

**2007 DRAFTING REQUEST**

**Assembly Substitute Amendment (ASA-AB470)**

Received: **10/31/2007**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Donna Seidel (608) 266-0654**

By/Representing: **natalie**

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: **Rep.Seidel@legis.wisconsin.gov**

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

**Pre Topic:**

No specific pre topic given

**Topic:**

Penalty for converting agricultural land; technical changes

**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> |
|--------------|----------------------|---------------------|------------------------|----------------|-----------------------|-----------------------|-----------------|
| /P1          | jkreye<br>10/31/2007 | jdyer<br>11/01/2007 | pgreensl<br>11/01/2007 | _____          | cduerst<br>11/01/2007 |                       |                 |
|              | jkreye<br>11/07/2007 | jdyer<br>11/08/2007 |                        | _____          |                       |                       |                 |
| /P2          |                      | jdyer<br>11/12/2007 | rschlue<br>11/08/2007  | _____          | cduerst<br>11/08/2007 |                       |                 |
| /1           |                      |                     | rschlue<br>11/12/2007  | _____          | lparisi<br>11/12/2007 | lparisi<br>11/12/2007 |                 |

Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

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**<END>**

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|              | jkreye<br>11/07/2007 | jdyer<br>11/08/2007 |                        | _____          |                       |                 |                 |
| /P2          |                      | <i>1 1/2 jld</i>    | rschluet<br>11/08/2007 | _____          | cduerst<br>11/08/2007 |                 |                 |

FE Sent For:

*Handwritten signature and initials*

<END>

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Handwritten: /P2 11/8 jld

Handwritten signature and initials, including <END>

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|--------------|----------------|--------------------|---------------|----------------|------------------|-----------------|-----------------|
| /P1          | jkreye         | <i>PI 11/1 JLD</i> | <i>1/1 P8</i> | <i>1/1 P8</i>  |                  |                 |                 |

FE Sent For:

<END>

## Kreye, Joseph

---

**From:** Verette, Natalie  
**Sent:** Wednesday, October 31, 2007 9:27 AM  
**To:** 'VICKI BROWN'; 'Sherri Hawkins'; 'stohr@wicounties.org'; Gates-Hendrix, Sherrie L - DOR; Shields, Scott R - DOR; Piliouras, Elizabeth; Kreye, Joseph; Ford, William  
**Subject:** Room Change for AB 470 Meeting TODAY

Since there are so many people coming to today's meeting, we have reserved 400 Northeast. See you at 10. Thank you

---

**From:** Verette, Natalie  
**Sent:** Monday, October 29, 2007 4:49 PM  
**To:** 'VICKI BROWN'; 'Sherri Hawkins'; 'stohr@wicounties.org'; 'jplautz@aol.com'; 'PWEISS@milwaukee.gov'; Gates-Hendrix, Sherrie L - DOR; Shields, Scott R - DOR  
**Subject:** AB 470 Meeting - Wednesday, October 31st

Good Afternoon,

I received a call from Rep. Kerkman's office this morning and the Ways and Means Committee would like to hold a public hearing on AB 470 on November 14th, which makes our meeting this Wednesday very timely. So that everyone is aware of what entities will be represented on Wednesday, here is a list of attendees:

Rep. Seidel  
Vicki Brown (Treasurer - Rock County)  
Sherri Hawkins (Treasurer - Green County)  
Matt Stohr (Counties Association)  
Jolene Plautz (Assessors)  
Pete Weissenfluh (Assessors) - will join us via phone  
Sherrie Gates-Hendrix (DOR)  
Scott Shields (DOR)

I am also trying to get the drafter from the Legislative Reference Bureau if he is available. And Beth from Senator Breske's office may also join us.

Here is a link to AB 470: <http://www.legis.state.wi.us/2007/data/AB-470.pdf> and I am attaching a copy of the memo from the Department of Revenue. I would like to go through each of the points in the memo to see if there is agreement and determine the best way to amend the bill. As a reminder, the meeting will start at 10am in the Seidel office (7N). Please let me know if you have any questions.

