

State of Misconsin 2017 - 2018 LEGISLATURE

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 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. 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:

Law Revision Committee prefatory note: This bill is a remedial legislation proposal, requested by the Department of Revenue and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 70.105 of the statutes is repealed.

NOTE: Deletes a property tax assessment freeze applicable to certain replacement property that was found unconstitutional by the Wisconsin Supreme Court in *Gottlieb v*. *City of Milwaukee*, 33 Wis. 2d 408, 147 N.W.2d 633 (1967).

2 SECTION 2. Initial applicability.

- 3 (1) This act first applies to taxes based on the assessment as of the January 1
- 4 after publication.

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(END)