

**2007 DRAFTING REQUEST**

**Bill**

Received: **01/31/2007**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Roger Breske (608) 266-2509**

By/Representing: **beth**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Property - other**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Breske@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

**Pre Topic:**

No specific pre topic given

**Topic:**

Personal property tax assessment of outdoor advertising signs

**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>
/?				_____			S&L
/1	jkreye 02/07/2007	jdyer 02/26/2007	rschluet 02/26/2007	_____	mbarman 02/26/2007		S&L
	jkreye 03/27/2007	kfollett 03/28/2007		_____			
/2			pgreensl 03/28/2007	_____	cduerst 03/28/2007	mbarman 05/17/2007	

FE Sent For:

*at intro  
6/26*

**<END>**

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/1	jkreye 02/07/2007	jdyer 02/26/2007	rschluet 02/26/2007	3 [Handwritten initials]	mbarman 02/26/2007		

FE Sent For:

12/17  
3/28  
3/28  
[Handwritten initials]

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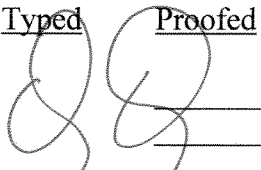
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/?	jkreye	1/25 jld					

FE Sent For:

<END>

**Kreye, Joseph**

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**From:** Piliouras, Elizabeth  
**Sent:** Wednesday, January 31, 2007 12:03 PM  
**To:** Kreye, Joseph  
**Subject:** Breske Draft Request - Assessment of Outdoor Advertising Signs

Hi Joe:

Roger would like legislation drafted that clarifies that off-premise outdoor advertising signs should be taxed at cost minus depreciation under personal property. This directly relates to the recent supreme court case of Adams Outdoor Advertising, Ltd of Madison v. City of Madison (2005AP508).

Are you the right person to draft it?

Thanks in advance!  
Beth

*Beth Piliouras*

Senator Roger Breske  
608-266-2509

*cost-less-depreciation approach*  
*ren 70.34 — 70.34(1)*  
*(or, 70.34(2))*



State of Wisconsin  
2007 - 2008 LEGISLATURE

3/1  
cmh

LRB-1757/1

JK:.....

JK  
jkd

2007 BILL

in 2-7-07  
D-N

Gen

1 AN ACT ...; relating to: determining the value of billboards for personal property  
2 tax purposes. ✓

*Analysis by the Legislative Reference Bureau*

Under current law, a billboard is subject to the imposition of personal property taxes. The Wisconsin Supreme Court has recently determined that, although net income from billboard rentals may be a factor to consider, it cannot be the sole controlling factor for determining the value of a billboard for property tax purposes. See, *Adams Outdoor Advertising Ltd. v. City of Madison*, 2006 WI 104, \_\_\_ Wis.2d \_\_\_, 717 N.W.2d 803. The Court also found that, by not determining the billboard's value based on its cost, less depreciation, the city assessor contravened the prevailing practice for assessing billboards not only in this state, but throughout the United States. ✓

\*

Under this bill, for personal property tax purposes, an assessor must determine a billboard's value by subtracting depreciation from the cost of reproducing the billboard. ✓ In addition, consistent with *Adams Outdoor Advertising Ltd.*, the assessor may not include the value of any permits issued with regard to the billboard for the purpose of determining the billboard's assessed value. ✓ ✓

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:*



**BILL**

**SECTION 1**

1           **SECTION 1.** 70.34 of the statutes is renumbered 70.34 (1) and amended to read:  
 2           70.34 (1) **Personalty** All Subject to sub. (2), all articles of personal property  
 3 shall, as far as practicable, be valued by the assessor upon actual view at their true  
 4 cash value; and after arriving at the total valuation of all articles of personal property  
 5 which the assessor shall be able to discover as belonging to any person, if the assessor  
 6 has reason to believe that such person has other personal property or any other thing  
 7 of value liable to taxation, the assessor shall add to such aggregate valuation of  
 8 personal property an amount which, in the assessor's judgment, will render such  
 9 aggregate valuation a just and equitable valuation of all the personal property liable  
 10 to taxation belonging to such person. In carrying out the duties imposed on the  
 11 assessor by this section, the assessor shall act in the manner specified in the  
 12 Wisconsin property assessment manual provided under s. 73.03 (2a).

History: 1973 c. 90; 1991 a. 316.

13           **SECTION 2.** 70.34 (2) of the statutes is created to read:  
 14           70.34 (2) The assessor shall determine the value of an outdoor off-premises  
 15 advertising sign by subtracting depreciation from the cost of reproducing the sign,  
 16 consistent with the cost approach specified in the Wisconsin property assessment  
 17 manual provided under s. 73.03 (2a). The value determined under this subsection  
 18 shall not include the value of any permits issued with regard to the outdoor  
 19 off-premises advertising sign. In this subsection, "off-premises advertising sign"  
 20 means a sign that does not advertise the business or activity that occurs on the site  
 21 where the sign is located.

22           **SECTION 3. Initial applicability.**  
 23           (1) This act first applies to the property tax assessments as of January 1, 2007.

(END)

d-note

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1757/1dn

JK:.....

date

Jld

Senator Breske:

Please review this draft carefully to ensure that it is consistent with your intent. ✓

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: joseph.kreye@legis.wisconsin.gov

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1757/1dn  
JK:jld:rs

February 26, 2007

Senator Breske:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [joseph.kreye@legis.wisconsin.gov](mailto:joseph.kreye@legis.wisconsin.gov)

**Kreye, Joseph**

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**From:** Piliouras, Elizabeth  
**Sent:** Tuesday, March 27, 2007 3:01 PM  
**To:** Kreye, Joseph  
**Subject:** LRB1757 - draft change requests

Hi Joe:

Roger would like to request the following changes to the draft:

On line 18 on the first page, we would like it to read, "shall not include the value of any permits issued, leasehold interest, or other intangibles with regard to the outdoor off-premises advertising sign."

Let me know if there are any questions.

Thanks!

Beth

*Beth Piliouras*

Senator Roger Breske

608-266-2509



RM not R

2007 BILL

in 3-27-07  
due Fri. 3-30-07

Reyen

1 AN ACT to renumber and amend 70.34; and to create 70.34 (2) of the statutes;  
2 relating to: determining the value of billboards for personal property tax  
3 purposes.

**Analysis by the Legislative Reference Bureau**

Under current law, a billboard is subject to the imposition of personal property taxes. The Wisconsin Supreme Court has recently determined that, although net income from billboard rentals may be a factor to consider, it cannot be the sole controlling factor for determining the value of a billboard for property tax purposes. See, *Adams Outdoor Advertising Ltd. v. City of Madison*, 2006 WI 104, \_\_\_ Wis.2d \_\_\_, 717 N.W.2d 803. The court also found that, by not determining the billboard's value based on its cost, less depreciation, the city assessor contravened the prevailing practice for assessing billboards not only in this state, but throughout the United States.

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, leasehold interests, or  
other intangibles

**BILL**

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, leasehold interests, or  
other intangibles



**Duerst, Christina**

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**From:** Piliouras, Elizabeth

**Sent:** Thursday, May 17, 2007 3:37 PM

**To:** LRB.Legal

**Subject:** Draft Review: LRB 07-1757/2 Topic: Personal property tax assessment of outdoor advertising signs

Please Jacket LRB 07-1757/2 for the SENATE.

5/17/2007