Thank you,  
Natalie

-----  
Natalie Verette  
Legislative Assistant  
**Office of State Representative Donna Seidel**  
85th Assembly District

State Capitol, 7 North  
P.O. Box 8953  
Madison, WI 53708

608.266.0654

888.534.0085 (toll-free)

natalie.verette@legis.wisconsin.gov

<< File: techmemo.doc >>

City in Milwaukee - letter  
 ① 70.365 - original notice goes out

Rep Donna Perdel  
 10-31-07

- change after discussion w/ taxpayers

★ - never form - <sup>to appear</sup> before the board - if both parties agree to the value

open look period 70.45 - in writing

re-work  
 8<sup>2</sup> 17x18

taxpayer and assessor come to an agreement before taxpayer files an objection or before board meeting  
 acts as a waiver of the taxpayer's appeal rights

② Tech change on p. 2 on tech memo from DOR

③ Amend 70.365 to specify that form includes notice that change under s. 74.985 applies

as a sub to <sup>AB</sup> 470 on a tech based on DOR suggestion

↳ Nov. 14 (2 weeks) - as a pre-lim hearing

50164/P1  
stays

ASA to

# 2007 ASSEMBLY BILL 470

in 10-31-07

DN

due Mon 11-5

July 26, 2007 - Introduced by Representatives SEIDEL, HAHN, BALLWEG, BIES, DAVIS, GRONEMUS, GUNDERSON, HINTZ, HIXSON, MUSSER, NELSON, SHERIDAN and TOWNSEND, cosponsored by Senators BRESKE, A LASEE, ROESSLER and SCHULTZ. Referred to Committee on Ways and Means.

re gen

1 AN ACT to amend 70.365, 74.485 (title), 74.485 (2) (intro.), 74.485 (4) (a), 74.485  
2 (4) (b), 74.485 (5), 74.485 (6), 74.485 (7) (b), 74.485 (8) and 74.485 (9) of the  
3 statutes; relating to: the penalty for converting agricultural land.

### *Analysis by the Legislative Reference Bureau*

Under current law, a person who owns land that has been assessed, for property tax purposes, as agricultural land and who converts the land's use so that the land may not be assessed as agricultural land must pay a penalty to the county in which the land is located. This bill changes the term "penalty" to "conversion charge," as it relates to the amount that a taxpayer pays for converting agricultural land. Under the bill, if the taxation district assessor determines that land assessed as agricultural land for the previous year is no longer eligible to be assessed as agricultural land, the assessor must notify the property owner, in writing, that the property owner may be subject to a conversion charge.

For further information see the *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:*

4 SECTION 1. 70.365 of the statutes is amended to read:

ASSEMBLY BILL 470

SECTION 1

1           **70.365 Notice of changed assessment.** When the assessor assesses any  
2 taxable real property, or any improvements taxed as personal property under s. 77.84  
3 (1), and arrives at a different total than the assessment of it for the previous year,  
4 the assessor shall notify the person assessed if the address of the person is known  
5 to the assessor, otherwise the occupant of the property. ~~The~~ If the assessor  
6 determines that land assessed under s. 70.32 (2r) for the previous year is no longer  
7 eligible to be assessed under s. 70.32 (2r), the assessor shall notify the person  
8 assessed if the assessor knows the person's address, or otherwise the occupant of the  
9 property, that the person assessed may be subject to a conversion charge under s.  
10 74.485. Any notice issued under this section shall be in writing and shall be sent by  
11 ordinary mail at least 15 days before the meeting of the board of review or before the  
12 meeting of the board of assessors in 1st class cities and in 2nd class cities that have  
13 a board of assessors under s. 70.075 and shall contain the amount of the changed  
14 assessment and the time, date, and place of the meeting of the local board of review  
15 or of the board of assessors. However, if the assessment roll is not complete, the  
16 notice shall be sent by ordinary mail at least 15 days prior to the date to which the  
17 board of review has adjourned. ~~The assessor is not required to send a notice under~~  
18 ~~this section if the assessor and the taxpayer agree in writing to the assessment.~~ The  
19 assessor shall attach to the assessment roll a statement that the notices required by  
20 this section have been mailed and failure to receive the notice shall not affect the  
21 validity of the changed assessment, the resulting changed tax, the procedures of the  
22 board of review or of the board of assessors or the enforcement of delinquent taxes  
23 by statutory means. The secretary of revenue shall by rule prescribe the form of the  
24 notice required under this section. The form shall include information notifying the  
25 taxpayer of the procedures to be used to object to the assessment.

