



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

February 14, 2007

MEMORANDUM

To: Representative Owens

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

Subject: Technical Memorandum to **2007 AB-0033** (LRB 07-0301/1) by **DOR**

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

January 25, 2007

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 33: Penalty for Converting Agricultural Land

The Department has two concerns with the bill:

1. Under the usual process for penalties applicable to converting agricultural land, a county would send a statement to a taxpayer who had converted the land after the assessor had informed the county of the conversion. If the taxpayer did not pay the penalty at that time, the amount would be certified to the municipality and included as a special charge on the taxpayer's next property tax bill. If the special charge was not paid, the delinquent amount would be included in the August settlement process under section 74.29. Under section 74.29, counties may settle "in full" for delinquent special assessments and charges, but are not required to do so. If the county chooses not to settle in full then the county would pay the special charge amount to the municipality after it is actually collected.

Thus, the amounts collected as a result of the county sending a statement to the taxpayer or that were paid as a special charge on the next property tax bill of the taxpayer would not be part of the August settlement process. If the taxpayer paid the special charge when due (January 31) then the amount is included in the February settlement process under section 74.25. The amounts not collected are already part of the August settlement process, as indicated in the previous paragraph.

If the intent of the provision is to specify a due date by which the county must pay the taxation districts their share of the collected penalty, a better alternative would be to revise section 74.485(6) to include that date.

2. To be consistent with other property tax provisions, the Department recommends an effective date for conversions after January 1 following the publication of the bill.

If you have any questions regarding this technical memorandum, please contact Pam Walgren at 266-7817.

cc: Rep. Owens