Chapter 19

Statutory Revaluation and Reassessment

It is easy to understand why we have become used to using the terms revaluation and reassessment interchangeably. Revaluation and reassessment are two very similar processes that share a common goal. **The basic objective of both is to achieve equity in the assessments so each property bears only its fair share of the property tax burden.** However, there is also a major difference between the two. A reassessment is the doing over of an existing assessment roll, while a revaluation is the creating of new assessment roll. To aid in the understanding we must first define revaluation and reassessment. **Please keep in mind that this chapter is referring to statutory revaluations and reassessments.**

A **Statutory revaluation and reassessment** includes the following:

- Preparation of property record cards for each parcel, including vacant land;
- Classification and grading of land;
- On-site viewings of each property;
- Measuring each building;
- Recording the interior and exterior physical characteristics;
- Estimating the market value of each property based upon
    - Sales of comparable properties
    - Construction costs and,
    - Income producing capability of the property, when applicable

Although, revaluation is also commonly used to describe the work an assessor does annually when revaluing properties, it not a statutory revaluation. This annual work may or may not include the field work associated with the statutory revaluation.

There are several reasons why a revaluation/reassessment may be needed:

1. inequities may exist in the assessments of properties within classes;
2. inequities may exist between the various classes of property;
3. the governing body may want to update the assessment records to show the physical characteristics of all taxable property;
4. the governing body may desire a complete inventory of all taxable property; and
5. the current assessments may not have been made in compliance with the law.

There are a number of different ways that a revaluation/reassessment may be undertaken.

1. The municipality may hire expert help under sec. 70.055, Wis. Stats.;
2. one or more assistant assessors may be hired under sec. 70.05(2), Wis. Stats., to assist the local assessor in performing a revaluation; or
3. a reassessment may be done when taxpayers petition the Department of Revenue (DOR) for action under sec. 70.75, Wis. Stats.

Each of the statutory revaluations/reassessment will be discussed in more detail later in this chapter. It is important to understand the procedures and processes of the various revaluations/reassessments. It is equally important to understand that the work required by the assessor may be different depending upon the type of revaluation or reassessment.

The work required by the municipality before contracting for the revaluation or reassessment can vary greatly with each type of revaluation or reassessment. If a reassessment is being completed, the municipality must use the Standard Contract when requesting bids or proposals. Section 70.055, Wis. Stats., revaluations also require the use of the Standard Contract.

Section 70.055, Wis. Stats., Expert Help

A revaluation would be conducted under this section when the governing body determines it is in the public interest to employ expert help so the assessments are made in compliance with the law. To initiate action under sec. 70.055, Wis. Stats., the governing body passes an Expert Assessment Resolution (see sample copy in the Forms Chapter), which establishes a record of the body's intent. The resolution is sent to the DOR. The Supervisor of Equalization for that district, who is available for assistance, will provide the governing body:

1. information on revaluation
2. a copy of the state Standard Contract and Specifications
3. guidelines for completing the contract
4. a list of certified expert help

The DOR prescribes a Standard Contract, Form PR-209, and Specifications for Revaluations, Form PR-210, performed under this section to ensure that required processes and procedures are followed. Sample copies of each are included in the Forms Chapter and are also available on the DOR website.

The Standard Contract and Specifications should be used by the municipality to develop a Request For Proposal to solicit bids for the revaluation. Prior to soliciting bids, these specific areas of the Standard Contract must be completed by the municipality.

1. the name of the district to be revalued,
2. the year of the revaluation,
3. the parcel count,
4. the completion date for the revaluation,
5. number of days for open book conferences,
6. the individual to whom the bids are to be submitted, and
7. the date that the bids will be opened and an appraiser selected.

Once this has been done, various certified expert appraisers are asked to submit bids on the Standard Contract forms which are sent out by the governing body. These proposals are returned to the governing body who selects the expert help of its choice

Selecting the Expert Help

When selecting expert help to perform a revaluation, the municipality should consider the amount of the bid and the qualifications, experience, and reputation of the person or firm. The lowest bid may not always be the most economical in the long run. Each bid received should be analyzed in terms of the base compensation, amount charged for the assessment of additional parcels, charges for Board of Review (BOR) meetings, etc. Past experience in terms of the size of revaluations performed may be important and should be investigated.