INSERT 2-6

INSERT 2-23

INSERT 2-25

**ASSEMBLY BILL 470**

1           **SECTION 2.** 74.485 (title) of the statutes is amended to read:

2           **74.485 (title) Penalty Charge for converting agricultural land.**

3           **SECTION 3.** 74.485 (2) (intro.) of the statutes is amended to read:

4           **74.485 (2) PENALTY CONVERSION CHARGE.** (intro.) Except as provided in sub. (4),  
5 a person who owns land that has been assessed as agricultural land under s. 70.32  
6 (2r) and who converts the land's use so that the land is not eligible to be assessed as  
7 agricultural land under s. 70.32 (2r), as determined by the assessor of the taxation  
8 district in which the land is located, shall pay a penalty conversion charge to the  
9 county in which the land is located in an amount, calculated by the county treasurer,  
10 that is equal to the number of acres converted multiplied by the amount of the  
11 difference between the average fair market value of an acre of agricultural land sold  
12 in the county in the year before the year that the person converts the land, as  
13 determined under sub. (3), and the average equalized value of an acre of agricultural  
14 land in the county in the year before the year that the person converts the land, as  
15 determined under sub. (3), multiplied by the following:

16           **SECTION 4.** 74.485 (4) (a) of the statutes is amended to read:

17           **74.485 (4) (a)** A person who owns land that has been assessed as agricultural  
18 land under s. 70.32 (2r) and who converts the land's use so that the land is not eligible  
19 to be assessed as agricultural land under s. 70.32 (2r) is not subject to a penalty  
20 conversion charge under sub. (2) if the converted land may be assessed as  
21 undeveloped under s. 70.32 (2) (a) 5., as agricultural forest under s. 70.32 (2) (a) 5m.,  
22 as productive forest land under s. 70.32 (2) (a) 6., or as other under s. 70.32 (2) (a) 7.  
23 or if the amount of the penalty conversion charge determined under sub. (2)  
24 represents less than \$25 for each acre of converted land.

25           **SECTION 5.** 74.485 (4) (b) of the statutes is amended to read:

**ASSEMBLY BILL 470****SECTION 5**

1           74.485 (4) (b) If a person owes a penalty conversion charge under sub. (2), the  
2 treasurer of the county in which the person's land is located may defer payment of  
3 the penalty conversion charge to the succeeding taxable year if the person  
4 demonstrates to the assessor of the taxation district in which the land is located that  
5 the person's land will be used as agricultural land in the succeeding taxable year.  
6 A person who receives a deferral under this paragraph is not subject to the penalty  
7 conversion charge under sub. (2) related to the deferral, if the person's land is used  
8 as agricultural land in the succeeding taxable year. If the land of a person who  
9 receives a deferral under this paragraph is not used as agricultural land in the  
10 succeeding taxable year, the person shall pay the penalty conversion charge with  
11 interest at the rate of 1% a month, or fraction of a month, from the date that the  
12 treasurer granted a deferral to the date that the penalty conversion charge is paid.

13           **SECTION 6.** 74.485 (5) of the statutes is amended to read:

14           74.485 (5) PAYMENT. Except as provided in sub. (4), a person who owes a penalty  
15 conversion charge under sub. (2) shall pay the penalty conversion charge to the  
16 county in which the person's land related to the penalty conversion charge is located  
17 no later than 30 days after the date that the penalty conversion charge is assessed.  
18 A penalty conversion charge that is not paid on the date it is due is considered  
19 delinquent and shall be paid with interest at the rate of 1% a month, or fraction of  
20 a month, from the date that the penalty conversion charge is assessed to the date that  
21 the penalty conversion charge is paid. The county shall collect an unpaid penalty  
22 conversion charge as a special charge against the land related to the penalty  
23 conversion charge.

24           **SECTION 7.** 74.485 (6) of the statutes is amended to read:

**ASSEMBLY BILL 470**

1           74.485 (6) DISTRIBUTION. A county that collects a penalty conversion charge  
2 under this section shall distribute 50% of the amount of the penalty conversion  
3 charge to the taxation district in which the land related to the penalty conversion  
4 charge is located. If the land related to the penalty conversion charge is located in  
5 2 or more taxation districts, the county shall distribute 50% of the amount of the  
6 penalty conversion charge to the taxation districts in proportion to the equalized  
7 value of the land related to the penalty conversion charge that is located in each  
8 taxation district. A taxation district shall distribute 50% of any amount it receives  
9 under this subsection to an adjoining taxation district, if the taxation district in  
10 which the land related to the penalty conversion charge is located annexed the land  
11 related to the penalty conversion charge from the adjoining taxation district in either  
12 of the 2 years preceding a distribution under this subsection.

13           **SECTION 8.** 74.485 (7) (b) of the statutes is amended to read:

14           74.485 (7) (b) Whether the person who owns the land and who is selling the land  
15 has been assessed a penalty conversion charge under sub. (2) related to the land.

