treasurer

## **2005 Assembly Bill 129**

### **Some “bogus” excuses for not changing these penalties**

- *“Computer programming will be too costly.”*
- *“It will encourage more late payments by procrastinators.”* Not if they understand the true cost of money (A.P.R.). Interest cost will still be very high!!
- *“Local governments need the revenue this generates*
- *“This penalty doesn’t actually apply to very many taxpayers.”*
- *“January 1<sup>st</sup> is the “real” due date; installment options are a generous ‘concession’ to the taxpayer.”*
- Failure to understand "Interest Rate Math" – (A.P.R.)