The expert help should also be asked to provide a list of municipalities where they have performed revaluations, and each should be contacted to learn about the quality of the work performed. The municipality must also consider the ability of the expert help to meet their needs in terms of the number of personnel required to perform the job within the project timeline; material resources, such as data processing capabilities; and financial resources, such as the ability to obtain a performance bond, and other required insurance premiums. After considering all of these factors, the municipality selects an individual or firm that it feels is capable of completing the revaluation in a timely and equitable manner. The person or independent contractor hired must be currently certified at the appropriate level by the DOR.

Prior to beginning work, the expert help must file an oath of office with the municipal clerk, as provided by sec. 19.01, Wis. Stats. A list of all personnel to be performing work and the type of work performed by each (excluding clerical staff) must also be filed by the expert help. With the exception of clerical support, all personnel assisting the expert help must also be certified.

Responsibilities of the Local Assessor

With the execution of the contract, an assessment board is created which includes the expert help and the local assessor. For the term of the contract, the expert help has the same powers and duties as the regular assessor; however, the local assessor has not been relieved of any responsibilities. Sec. 70.055, Wis. Stats., states in part, "when so appointed, such expert help, together with the assessor, shall act as an assessment board in exercising the powers and duties of the assessor during such employment, and the concurrence of a majority of such board shall be necessary to determine any matter upon which they are required to act …" For this reason, the local assessor is encouraged to participate in every stage of the revaluation. This participation can be an invaluable learning experience for the local assessor, who will maintain the assessments in subsequent years.

While it may not be possible to work with the expert help on a daily basis, the assessor should meet with the expert help regularly to monitor the quantity and quality of the work performed throughout the revaluation. Specific areas to be reviewed include:

Data Collection – The property record cards should be reviewed to verify the data collected. Complete, accurate, and consistent data must be collected on each property to properly perform the assessments. If a municipality considers it likely that future assessments may be done using automated data processing systems, care should be taken to see that data collected is in the proper format.

Land Classification – The classification and grading of land should be reviewed and spot-checked in the field to be sure it is correct.

Sales Analysis – Accurate and well-organized sales data is essential to effectively perform the assessments. All sales must be analyzed to separate the usable sales from those which are not "arm's-length," determine the amount of each sale attributable to land and improvements, develop unit values for land, measure depreciation for improvements, etc. The sales

analysis must be in writing so there is documentation to show how the sales were used in estimating market value.

Values – The unit values developed for land should be reviewed for accuracy. Because of the wide range of desirability, productivity, and use of land, there should be a range of values for each land unit. Statistical data on land values can be obtained from the DOR district offices, and should be used to check the unit values developed by the expert help. Once the assessments for both vacant and improved properties have been completed, they should be compared against the assessments of similar properties for equity, and against recent comparable sales to determine if they reflect the market. In areas where there are sufficient sales, dispersion studies should be performed to measure assessment performance. For more information on how to perform dispersion studies, refer to WPAM Chapter 14.

Manual Usage – The completed record cards should be reviewed to assure that all properties have been valued in accordance with the *Wisconsin Property Assessment Manual*, with proper base costs and local modifiers. A review should also be made of market adjustments to be sure that any adjustments made are warranted, and that they are properly documented on the property record cards.

Computations – The pricing of the record cards should be checked for errors in computation and pricing procedures.

Documentation – There should be adequate documentation to show how the assessments were derived. This will greatly aid the assessor in maintaining the assessments in subsequent years. Documentation should be provided for all data used in the income approach, such as rental data, operating statements, and derivation of capitalization rates; unit values for land; depth factor tables, justification for the local modifiers, and all sales analyses performed for vacant and improved properties.

Any problems or errors that are found to exist in any of these areas should be discussed with the expert help so they can be resolved before completion of the project.

The situation may occur where the assessor and expert help have differing opinions regarding work methods, valuation procedures, and the final value estimates. This can be a problem since the law requires that the concurrence of a majority of the assessment board is necessary to determine any matter upon which they are required to act. If it becomes apparent that this will be a problem throughout the revaluation, the governing body may request that an employee of the DOR be designated to serve as a member of the assessment board along with the assessor and expert help. All three parties then become responsible for the assessments and as such, would sign the assessment roll. If no members of the assessment board are willing to sign the roll, signature by a majority of the board would still constitute a legal assessment roll.