16           **SECTION 9.** 74.485 (8) of the statutes is amended to read:

17           74.485 (8) TAXATION DISTRICT ASSESSOR. The assessors of the taxation districts  
18 located in the county shall inform the county treasurer and the real property lister  
19 of all sales of agricultural land located in the county. No later than 15 days after the  
20 board of review has adjourned, the assessors shall also deliver to the county  
21 treasurer all information necessary to compute the conversion charges assessed  
22 under this section.

23           **SECTION 10.** 74.485 (9) of the statutes is amended to read:

24           74.485 (9) ADMINISTRATION. The county in which the land as described in sub.  
25 (1) is located shall administer the penalty conversion charge under this section.



2007-2008 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBs0164/P1ins  
JK:.....

Insert 2 - 6

1 ~~NO~~ and the current classification under s. 70.32 (2) (a) <sup>✓</sup> is not undeveloped,  
2 agricultural forest, productive forest land, or other,

Insert 2 - 23

3 ~~NO~~ After the person assessed or the occupant of the property receives notice under  
4 this section, <sup>✓</sup> if the assessor changes the assessment as a result of the examination  
5 of the rolls as provided in s. 70.45 <sup>✓</sup> and the assessor and the person assessed agree in  
6 writing to the assessment, no additional notice is required under this <sup>✓</sup> section and the  
7 person assessed may not object to or appeal the assessment.

Insert 2 - 25

8 ~~NO~~ The form shall also indicate whether the person assessed may be subject to a  
9 conversion charge under s. 74.485. <sup>✓</sup>

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

LRBs0164/P1dn

JK:.....

date

Jld

Representative Seidel:

Please review this draft carefully to ensure that it is consistent with your intent. This substitute amendment is based on the technical changes suggested by DOR.

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

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

LRBs0164/P1dn  
JK:jld:pg

November 1, 2007

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

**Kreye, Joseph**

**From:** Verette, Natalie  
**Sent:** Wednesday, November 07, 2007 4:35 PM  
**To:** Kreye, Joseph  
**Cc:** Ford, William  
**Subject:** FW: Draft review: LRB 07s0164/P1 Topic: Penalty for converting agricultural land; technical changes  
**Attachments:** LRBs0164\_P1; LRBs0164\_P1 Drafters\_Note

Hello Joe:

There are a few revisions that DOR and the assessors would like to see:

1. Revise Lines 16-20 on page 2 by striking portions and adding new language as follows:

*and as a form prescribed or approved by the department*

~~After the person assessed or the occupant of the property receives notice under this section, if the assessor changes the assessment as a result of the examination of the rolls as provided in s. 70.45 and the assessor and the person assessed agree in writing to the assessment, waives, in writing, their right to the 15-day notice of the changed assessment, no additional notice is required under this section and the person assessed may not object to or appeal the assessment.~~

I've been talking back and forth with DOR and the assessors since last Friday, so I can provide you with the reasoning behind these revisions if that would be helpful to you.

2. DOR would like to remove the words in red from lines 20-22 on page 2:

"The secretary of revenue shall ~~by rule~~ prescribe the form of the notice required under this section."

The notice of assessment is the only form that DOR prescribes through a rule, which hinders any change that would include the AB 470's proposal for notification of a potential use-value penalty. All other forms are prescribed through the *Wisconsin Property Assessment Manual*.

3. DOR is also recommending that the statute require DOR to prescribe the waiver form or have DOR approve the waiver form if a municipality creates their own. Can you work that into the bill?

DOR provided the following excerpt from the *Wisconsin Property Assessment Manual* regarding a similar practice that is provided under sec. 70.09(3).

The forms which are prescribed by the Department of Revenue, under authority of s. 70.09(3), Stats., contain important and specific elements that must be incorporated in the forms kept by all taxation districts. If a municipality or county has reason to use forms which differ from those prescribed by the Department, they must contact the Department for approval of the alternate forms (s. 70.09(3), Stats.).

The Department will review alternate forms to ensure that they contain the necessary and prescribed information; are in a similar format to the prescribed form; are as uniform as possible; and meet the statutory and departmental standards. An assessment office should not use any locally generated form until it has been approved by the Department of Revenue. Requests for form approval should be sent to the following agency:

Wisconsin Department of Revenue  
 Bureau of Assessment Practices, M/S 6-97  
 P.O. Box 8971  
 Madison, Wisconsin 53708-8971

11/07/2007

Hopefully these changes are straight forward and fairly simple to incorporate. If it's possible, I would like to do these as a /P2 so that I can have everyone take a final look before jacketing it. Everything the treasurers want is already included, so they are happy with the amendment as is and should be fine with the additional revisions. Please let me know if you have any questions. I appreciate all of your help and patience.

