

2017 DRAFTING REQUEST

Bill

For: **Legislative Council -law rev com** Drafter: **kpleviak**
 By: **Mike Queensland** Secondary Drafters: **jkreye**
 Date: **12/27/2016** May Contact:
 Same as LRB:

Submit via email: **YES**
 Requester's email: **Michael.Queensland@legis.wisconsin.gov**
 Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**
krista.pleviak@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Repeal assessment freeze provisions

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	kpleviak 1/3/2017	anienaja 1/11/2017	mbarman 1/4/2017		State S&L
/1			hkohn 1/11/2017	hkohn 1/11/2017	State S&L

FE Sent For:

<END>

AT
INTRO.

For consideration by the Law Revision Committee:

The issue relates to court cases that found statutes unconstitutional and the references have remained vestigial in statutes since. The removal of these items would not have any fiscal effect or policy implications, since they have not been in effect for several years (and in the case of Gottlieb, several decades).

Request:

Section 70.105, Wis. Stats., creates an "assessment freeze" for property that has been acquired by a private party to replace property they sold to a governmental agency for public purposes. This has been held unconstitutional since *Gottlieb v. City of Milwaukee* (1967). DOR recommends repealing s. 70.105.



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1280/P1

KRP:...

01/03/17

01/04/17 (Wed.)

emw

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

S.A.V.
XREF ✓

1 AN ACT ^{Gen.} relating to: eliminating the property tax assessment freeze
(2) (suggested as remedial legislation by ^{the} Department of Revenue). ✓

Analysis by the Legislative Reference Bureau

This bill eliminates a property tax assessment freeze applicable to certain replacement property. Under current law, if a property owner 1) conveys property under threat of condemnation or through condemnation proceedings for the benefit of a public entity to be used for public purposes and 2) acquires a property to replace the conveyed property (replacement property), a municipality may "freeze" the assessed value of the replacement property, for up to five years, at an amount equal to the assessed value of the conveyed property in the year immediately preceding the conveyance. However, in *Gottlieb v. City of Milwaukee*, 33 Wis.2d 408, 147 N.W.2d 633 (1967), the Wisconsin Supreme Court held that the uniformity clause of the Wisconsin Constitution requires that all property that is taxed must be taxed in its entirety and at the same rate that applies to all other property in a taxation district. The court concluded that a property tax assessment freeze applicable to urban redevelopment corporations was unconstitutional because it constituted a partial exemption from the property tax.

*

The bill eliminates the property tax assessment freeze applicable to replacement property.



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1280/P1
KRP:emw

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SAV

Troby 1-11
#

no changes

- 1 **AN ACT** *to repeal* 70.105 of the statutes; **relating to:** eliminating the property
- 2 tax assessment freeze (suggested as remedial legislation by the Department of
- 3 Revenue).

Analysis by the Legislative Reference Bureau

This bill eliminates a property tax assessment freeze applicable to certain replacement property. Under current law, if a property owner 1) conveys property under threat of condemnation or through condemnation proceedings for the benefit of a public entity to be used for public purposes and 2) acquires a property to replace the conveyed property (replacement property), a municipality may “freeze” the assessed value of the replacement property, for up to five years, at an amount equal to the assessed value of the conveyed property in the year immediately preceding the conveyance. However, in *Gottlieb v. City of Milwaukee*, 33 Wis. 2d 408, 147 N.W.2d 633 (1967), the Wisconsin Supreme Court held that the uniformity clause of the Wisconsin Constitution requires that all property that is taxed must be taxed in its entirety and at the same rate that applies to all other property in a taxation district. The court concluded that a property tax assessment freeze applicable to urban redevelopment corporations was unconstitutional because it constituted a partial exemption from the property tax.

The bill eliminates the property tax assessment freeze applicable to replacement property.

2017-18 Law Revision Committee Agency Submissions

Department of Administration

- LRB-1278/3

Department of Children and Families

- LRB-1105/2
- LRB-1106/3
- LRB-1158/3
- ~~Subsidized guardianship request going in Correction Bill~~

Department of Employee Trust Funds

- ~~LRB-1356/P1 (item #1) (Do not jacket - pull this bill draft at agency's request)~~
- LRB-1357/P1 (item #2)
- LRB-1370/P1 (item #4)
- LRB-1359/P1 (item #5)
- LRB-1360/P1 (item #6)
- LRB-1361/1 (item #7)
- ~~ETF item #3 will be addressed in a Correction Bill~~

Department of Public Instruction

- ~~LRB-1298/1 (Do not jacket - will be addressed in a Correction Bill)~~
- LRB-1299/1
- LRB-1300/1
- LRB-1301/1

Department of Revenue

- ✓ LRB-1280/P1
- ✓ LRB-1337/P1

Department of Transportation

- LRB-1216/2
- LRB-1217/2
- LRB-1219/2
- LRB-0266/1 (already jacketed)
- LRB-0267/1 (already jacketed)

State Public Defender

- LRB-1220/1 (already jacketed)
- LRB-1264/3
- LRB-1265/2

