



2009 SENATE BILL 145

March 31, 2009 - Introduced by Senators PLALE, LEHMAN, HANSEN, HOLPERIN, COWLES and SCHULTZ, cosponsored by Representatives SOLETSKI, STASKUNAS, SMITH, HIXSON, FIELDS, DANOU, ZEPNICK, GRIGSBY, GUNDERSON, PETERSEN, KESTELL, A. OTT, SUDER, VOS, PETROWSKI, TOWNSEND, NEWCOMER, VAN ROY, RIPP, KERKMAN, BROOKS, MONTGOMERY, HONADEL, GARTHWAITE and JORGENSEN. Referred to Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue.

1 **AN ACT** *to renumber and amend* 70.34; and *to create* 70.34 (2) of the statutes;
2 **relating to:** determining the value of billboards for personal property tax
3 purposes.

Analysis by the Legislative Reference Bureau

Under current law, a billboard is subject to the imposition of personal property taxes. The Wisconsin Supreme Court has recently determined that, although net income from billboard rentals may be a factor to consider, it cannot be the sole controlling factor for determining the value of a billboard for property tax purposes. See, *Adams Outdoor Advertising, Ltd. v. City of Madison*, 294 Wis. 2d 441, 717 N.W.2d 803. The court also found that, by not determining the billboard's value based on its cost, less depreciation, the city assessor contravened the prevailing practice for assessing billboards not only in this state, but throughout the United States.

Under this bill, for personal property tax purposes, an assessor must determine a billboard's value by subtracting depreciation from the cost of reproducing the billboard. In addition, consistent with *Adams Outdoor Advertising, Ltd.*, the assessor may not include the value of any permits issued, leasehold interests, or other intangibles with regard to the billboard for the purpose of determining the billboard's assessed value.

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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:

1 **SECTION 1.** 70.34 of the statutes is renumbered 70.34 (1) and amended to read:

2 70.34 (1) ~~All~~ Subject to sub. (2), all articles of personal property shall, as far
3 as practicable, be valued by the assessor upon actual view at their true cash value;
4 and after arriving at the total valuation of all articles of personal property which the
5 assessor shall be able to discover as belonging to any person, if the assessor has
6 reason to believe that such person has other personal property or any other thing of
7 value liable to taxation, the assessor shall add to such aggregate valuation of
8 personal property an amount which, in the assessor's judgment, will render such
9 aggregate valuation a just and equitable valuation of all the personal property liable
10 to taxation belonging to such person. In carrying out the duties imposed on the
11 assessor by this section, the assessor shall act in the manner specified in the
12 Wisconsin property assessment manual provided under s. 73.03 (2a).

13 **SECTION 2.** 70.34 (2) of the statutes is created to read:

14 70.34 (2) The assessor shall determine the value of an outdoor off-premises
15 advertising sign by subtracting depreciation from the cost of reproducing the sign,
16 consistent with the cost approach specified in the Wisconsin property assessment
17 manual provided under s. 73.03 (2a). The value determined under this subsection
18 shall not include the value of any permits issued, leasehold interests, or other
19 intangibles with regard to the outdoor off-premises advertising sign. In this
20 subsection, "off-premises advertising sign" means a sign that does not advertise the
21 business or activity that occurs on the site where the sign is located.

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1 **SECTION 3. Initial applicability.**

2 (1) This act first applies to the property tax assessments as of January 1, 2009.

3 **(END)**