



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1791/P3
KP:klm/amn/wlj

DOA:.....Martin, BB0452 - Lac Courte Oreilles decision impacts

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

Refunds of certain tax payments made for nontaxable tribal land

The bill provides payments to individuals who paid property taxes levied between 2015 and 2021 on real property exempt from taxation under the 1854 Treaty of La Pointe and who did not pay such taxes under protest. A federal court recently held that, pursuant to the 1854 Treaty of La Pointe, the state and its political subdivisions are prohibited from taxing all real property within the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations if that property is owned by the tribe or by one or more tribal members. Generally, under current law, individuals who challenge the amount of their property taxes must satisfy certain requirements, such as paying their property taxes under protest, to be eligible to receive a refund if those taxes are later found unlawful.

SHARED REVENUE

Payments to counties and municipalities for nontaxable tribal land

The bill provides payments to counties and municipalities to compensate for not being able to impose local general property taxes on real property exempt from taxation under the 1854 Treaty of La Pointe.

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. 20.835 (1) (b) of the statutes is created to read:

20.835 (1) (b) *Refunds of certain tax payments made for nontaxable tribal land.* A sum sufficient to make the payments under 2025 Act (this act), section 9137 (1).

BILL**SECTION 1**

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.835 (1) (c) of the statutes is created to read:

20.835 (1) (c) *County and municipal aid for nontaxable tribal land.* The amounts in the schedule to make the payments under s. 79.07.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 3. 79.07 of the statutes is created to read:

79.07 County and municipal aid for nontaxable tribal land. (1)

Beginning in 2026, the following counties and towns shall annually receive a payment in an amount determined by the department of revenue under sub. (2):

- (a) Ashland County.
- (b) Bayfield County.
- (c) Iron County.
- (d) Sawyer County.
- (e) Vilas County.
- (f) Town of Ashland.
- (g) Town of Gingles.
- (h) Town of Sanborn.
- (i) Town of White River.
- (j) Town of Russell, located in Bayfield County.
- (k) Town of Sherman, located in Iron County.
- (L) Town of Bass Lake, located in Sawyer County.
- (m) Town of Couderay.
- (n) Town of Hayward.
- (o) Town of Radisson.

BILL**SECTION 3**

(p) Town of Sand Lake, located in Sawyer County.

(q) Town of Boulder Junction.

(r) Town of Lac du Flambeau.

(2) (a) The department of revenue shall annually determine the amount of the payment to each county and town under sub. (1) to compensate the county or town for the loss of property tax revenue as a result of not being able to legally impose local general property taxes on property located within the boundaries of an American Indian reservation and owned by the tribe or tribal members, consistent with the 1854 Treaty of La Pointe.

(b) The department of revenue shall certify the amount of the payment due each county and town under sub. (1) to the department of administration, and the department of administration shall make the payment on or before the first Monday in May.

SECTION 9137. Nonstatutory provisions; Revenue.

(1) REFUNDS OF CERTAIN TAX PAYMENTS MADE FOR NONTAXABLE TRIBAL LAND.

(a) In this subsection:

1. "Claimant" means an individual who paid property taxes levied between 2015 and 2021 on real property exempt from taxation under the 1854 Treaty of La Pointe and who did not pay such taxes under protest.

2. "Department" means the department of revenue.

(b) Subject to the limitations under this subsection, a claimant is eligible to receive a payment as determined under par. (d).

(c) A claimant may file a claim for a payment under this subsection to compensate the claimant for property taxes levied between 2015 and 2021 on real

BILL

property exempt from taxation under the 1854 Treaty of La Pointe that the claimant paid. The department shall establish procedures for claimants to file a claim for a payment under this subsection. No claimant may make a claim for a payment under this subsection after May 31, 2026.

(d) A claimant who files a claim under par. (c) shall receive a payment equal to the amount of property taxes levied between 2015 and 2021 on real property exempt from taxation under the Treaty of La Pointe paid by the claimant.

(e) For each payment under this subsection approved by the department, the department shall certify the allowable amount of the payment to the department of administration for payment to the claimant by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (1) (b). The department of administration shall make all payments due under this subsection no later than June 30, 2026.

(END)