



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBs0164/1
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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2007 ASSEMBLY BILL 470**

November 13, 2007 - Offered by Representative SEIDEL.

1 **AN ACT to amend** 70.365, 74.485 (title), 74.485 (2) (intro.), 74.485 (4) (a), 74.485
2 (4) (b), 74.485 (5), 74.485 (6), 74.485 (7) (b), 74.485 (8) and 74.485 (9) of the
3 statutes; **relating to:** the penalty for converting agricultural land.

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

4 **SECTION 1.** 70.365 of the statutes is amended to read:

5 **70.365 Notice of changed assessment.** When the assessor assesses any
6 taxable real property, or any improvements taxed as personal property under s. 77.84
7 (1), and arrives at a different total than the assessment of it for the previous year,
8 the assessor shall notify the person assessed if the address of the person is known
9 to the assessor, otherwise the occupant of the property. The If the assessor
10 determines that land assessed under s. 70.32 (2r) for the previous year is no longer
11 eligible to be assessed under s. 70.32 (2r), and the current classification under s.
12 70.32 (2) (a) is not undeveloped, agricultural forest, productive forest land, or other,

1 the assessor shall notify the person assessed if the assessor knows the person's
2 address, or otherwise the occupant of the property, that the person assessed may be
3 subject to a conversion charge under s. 74.485. Any notice issued under this section
4 shall be in writing and shall be sent by ordinary mail at least 15 days before the
5 meeting of the board of review or before the meeting of the board of assessors in 1st
6 class cities and in 2nd class cities that have a board of assessors under s. 70.075 and
7 shall contain the amount of the changed assessment and the time, date, and place
8 of the meeting of the local board of review or of the board of assessors. However, if
9 the assessment roll is not complete, the notice shall be sent by ordinary mail at least
10 15 days prior to the date to which the board of review has adjourned. The assessor
11 shall attach to the assessment roll a statement that the notices required by this
12 section have been mailed and failure to receive the notice shall not affect the validity
13 of the changed assessment, the resulting changed tax, the procedures of the board
14 of review or of the board of assessors or the enforcement of delinquent taxes by
15 statutory means. After the person assessed or the occupant of the property receives
16 notice under this section, if the assessor changes the assessment as a result of the
17 examination of the rolls as provided in s. 70.45 and the person assessed waives, in
18 writing and on a form prescribed or approved by the department of revenue, the
19 person's right to the 15-day notice of the changed assessment, no additional notice
20 is required under this section. The secretary of revenue shall by rule prescribe the
21 form of the notice required under this section. The form shall include information
22 notifying the taxpayer of the procedures to be used to object to the assessment. The
23 form shall also indicate whether the person assessed may be subject to a conversion
24 charge under s. 74.485.

25 **SECTION 2.** 74.485 (title) of the statutes is amended to read:

1 **74.485 (title) Penalty Charge for converting agricultural land.**

2 **SECTION 3.** 74.485 (2) (intro.) of the statutes is amended to read:

3 74.485 (2) ~~PENALTY~~ CONVERSION CHARGE. (intro.) Except as provided in sub. (4),
4 a person who owns land that has been assessed as agricultural land under s. 70.32
5 (2r) and who converts the land's use so that the land is not eligible to be assessed as
6 agricultural land under s. 70.32 (2r), as determined by the assessor of the taxation
7 district in which the land is located, shall pay a ~~penalty~~ conversion charge to the
8 county in which the land is located in an amount, calculated by the county treasurer,
9 that is equal to the number of acres converted multiplied by the amount of the
10 difference between the average fair market value of an acre of agricultural land sold
11 in the county in the year before the year that the person converts the land, as
12 determined under sub. (3), and the average equalized value of an acre of agricultural
13 land in the county in the year before the year that the person converts the land, as
14 determined under sub. (3), multiplied by the following:

15 **SECTION 4.** 74.485 (4) (a) of the statutes is amended to read:

16 74.485 (4) (a) A person who owns land that has been assessed as agricultural
17 land under s. 70.32 (2r) and who converts the land's use so that the land is not eligible
18 to be assessed as agricultural land under s. 70.32 (2r) is not subject to a ~~penalty~~
19 conversion charge under sub. (2) if the converted land may be assessed as
20 undeveloped under s. 70.32 (2) (a) 5., as agricultural forest under s. 70.32 (2) (a) 5m.,
21 as productive forest land under s. 70.32 (2) (a) 6., or as other under s. 70.32 (2) (a) 7.
22 or if the amount of the ~~penalty~~ conversion charge determined under sub. (2)
23 represents less than \$25 for each acre of converted land.

