



## 2007 SENATE BILL 14

January 24, 2007 - Introduced by Senators ERPENBACH, MILLER, RISSER and SCHULTZ, cosponsored by Representatives DAVIS, HEBL, POCAN, TRAVIS, BERCEAU, GRONEMUS, GUNDRUM, JESKEWITZ, KLEEFISCH, F. LASEE, NERISON, OWENS, PRIDEMORE, SUDER, VOS, WOOD and KESTELL. Referred to Committee on Ethics Reform and Government Operations.

1     **AN ACT** *to amend* 66.0627 (1); and *to create* 20.566 (2) (b) and 70.57 (4) of the  
2             statutes; **relating to:** providing loans to persons who are paying more property  
3             taxes as a result of the Department of Revenue's error in calculating equalized  
4             value and making an appropriation.

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### *Analysis by the Legislative Reference Bureau*

Under current law, annually, the Department of Revenue (DOR) determines the full value of the property of each county and taxation district. This property valuation is known as "equalized value." DOR determines the equalized value of all property in the state to ensure, generally, that the property is being assessed at its full value. If DOR makes an error in determining the equalized value of the property of any county or taxation district, DOR corrects the error by adjusting the county's or taxation district's equalized value in the year after the year in which DOR made the error.

Under this bill, DOR makes payments to any taxation district that certifies to DOR that the most recent equalized value of the taxation district's property is greater than it should be because of a clerical, arithmetic, transpositional, or similar error made by DOR, and that the amount of the overvaluation represents 10 percent or more of the taxation district's equalized value in the year prior to the year in which the error occurred. The taxation district uses the payments to make loans to persons who own property in the taxation district and who paid more property taxes than they should have as a result of DOR's error. The maximum loan amount would be equal to the erroneous increase in the person's taxes. The loan amount would be



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1 the manner prescribed by the department, that the most recent valuation of the  
2 taxation district's property under this section is greater than it should be because of  
3 a clerical, arithmetic, transpositional, or similar error made by the department, as  
4 confirmed by the department, and that the amount of the overvaluation represents  
5 10 percent or more of the taxation district's valuation under this section in the year  
6 prior to the year in which the error occurred.

7 (b) A taxation district receiving payments under par. (a) shall use the payments  
8 to make loans to persons who own property located in the taxation district and who  
9 are paying more property taxes than they should be as a result of the error. A person  
10 may receive a loan by applying, in the manner prescribed by the department, to the  
11 taxation district in which the person's property is located no later than June 15 of the  
12 year following the error. The state shall collect the amount of any loan issued under  
13 this paragraph as a state special charge against the taxation district for the year  
14 after the year in which the error occurred and the special charge shall not be included  
15 in the taxation district's levy. The taxation district shall assess the loan amount as  
16 a special charge against the property for which the loan was made on the property  
17 tax bill succeeding the loan, as provided under ch. 74 and s. 66.0627 (1). Except for  
18 interest and penalties, as provided under s. 74.47, that apply to any delinquent  
19 special charge based on the loan amount, neither the department nor the taxation  
20 district may charge interest on any loan issued under this paragraph. The maximum  
21 loan amount that a person may receive under this paragraph shall be calculated by  
22 multiplying the assessed value of the person's property by a decimal determined by  
23 the department as follows:

24 1. For the year in which the error occurred, apportion county, school district,  
25 technical college district, and metropolitan sewerage district property taxes, and

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1 state forestation taxes under s. 70.58, to the taxation district using the taxation  
2 district's erroneous valuation.

3 2. For the year in which the error occurred, apportion county, school district,  
4 technical college district, and metropolitan sewerage district property taxes, and  
5 state forestation taxes under s. 70.58, to the taxation district using the taxation  
6 district's correct valuation.

7 3. Subtract the amount determined under subd. 2. from the amount  
8 determined under subd. 1.

9 4. Divide the amount determined under subd. 3. by the taxation district's  
10 assessed value for the year in which the error occurred and express the result as a  
11 decimal.

12 (c) The department shall make the payments under par. (a) monthly, based on  
13 the amounts requested in loan applications to the taxation district each month,  
14 except that the department shall make no payments to a taxation district after June  
15 30 of the year following the year in which the error occurred.

16 (END)