Thank you,  
Natalie

---

**From:** Duerst, Christina

**Sent:** Thursday, November 01, 2007 10:43 AM

**To:** Rep.Seidel

**Subject:** Draft review: LRB 07s0164/P1 Topic: Penalty for converting agricultural land; technical changes

**Following is the PDF version of draft LRB 07s0164/P1 and drafter's note.**



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRBs0164/P1  
JK:jld:pg

RM not R

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION  
ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 2007 ASSEMBLY BILL 470

in 11-7-07

due Friday 11-9

SA ✓  
X-ref ✓

D-N

Regen

1 AN ACT *to amend* 70.365, 74.485 (title), 74.485 (2) (intro.), 74.485 (4) (a), 74.485  
2 (4) (b), 74.485 (5), 74.485 (6), 74.485 (7) (b), 74.485 (8) and 74.485 (9) of the  
3 statutes; **relating to:** the penalty for converting agricultural land.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

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5 **70.365 Notice of changed assessment.** When the assessor assesses any  
6 taxable real property, or any improvements taxed as personal property under s. 77.84  
7 (1), and arrives at a different total than the assessment of it for the previous year,  
8 the assessor shall notify the person assessed if the address of the person is known  
9 to the assessor, otherwise the occupant of the property. The If the assessor  
10 determines that land assessed under s. 70.32 (2r) for the previous year is no longer  
11 eligible to be assessed under s. 70.32 (2r), and the current classification under s.

1 70.32 (2) (a) is not undeveloped, agricultural forest, productive forest land, or other,  
 2 the assessor shall notify the person assessed if the assessor knows the person's  
 3 address, or otherwise the occupant of the property, that the person assessed may be  
 4 subject to a conversion charge under s. 74.485. Any notice issued under this section  
 5 shall be in writing and shall be sent by ordinary mail at least 15 days before the  
 6 meeting of the board of review or before the meeting of the board of assessors in 1st  
 7 class cities and in 2nd class cities that have a board of assessors under s. 70.075 and  
 8 shall contain the amount of the changed assessment and the time, date, and place  
 9 of the meeting of the local board of review or of the board of assessors. However, if  
 10 the assessment roll is not complete, the notice shall be sent by ordinary mail at least  
 11 15 days prior to the date to which the board of review has adjourned. The assessor  
 12 shall attach to the assessment roll a statement that the notices required by this  
 13 section have been mailed and failure to receive the notice shall not affect the validity  
 14 of the changed assessment, the resulting changed tax, the procedures of the board  
 15 of review or of the board of assessors or the enforcement of delinquent taxes by  
 16 statutory means. After the person assessed or the occupant of the property receives  
 17 notice under this section, if the assessor changes the assessment as a result of the  
 18 examination of the rolls as provided in s. 70.45 and ~~the assessor and the person~~  
 19 assessed ~~agree in writing to the assessment,~~ no additional notice is required under  
 20 this section ~~and the person assessed may not object to or appeal the assessment.~~ The  
 21 secretary of revenue shall ~~by rule~~ prescribe the form of the notice required under this  
 22 section. The form shall include information notifying the taxpayer of the procedures  
 23 to be used to object to the assessment. The form shall also indicate whether the  
 24 person assessed may be subject to a conversion charge under s. 74.485.

SECTION 2. 74.485 (title) of the statutes is amended to read:

waives, in writing and on a form prescribed or approved by  
the department of revenue, the person's right to the 15-day notice  
of the changed

1           **74.485 (title) Penalty Charge for converting agricultural land.**

2           **SECTION 3.** 74.485 (2) (intro.) of the statutes is amended to read:

3           74.485 (2) PENALTY CONVERSION CHARGE. (intro.) Except as provided in sub. (4),  
4           a person who owns land that has been assessed as agricultural land under s. 70.32  
5           (2r) and who converts the land's use so that the land is not eligible to be assessed as  
6           agricultural land under s. 70.32 (2r), as determined by the assessor of the taxation  
7           district in which the land is located, shall pay a penalty conversion charge to the  
8           county in which the land is located in an amount, calculated by the county treasurer,  
9           that is equal to the number of acres converted multiplied by the amount of the  
10          difference between the average fair market value of an acre of agricultural land sold  
11          in the county in the year before the year that the person converts the land, as  
12          determined under sub. (3), and the average equalized value of an acre of agricultural  
13          land in the county in the year before the year that the person converts the land, as  
14          determined under sub. (3), multiplied by the following:

