

2011 DRAFTING REQUEST

Bill

Received: **09/29/2011**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB: **-3068**

For: **Kathleen Vinehout (608) 266-8546**

By/Representing: **joel**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Property - other**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

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

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

Pre Topic:

No specific pre topic given

Topic:

Correcting the equalized valuation for the Village of Warrens

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>
/?	jkreye 09/29/2011	jdyer 09/30/2011		_____			S&L
/1			jfrantze 09/30/2011	_____	sbasford 09/30/2011	lparisi 10/05/2011	

FE Sent For:

<END>

*act intro
10-6-11*

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1/?	jkreye	1/9/30 jld	7/6 9/30	8/9/30 7/6			

FE Sent For:

<END>

Bill Request Form

Legislative Reference Bureau
One East Main Street, Suite 200
Legal Section 266-3561

You may use this form or talk directly with the LRB attorney who will draft the bill.

Date 9/28/11

Legislator, agency, or other person requesting this draft Sen. Vinehout

Person submitting request (name and phone number) Joel Nilsestuen, 6-8546

Persons to contact for questions about this draft (names and phone numbers) same

Describe the problem, including any helpful examples. How do you want to solve the problem?

Need a bill to require DOR to correct its error in the 2011 TID valuation. Similar to AB 272, in this instance DOR undervalued TID by \$4.7MM.

Please attach a copy of any correspondence or other material that may help us. If you know of any statute sections that might be affected, list them or provide a marked-up copy.

DOR Memo

You may attach a marked-up copy of any LRB draft or provide its number (e.g., 2005 LRB-2345/1 or 2003 AB-67).

2011 AB 272,

Requests are confidential unless stated otherwise. May we tell others that we are working on this for you? YES NO

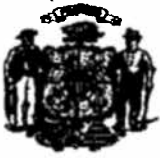
If yes: Anyone who asks? YES NO
Any legislator? YES

Only the following persons Rep. Radcliffe & staff

Do you consider this request urgent? YES NO If yes, please indicate why Need remedy prior to December tax rolls.

Should we give this request priority over any pending request of this legislator, agency, or person?

YES

**State of Wisconsin • DEPARTMENT OF REVENUE**

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF PROPERTY TAX • EQUALIZATION SECTION • PROPERTY ASSESSMENT OFFICE-EAU CLAIRE DISTRICT • EAU CLAIRE, WI

ADDRESS MAIL TO:

610 Gibson St, Suite 7
Eau Claire, WI 54701-3894
TELEPHONE: (715) 836-2866
FAX: (715) 836-6690

September 21, 2011

Jolene Rhea, Clerk
Village of Warrens
P.O. Box 97
Warrens, WI 54666

Dear Ms. Rhea,

This letter is to inform you of an error in the 2011 Tax Increment District (TID) value for TID #1 in the Village of Warrens, Monroe County, and to identify the correction process. The assessor submitted an estimated total assessed value of \$55,117,000 for TID #1 on June 9, 2011. We adjusted the TID assessment by the estimated 2011 level of assessment of 109.64% in order to determine the full value of the TID. The level of assessment was an estimate since the Village had not completed the 2011 assessments at the time of the calculation.

During our 2011 sales analysis, an economic decrease was applied to the Village that reflected the 2010 sales of *The Three Bears Lodge* and *Cranberry Express*. The ratio of 109.64% was automatically generated by dividing the 2010 Statement of Assessments by the 2011 economic adjusted Equalized Value. This ratio was applied to determine the 2011 value for TID #1 of \$50,270,900.

Because the ratio of 109.64% does not reflect the lower 2011 assessed value reported in the TID, the result was an understatement of the TID value for 2011. A recalculated ratio of 100.25% should have been applied to reflect the change in the TID's 2011 assessed value. The correct 2011 calculation is: $\$55,117,000 / 100.25\% = \$54,979,600$.

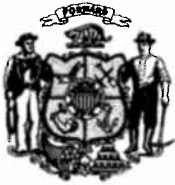
The correction process is identified in sec.70.57, Wis. Stats., and will be used in 2012 to adjust for the understatement of value in 2011. Specifically, the 2012 increment value will be adjusted by +\$4,708,700 for the under valuation that occurred in 2011. This adjustment ensures that taxpayers are made whole since the 2011 apportionment values were based upon the incorrect 2011 Increment Value of TID #1. Please note that the reported 2011 assessed value for the TID was an estimate and may change the amount of the compensation when the final TID report is submitted.

Feel free to contact me with additional questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Jeanne Pendl".

Jeanne Pendl
Property Assessment Specialist
Western District Equalization Office
608-526-4430
Jeanne.pendl@revenue.wi.gov



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2894/1

JK:jld:ph

2011 BILL

Stays ↑

2011 ASSEMBLY BILL 272

3036/1

in 9-29

due 10-6

September 21, 2011 - Introduced by Representative KERKMAN, cosponsored by Senators WIRCH, WANGGAARD and DARLING. Referred to Committee on Ways and Means.

undervalued a tax increment district in

X

Regen

1

AN ACT relating to: correcting the 2011 equalized valuation for the village of

2

Twin Lakes

Warrens
Warrens

Analysis by the Legislative Reference Bureau

Under current law, annually, the Department of Revenue (DOR) determines the full value of the property of each county and taxation district. This property valuation is known as "equalized value." DOR determines the equalized value of all property in the state to ensure, generally, that the property is being assessed at its full value. If DOR makes an error in determining the equalized value of the property of any county or taxation district, DOR corrects the error by adjusting the county's or taxation district's equalized value in the year after the year in which DOR made the error.

In 2011, DOR overvalued the property of the village of Twin Lakes by almost \$70,000,000. This bill requires that, no later than November 30, 2011, DOR correct the 2011 equalized value determined for the village of Twin Lakes.

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:

3

SECTION 1. Nonstatutory provisions.

Warrens
Warrens

LRS-use 2 times

\$4,708,700

ASSEMBLY BILL 272

SECTION 1

WARRENS ^{EF}

1 (1) VILLAGE OF TWIN LAKES EQUALIZED VALUE. Notwithstanding section 70.57 (1)
2 (d) and (4) of the statutes, the department of revenue shall, no later than November
3 30, 2011, correct the equalized valuation of the property of the village of Twin Lakes
4 as determined under section 70.57 of the statutes, for 2011 and shall apportion
5 county, school district, technical college district, and protection and rehabilitation
6 district taxes, and state forestation taxes under section 70.58 of the statutes, to the
7 village using the village's correct valuation.

(END)

Warrens
Warrens

• **Parisi, Lori**

From: Nilsestuen, Joel
Sent: Wednesday, October 05, 2011 12:42 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-3036/1 Topic: Correcting the equalized valuation for the Village of Warrens

Please Jacket LRB 11-3036/1 for the SENATE.