In summary, the assessor's responsibilities during a revaluation have not been lessened; therefore, the municipality must still have an assessor, even though expert help will actually be performing the assessment work. The municipality may not hire expert help, under sec. 70.055, Wis. Stats., to serve in the dual capacity of expert help and assessor. The DOR Office of General Council has determined that this would constitute a conflict of interest that could

jeopardize the validity of the entire assessment. This could result in the legality of the assessments being challenged by taxpayers of the municipality.

Payment of the Expert Help

Under the Standard Contract the municipality pays the expert help for services performed on a monthly basis. The expert help submits statements to the municipal clerk each month, reflecting the amount of work completed for that month, and the amount due less a retainment of ten percent. The retainment is held by the municipality until the revaluation project is completed, and is paid to the expert help upon the final adjournment of the BOR, along with any additional compensation that may be due for BOR appearances, correction of legal descriptions, assessment of additional parcels, etc., as provided in Article II of the standard contract.

All statements should be reviewed by the clerk for errors in computation, and verified by the assessor to ensure that they accurately reflect work completed. Upon approval of each statement, it should be promptly processed for payment.

Section 70.05(5)(b), Wis. Stats., Trespass

The trespass bill, which was signed November 12, 2009, states in part *"Before a city, village, or town assessor conducts a revaluation of property under this paragraph* [Section 70.05(5)(b) Wis. Stats.], *the city, village or town shall publish a notice on its municipal Web site that a revaluation will occur and the approximate dates of the property revaluation. The notice shall also describe the authority of an assessor, under Section 943.13, Wis. Stats. and Section 943.15, Wis. Stats., to enter land. If a municipality does not have a Web site, it shall post the required information in at least 3 public places within the city, village or town."* (Emphasis added.)

The trespass law entitles the assessor to enter a property once during an assessment cycle unless the property owner authorizes additional visits. If the property owner denies the assessor access to the property, the assessor must maintain a list of denied entries. Sections 943.13 and 943.15 pertain to the entry onto the property. Assessors and their staff should understand the conditions included in these statutes. The major conditions for entry are listed below:

- The reason for the entry must be to make an assessment on behalf of the state or a political subdivision.
- The entry must be on a weekday during daylight hours, or at another time as agreed upon with the property owner.
- The assessor's visit must not be more than one hour.
- The assessor must not open doors, enter through open doors, or look into windows of structures.
- If the property owner or occupant is not present, the assessor must leave a notice on the principal building providing the owner information on how to contact them.
- The assessor may not enter the premises if they have received a notice from the property owner or occupant denying them entry.
- The assessor must leave if the property owner or occupant asks them to leave.

Section 70.05(2), Wis. Stats., Assistant Assessor

Many municipalities hire expert help under sec. 70.05(2), Wis. Stats., to perform a revaluation while acting in the official capacity of assistant assessor. In such cases, most of the assessment work is actually performed by the expert help as under sec. 70.055, Wis. Stats.; however, the statutory assessor still has the final responsibility for the assessment.

When a revaluation is conducted under this section, the municipality is not statutorily required to use the Standard Contract and Specifications prescribed by the state for revaluations under sec. 70.055, Wis. Stats.; however, the municipality should be sure that the contract used meets their needs. The contract should clearly spell out the scope of the work to be performed, including services to be provided by the expert help, local assessor, and municipality; the number and type of properties to be valued; the availability of existing records; the correction of legal descriptions; whether mapping services are to be provided; what type of public relations the expert help must provide; what standards of performance are required; whether the expert help must hold open book conferences; insurance and bonding requirements for the expert help; when work is to begin and end; how compensation will be handled; turn over of records upon completion of the project; and any other areas that the municipality feels are important and will help to ensure a good revaluation. The state prescribed contract meets these criteria and its use is therefore recommended even though it is not statutorily required.

When the specifications for a revaluation are clearly outlined in the contract, all bids received will be based on the same criteria, allowing for competitive bidding. In addition, when all parties understand exactly what work is to be performed and by whom, prior to beginning the project, numerous problems can be avoided.