15          **SECTION 4.** 74.485 (4) (a) of the statutes is amended to read:

16          74.485 (4) (a) A person who owns land that has been assessed as agricultural  
17          land under s. 70.32 (2r) and who converts the land's use so that the land is not eligible  
18          to be assessed as agricultural land under s. 70.32 (2r) is not subject to a penalty  
19          conversion charge under sub. (2) if the converted land may be assessed as  
20          undeveloped under s. 70.32 (2) (a) 5., as agricultural forest under s. 70.32 (2) (a) 5m.,  
21          as productive forest land under s. 70.32 (2) (a) 6., or as other under s. 70.32 (2) (a) 7.  
22          or if the amount of the penalty conversion charge determined under sub. (2)  
23          represents less than \$25 for each acre of converted land.

24          **SECTION 5.** 74.485 (4) (b) of the statutes is amended to read:

1           74.485 (4) (b) If a person owes a penalty conversion charge under sub. (2), the  
2 treasurer of the county in which the person's land is located may defer payment of  
3 the penalty conversion charge to the succeeding taxable year if the person  
4 demonstrates to the assessor of the taxation district in which the land is located that  
5 the person's land will be used as agricultural land in the succeeding taxable year.  
6 A person who receives a deferral under this paragraph is not subject to the penalty  
7 conversion charge under sub. (2) related to the deferral, if the person's land is used  
8 as agricultural land in the succeeding taxable year. If the land of a person who  
9 receives a deferral under this paragraph is not used as agricultural land in the  
10 succeeding taxable year, the person shall pay the penalty conversion charge with  
11 interest at the rate of 1% a month, or fraction of a month, from the date that the  
12 treasurer granted a deferral to the date that the penalty conversion charge is paid.

13           **SECTION 6.** 74.485 (5) of the statutes is amended to read:

14           74.485 (5) PAYMENT. Except as provided in sub. (4), a person who owes a penalty  
15 conversion charge under sub. (2) shall pay the penalty conversion charge to the  
16 county in which the person's land related to the penalty conversion charge is located  
17 no later than 30 days after the date that the penalty conversion charge is assessed.  
18 A penalty conversion charge that is not paid on the date it is due is considered  
19 delinquent and shall be paid with interest at the rate of 1% a month, or fraction of  
20 a month, from the date that the penalty conversion charge is assessed to the date that  
21 the penalty conversion charge is paid. The county shall collect an unpaid penalty  
22 conversion charge as a special charge against the land related to the penalty  
23 conversion charge.

24           **SECTION 7.** 74.485 (6) of the statutes is amended to read:

1           74.485 (6) DISTRIBUTION. A county that collects a penalty conversion charge  
2 under this section shall distribute 50% of the amount of the penalty conversion  
3 charge to the taxation district in which the land related to the penalty conversion  
4 charge is located. If the land related to the penalty conversion charge is located in  
5 2 or more taxation districts, the county shall distribute 50% of the amount of the  
6 penalty conversion charge to the taxation districts in proportion to the equalized  
7 value of the land related to the penalty conversion charge that is located in each  
8 taxation district. A taxation district shall distribute 50% of any amount it receives  
9 under this subsection to an adjoining taxation district, if the taxation district in  
10 which the land related to the penalty conversion charge is located annexed the land  
11 related to the penalty conversion charge from the adjoining taxation district in either  
12 of the 2 years preceding a distribution under this subsection.

13           **SECTION 8.** 74.485 (7) (b) of the statutes is amended to read:

14           74.485 (7) (b) Whether the person who owns the land and who is selling the land  
15 has been assessed a penalty conversion charge under sub. (2) related to the land.

16           **SECTION 9.** 74.485 (8) of the statutes is amended to read:

17           74.485 (8) TAXATION DISTRICT ASSESSOR. The assessors of the taxation districts  
18 located in the county shall inform the county treasurer and the real property lister  
19 of all sales of agricultural land located in the county. No later than 15 days after the  
20 board of review has adjourned, the assessors shall also deliver to the county  
21 treasurer all information necessary to compute the conversion charges assessed  
22 under this section.

