



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

August 10, 2007

MEMORANDUM

To: Representative Seidel

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

Subject: Technical Memorandum to **2007 AB 470** (LRB-2367/1) 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

August 2, 2007

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 470: Penalty for Converting Agricultural Land

The Department has the following technical comments regarding the bill:

1. The bill provides that an assessor would not have to send a notice of changed assessment if the assessor and taxpayer agree in writing to the assessment. The Department has the following concerns regarding this provision:
 - The provision circumvents the current appeal process and creates a notification inconsistency. Under current law, any change requires a notice of assessment 15 days before the meeting of the board of review.
 - The provision does not specify what information must be contained in the written notice waiver between the assessor and taxpayer or how the taxpayer would learn of the change in assessment.
 - The provision may impact section 74.37 of the statutes which provides the authority for a claim of excessive assessment when the property owner does not receive a notice of assessment under section 70.365.
 - The term "taxpayer" appears to be inconsistent within the context of the paragraph. Elsewhere, the terms "person assessed" and "occupant of the property" are used.

The Department recommends deleting the current language in the bill and, instead, inserting the following language:

“If the assessor changes an assessment as a result of the examination of the rolls as provided in section 70.45, no notice of changed assessment need be sent, if the person assessed is hand delivered the notice of changed assessment.”

2. The notices of assessment are sent by assessors at a time when the current classification is known. The new classification will determine whether a penalty is due. A penalty is not due if the land is changing from agricultural (class 4) to

undeveloped (class 5), agricultural forest (class 5m), productive forest land (class 6), or other (class 7). Therefore, the Department recommends amending section one of the bill to add the following clarification:

“If the assessor determines that land assessed under s. 70.32 (2r) for the previous year is no longer eligible to be assessed under s. 70.32 (2r), and the current classification is not undeveloped, agricultural forest, productive forest land, or other, under s. 70.32 (2), the assessor shall notify the....”

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

cc: Rep. Siedel