2007 SENATE BILL 220

June 25, 2007 – Introduced by Senators PLALE, BRESKE, HANSEN, LAZICH and SCHULTZ, cosponsored by Representatives GUNDERSON, ALBERS, BALLWEG, BIES, FIELDS, GRONEMUS, HIXSON, HONADEL, MUSser, MONTGOMERY, NASS, NEWCOMER, A. Ott, PETROWSKI, SHERIDAN, TOWNSEND and VOS. Referred to Committee on Commerce, Utilities and Rail.

AN ACT to renumber and amend 70.34; and to create 70.34 (2) of the statutes; relating to: determining the value of billboards for personal property 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.2nd 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, leasehold interests, or other intangibles with regard to the billboard for the purpose of determining the billboard’s assessed value.
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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:

SECTION 1. 70.34 of the statutes is renumbered 70.34 (1) and amended to read:

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

SECTION 2. 70.34 (2) of the statutes is created to read:

70.34 (2) The assessor shall determine the value of an outdoor off-premises advertising sign by subtracting depreciation from the cost of reproducing the sign, consistent with the cost approach specified in the Wisconsin property assessment manual provided under s. 73.03 (2a). The value determined under this subsection shall not include the value of any permits issued, leasehold interests, or other intangibles with regard to the outdoor off-premises advertising sign. In this subsection, “off-premises advertising sign” means a sign that does not advertise the business or activity that occurs on the site where the sign is located.
SECTION 3. Initial applicability.

(1) This act first applies to the property tax assessments as of January 1, 2007.

(END)