23           **SECTION 10.** 74.485 (9) of the statutes is amended to read:

24           74.485 (9) ADMINISTRATION. The county in which the land as described in sub.  
25 (1) is located shall administer the penalty conversion charge under this section.



S-0164/P2du

D-N

Rep. Seibel:

This draft is based on the e-mail I received  
from Natalie on November 7, 2007.

Jk



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

LRBs0164/P2dn  
JK:jld:rs

November 8, 2007

Rep. Seidel:

This draft is based on the e-mail I received from Natalie on November 7, 2007.

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:** Verette, Natalie  
**Sent:** Friday, November 09, 2007 4:40 PM  
**To:** Kreye, Joseph  
**Cc:** Duerst, Christina  
**Subject:** FW: Draft review: LRB 07s0164/P2 Topic: Penalty for converting agricultural land; technical changes  
**Attachments:** LRBs0164\_P2; LRBs0164\_P2 Drafters\_Note

Hi Joe:

I got the final OK from DOR, the Assessors and the Treasurers, so the sub can be prepared for introduction. Thanks for all of your work on this.

Have a good weekend,  
Natalie

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Natalie Verette  
Legislative Assistant  
**Office of State Representative Donna Seidel**  
85th Assembly District

State Capitol, 7 North  
P.O. Box 8953  
Madison, WI 53708

608.266.0654  
888.534.0085 (toll-free)  
natalie.verette@legis.wisconsin.gov

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**From:** Duerst, Christina  
**Sent:** Thursday, November 08, 2007 12:20 PM  
**To:** Rep.Seidel  
**Subject:** Draft review: LRB 07s0164/P2 Topic: Penalty for converting agricultural land; technical changes

**Following is the PDF version of draft LRB 07s0164/P2 and drafter's note.**



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRBs0164/P2

JK:jld:rs

*M. M. R.*

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~  
**ASSEMBLY SUBSTITUTE AMENDMENT ,**  
**TO 2007 ASSEMBLY BILL 470**

*SA J  
x-18-V*

*in 11-12-07*

*Today*

*Regen*

1 **AN ACT to amend** 70.365, 74.485 (title), 74.485 (2) (intro.), 74.485 (4) (a), 74.485  
2 (4) (b), 74.485 (5), 74.485 (6), 74.485 (7) (b), 74.485 (8) and 74.485 (9) of the  
3 statutes; **relating to:** the penalty for converting agricultural land.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

4 **SECTION 1.** 70.365 of the statutes is amended to read:  
5 **70.365 Notice of changed assessment.** When the assessor assesses any  
6 taxable real property, or any improvements taxed as personal property under s. 77.84  
7 (1), and arrives at a different total than the assessment of it for the previous year,  
8 the assessor shall notify the person assessed if the address of the person is known  
9 to the assessor, otherwise the occupant of the property. The If the assessor  
10 determines that land assessed under s. 70.32 (2r) for the previous year is no longer  
11 eligible to be assessed under s. 70.32 (2r), and the current classification under s.

1 70.32 (2) (a) is not undeveloped, agricultural forest, productive forest land, or other,  
2 the assessor shall notify the person assessed if the assessor knows the person's  
3 address, or otherwise the occupant of the property, that the person assessed may be  
4 subject to a conversion charge under s. 74.485. Any notice issued under this section  
5 shall be in writing and shall be sent by ordinary mail at least 15 days before the  
6 meeting of the board of review or before the meeting of the board of assessors in 1st  
7 class cities and in 2nd class cities that have a board of assessors under s. 70.075 and  
8 shall contain the amount of the changed assessment and the time, date, and place  
9 of the meeting of the local board of review or of the board of assessors. However, if  
10 the assessment roll is not complete, the notice shall be sent by ordinary mail at least  
11 15 days prior to the date to which the board of review has adjourned. The assessor  
12 shall attach to the assessment roll a statement that the notices required by this  
13 section have been mailed and failure to receive the notice shall not affect the validity  
14 of the changed assessment, the resulting changed tax, the procedures of the board  
15 of review or of the board of assessors or the enforcement of delinquent taxes by  
16 statutory means. After the person assessed or the occupant of the property receives  
17 notice under this section, if the assessor changes the assessment as a result of the  
18 examination of the rolls as provided in s. 70.45 and the person assessed waives, in  
19 writing and on a form prescribed or approved by the department of revenue, the  
20 person's right to the 15-day notice of the changed assessment, no additional notice  
21 is required under this section. The secretary of revenue shall by rule prescribe the  
22 form of the notice required under this section. The form shall include information  
23 notifying the taxpayer of the procedures to be used to object to the assessment. The  
24 form shall also indicate whether the person assessed may be subject to a conversion  
25 charge under s. 74.485.