24 **SECTION 5.** 74.485 (4) (b) of the statutes is amended to read:

1 74.485 (4) (b) If a person owes a ~~penalty~~ conversion charge under sub. (2), the
2 treasurer of the county in which the person's land is located may defer payment of
3 the ~~penalty~~ conversion charge to the succeeding taxable year if the person
4 demonstrates to the assessor of the taxation district in which the land is located that
5 the person's land will be used as agricultural land in the succeeding taxable year.
6 A person who receives a deferral under this paragraph is not subject to the ~~penalty~~
7 conversion charge under sub. (2) related to the deferral, if the person's land is used
8 as agricultural land in the succeeding taxable year. If the land of a person who
9 receives a deferral under this paragraph is not used as agricultural land in the
10 succeeding taxable year, the person shall pay the ~~penalty~~ conversion charge with
11 interest at the rate of 1% a month, or fraction of a month, from the date that the
12 treasurer granted a deferral to the date that the ~~penalty~~ conversion charge is paid.

13 **SECTION 6.** 74.485 (5) of the statutes is amended to read:

14 74.485 (5) PAYMENT. Except as provided in sub. (4), a person who owes a ~~penalty~~
15 conversion charge under sub. (2) shall pay the ~~penalty~~ conversion charge to the
16 county in which the person's land related to the ~~penalty~~ conversion charge is located
17 no later than 30 days after the date that the ~~penalty~~ conversion charge is assessed.
18 A ~~penalty~~ conversion charge that is not paid on the date it is due is considered
19 delinquent and shall be paid with interest at the rate of 1% a month, or fraction of
20 a month, from the date that the ~~penalty~~ conversion charge is assessed to the date that
21 the ~~penalty~~ conversion charge is paid. The county shall collect an unpaid ~~penalty~~
22 conversion charge as a special charge against the land related to the ~~penalty~~
23 conversion charge.

24 **SECTION 7.** 74.485 (6) of the statutes is amended to read:

1 74.485 (6) DISTRIBUTION. A county that collects a ~~penalty~~ conversion charge
2 under this section shall distribute 50% of the amount of the ~~penalty~~ conversion
3 charge to the taxation district in which the land related to the ~~penalty~~ conversion
4 charge is located. If the land related to the ~~penalty~~ conversion charge is located in
5 2 or more taxation districts, the county shall distribute 50% of the amount of the
6 ~~penalty~~ conversion charge to the taxation districts in proportion to the equalized
7 value of the land related to the ~~penalty~~ conversion charge that is located in each
8 taxation district. A taxation district shall distribute 50% of any amount it receives
9 under this subsection to an adjoining taxation district, if the taxation district in
10 which the land related to the ~~penalty~~ conversion charge is located annexed the land
11 related to the ~~penalty~~ conversion charge from the adjoining taxation district in either
12 of the 2 years preceding a distribution under this subsection.

13 **SECTION 8.** 74.485 (7) (b) of the statutes is amended to read:

14 74.485 (7) (b) Whether the person who owns the land and who is selling the land
15 has been assessed a ~~penalty~~ conversion charge under sub. (2) related to the land.

16 **SECTION 9.** 74.485 (8) of the statutes is amended to read:

17 74.485 (8) TAXATION DISTRICT ASSESSOR. The assessors of the taxation districts
18 located in the county shall inform the county treasurer and the real property lister
19 of all sales of agricultural land located in the county. No later than 15 days after the
20 board of review has adjourned, the assessors shall also deliver to the county
21 treasurer all information necessary to compute the conversion charges assessed
22 under this section.

23 **SECTION 10.** 74.485 (9) of the statutes is amended to read:

24 74.485 (9) ADMINISTRATION. The county in which the land as described in sub.
25 (1) is located shall administer the ~~penalty~~ conversion charge under this section.

