



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4914/P2
KRP:emw

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