1           **SECTION 2.** 74.485 (title) of the statutes is amended to read:

2           **74.485 (title) Penalty Charge for converting agricultural land.**

3           **SECTION 3.** 74.485 (2) (intro.) of the statutes is amended to read:

4           **74.485 (2) PENALTY CONVERSION CHARGE.** (intro.) Except as provided in sub. (4),  
5 a person who owns land that has been assessed as agricultural land under s. 70.32  
6 (2r) and who converts the land's use so that the land is not eligible to be assessed as  
7 agricultural land under s. 70.32 (2r), as determined by the assessor of the taxation  
8 district in which the land is located, shall pay a penalty conversion charge to the  
9 county in which the land is located in an amount, calculated by the county treasurer,  
10 that is equal to the number of acres converted multiplied by the amount of the  
11 difference between the average fair market value of an acre of agricultural land sold  
12 in the county in the year before the year that the person converts the land, as  
13 determined under sub. (3), and the average equalized value of an acre of agricultural  
14 land in the county in the year before the year that the person converts the land, as  
15 determined under sub. (3), multiplied by the following:

16           **SECTION 4.** 74.485 (4) (a) of the statutes is amended to read:

17           **74.485 (4) (a)** A person who owns land that has been assessed as agricultural  
18 land under s. 70.32 (2r) and who converts the land's use so that the land is not eligible  
19 to be assessed as agricultural land under s. 70.32 (2r) is not subject to a penalty  
20 conversion charge under sub. (2) if the converted land may be assessed as  
21 undeveloped under s. 70.32 (2) (a) 5., as agricultural forest under s. 70.32 (2) (a) 5m.,  
22 as productive forest land under s. 70.32 (2) (a) 6., or as other under s. 70.32 (2) (a) 7.  
23 or if the amount of the penalty conversion charge determined under sub. (2)  
24 represents less than \$25 for each acre of converted land.

25           **SECTION 5.** 74.485 (4) (b) of the statutes is amended to read:

1           74.485 (4) (b) If a person owes a penalty conversion charge under sub. (2), the  
2 treasurer of the county in which the person's land is located may defer payment of  
3 the penalty conversion charge to the succeeding taxable year if the person  
4 demonstrates to the assessor of the taxation district in which the land is located that  
5 the person's land will be used as agricultural land in the succeeding taxable year.  
6 A person who receives a deferral under this paragraph is not subject to the penalty  
7 conversion charge under sub. (2) related to the deferral, if the person's land is used  
8 as agricultural land in the succeeding taxable year. If the land of a person who  
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10 succeeding taxable year, the person shall pay the penalty conversion charge with  
11 interest at the rate of 1% a month, or fraction of a month, from the date that the  
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18 A penalty conversion charge that is not paid on the date it is due is considered  
19 delinquent and shall be paid with interest at the rate of 1% a month, or fraction of  
20 a month, from the date that the penalty conversion charge is assessed to the date that  
21 the penalty conversion charge is paid. The county shall collect an unpaid penalty  
22 conversion charge as a special charge against the land related to the penalty  
23 conversion charge.

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1           74.485 (6) DISTRIBUTION. A county that collects a penalty conversion charge  
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4 charge is located. If the land related to the penalty conversion charge is located in  
5 2 or more taxation districts, the county shall distribute 50% of the amount of the  
6 penalty conversion charge to the taxation districts in proportion to the equalized  
7 value of the land related to the penalty conversion charge that is located in each  
8 taxation district. A taxation district shall distribute 50% of any amount it receives  
9 under this subsection to an adjoining taxation district, if the taxation district in  
10 which the land related to the penalty conversion charge is located annexed the land  
11 related to the penalty conversion charge from the adjoining taxation district in either  
12 of the 2 years preceding a distribution under this subsection.

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14           74.485 (7) (b) Whether the person who owns the land and who is selling the land  
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17           74.485 (8) TAXATION DISTRICT ASSESSOR. The assessors of the taxation districts  
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20 board of review has adjourned, the assessors shall also deliver to the county  
21 treasurer all information necessary to compute the conversion charges assessed  
22 under this section.

23           **SECTION 10.** 74.485 (9) of the statutes is amended to read:

24           74.485 (9) ADMINISTRATION. The county in which the land as described in sub.  
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