

1985 Assembly Bill 4

Date of enactment: February 27, 1985

Date of publication: March 6, 1985

1985 Wisconsin Act 4

AN ACT to amend 79.10 (6) (intro.) and 79.105 (1) (a) 2 and (2) (a); and to create 79.10 (4) (d), 79.10 (7) and 79.105 (4) of the statutes, relating to adjustments of Wisconsin state property tax relief credits due to annexations.

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

SECTION 1. 79.10 (4) (d) of the statutes is created to read:

79.10 (4) (d) "Proportion annexed" means the amount determined by dividing the equalized value of the property annexed by a municipality by the equalized value of all property in the municipality from which the property was annexed, both values as determined under s. 70.57 in the year in which the annexation took place.

SECTION 2. 79.10 (6) (intro.) of the statutes is amended to read:

79.10 (6) PROPORTIONAL DISTRIBUTIONS. (intro.) From the appropriation under s. 20.835 (2) (a), the following amounts shall be distributed to municipalities in proportion to their share, as adjusted under sub. (7), of statewide average property tax levies:

SECTION 3. 79.10 (7) of the statutes is created to read:

79.10 (7) ANNEXATION ADJUSTMENT. If, during any of the 3 years preceding the assessment year to which the tax credit is to apply, a municipality has annexed property which, in total, has an equalized value of more than 5% of the equalized value of the annexing municipality prior to the annexation, both values as determined under s. 70.57 in the year in which the annexation took place, the municipality's share under sub. (6) of statewide average property tax levies shall be adjusted in the following manner. When computing the municipality's share of statewide property tax levies for the year in which the annexation took place and any preceding years included in the 3-year average, the share of statewide property tax levies for the municipality annexing property will include the sum of the amounts determined by multiplying the proportion annexed by the property tax levies of each municipality from which property was annexed. The share of statewide property tax levies for each municipality from which property was annexed will exclude an amount equal to the amount included in the annexing municipality's property tax levies under this subsection because of the annexation.

SECTION 4. 79.105 (1) (a) 2 and (2) (a) of the statutes are amended to read:

79.105 (1) (a) 2. If the combined payments to any municipality under s. 79.10 (2) and (6) in 1985 or any

year thereafter are less than 90% of the combined payments to the municipality under this section and s. 79.10 (2) and (6) in the previous year, after all adjustments under sub. (4), the municipality has a credits deficiency for that year. The amount of the credits deficiency is the amount by which 90% of the combined payments to the municipality in the previous year under this section and s. 79.10 (2) and (6), after all adjustments under sub. (4), exceed the combined payments to the municipality under s. 79.10 (2) and (6) in the current year.

(2) (a) Beginning in 1984, if the combined payments to a municipality in the current year under s. 79.10 (2) and (6) exceed the sum of its combined payments in the previous year under this section and s. 79.10, after all adjustments under sub. (4), multiplied by the maximum payment percentage for the current year, the excess shall be withheld to fund minimum payments under sub. (1) (b).

SECTION 5. 79.105 (4) of the statutes is created to read:

79.105 (4) ADJUSTMENTS DUE TO ANNEXATIONS. If, in the calendar year previous to the assessment year to which the tax credit determined under this subchapter is to apply, a municipality has annexed property that, in total, has an equalized value of more than 5% of the equalized value of the annexing municipality prior to the annexation, as determined under s. 70.57 in the year in which the annexation took place, the amount of the previous year's payment used to calculate the minimum and maximum payments under subs. (1) and (2) shall be increased by the sum of the amounts determined by multiplying the proportion annexed, as defined in s. 79.10 (4) (d), by the combined payments to each municipality from which the property was annexed under s. 79.10 (2) and (6) and this subsection in that previous year.

SECTION 6. Nonstatutory provisions; Wisconsin state property tax adjustments. (1) ANNEXATION ADJUSTMENTS. Notwithstanding sections 20.835 (2) (a) and 79.10 (2) (a) 2 and (6) (b) of the statutes, on the 4th Monday in July of 1985, or within 15 days after the effective date of this subsection, whichever is later, a distribution in addition to the distributions under section 79.10 (2) and (6) of the statutes shall be made by the department of administration to municipalities

from the appropriation under section 20.835 (2) (a) of the statutes, as determined under sub. (2).

(2) ANNEXATION ADJUSTMENT. If, in 1983, a municipality has annexed property which, in total, has an equalized value of more than 10% of the equalized value of the annexing municipality prior to the annexation, both values as determined under section 70.57 of the statutes in the year in which the annexation took place, and the amount which the municipality would have received in 1985 under subchapter II of chapter 79 of the statutes had the provisions of 1985 Wisconsin Act (this act) been in effect for 1985 exceeds the amount that the municipality was notified in 1984 that it will receive under subchapter II of chapter 79 of the statutes in 1985 by an amount which is greater than 0.05% of the equalized value of the municipality in 1984, then the municipality shall receive a payment equal to the amount by which the payment the municipality would have received in 1985

under subchapter II of chapter 79 of the statutes had the provisions of 1985 Wisconsin Act (this act) been in effect for 1985 exceeds the amount which the municipality was notified in 1984 that it will receive under subchapter II of chapter 79 of the statutes in 1985. Payments made to a municipality under this subsection shall be included in the payments made in 1985 which will be used as the base for computing minimum and maximum payments under section 79.105 of the statutes in the following year.

(3) TRANSFER TO TAXPAYERS. Any municipality receiving a payment under subsection (2) shall distribute that payment to the property taxpayers of that municipality within 15 days after its receipt proportionally on the basis of the assessed value of the taxpayer's property assessed by the municipality and shall notify each taxpayer to determine whether or not it is necessary to correct the amount of property taxes deducted for federal and state income tax purposes.