Once a contract has been drawn up by the municipality, bids should be solicited from certified expert help. Based upon the bids received, the municipality selects the assistant assessor to work with the local assessor in performing the revaluation. The same factors considered when hiring expert help under sec. 70.055, Wis. Stats. should be considered when hiring expert help under this section.

While the expert help may actually be performing the bulk of the assessment work, the assessor is the person with statutory liability for the assessments. As such, the assessor must keep informed of the work performed, procedures used, and whenever possible, be actively involved in the creation of the assessments so that when the revaluation is completed the assessor will have enough confidence in the values to be able to sign the assessment roll in good conscience. If unable to work directly with the expert help in performing the revaluation, at a minimum the assessor should review data collection, land classification, sales analyses, values, manual usage, computations, and documentation, as discussed previously.

It is possible that the assessor and expert help may have different opinions regarding methods used in deriving the assessments and the assessments themselves, resulting in the assessor's refusal to sign the assessment roll. Should this occur, defense of the assessments then becomes the responsibility of the municipality, as determined by the courts in the case of *Bass* v. *Fond du Lac County*, 60 Wis. 516. In this case the court found that absence of the

assessor's signature on the assessment roll is evidence of the inequality or injustice of the assessment, and shifts the burden of proving it equitable and just to the municipality.

Section 70.75, Wis. Stats. – Reassessment and Supervised Assessment

Under sec. 70.75, Wis. Stats., property owners may petition the DOR for reassessment of the taxation district. The basis for the petition must be that the assessments are not in compliance with the law and that it is in the public interest for all property to be reassessed. If, after conducting a public hearing and investigating the assessment situation, the DOR finds that the inequities in the assessments are extensive and of a nature to warrant intervention by the DOR, it may order either a reassessment under sec. 70.75(1), Wis. Stats., or a supervised assessment under sec. 70.75(3), Wis. Stats. Procedures for filing a complaint and the DOR's investigation are discussed in WPAM Chapter 18, which deals with assessment appeals.

At this point it is necessary to differentiate between a revaluation, reassessment, and supervised assessment. Theoretically, a revaluation, reassessment, or supervised assessment will each have the same end result; that is, each should produce equitable and uniform assessments. The term "reassessment" as it relates to sec. 70.75, Wis. Stats., means the actual doing over of the assessment roll. Such action would be taken if, after a full investigation, the DOR was satisfied that a complaint appeared to have merit. One or more persons would be appointed by the DOR to reassess the municipality, preparing a new assessment roll. The roll prepared by the appointed person(s) is then a legal substitute for the original assessment roll.

The term "revaluation" usually refers to the hiring of an assistant assessor(s) or expert help to aid in making a new assessment, although the assessor may perform a revaluation without outside assistance. In any case, the previous year's assessment roll is not affected as it is with a reassessment.

Closely related to the revaluation is a supervised assessment. This is the alternative to a reassessment and is provided for under sec. 70.75(3), Wis. Stats. Under this alternative one or more persons are appointed by the DOR to assist the assessor in making the assessment for a year following the assessment being appealed. The effect of a supervised assessment is essentially the same as a revaluation under sec. 70.055, Wis. Stats.

When a supervised assessment or a reassessment is ordered by the DOR, the work is performed by expert help selected by the DOR, or by members of the DOR. Expert help is hired by the DOR, using the state prescribed Standard Contract and Specifications for work performed under secs. 70.75(1) and (3), Wis. Stats. When selecting expert help to perform the assessment work, the DOR considers the same factors that were discussed previously in regard to selecting expert help. Should extenuating circumstances exist, such as the unavailability or unwillingness of expert help to perform the work, members of the DOR can be appointed to perform the assessments; however, this rarely happens.

Involvement of Department of Revenue

The major difference between work performed under sec. 70.75, Wis. Stats., and revaluations conducted under secs. 70.055 and 70.05(2), Wis. Stats., is the degree of involvement by the DOR. When a reassessment is performed under sec. 70.75(1), Wis. Stats., the entire assessment and review functions are removed from the hands of the municipality. It is the DOR that solicits contract proposals and hires expert help. The Supervisor of Equalization obtains a blank assessment roll, and all other necessary forms to be used by the expert help in performing the reassessment. All work performed by the expert help is reviewed and supervised by the DOR. In addition, a special three person Board of Corrections is appointed by the DOR to replace the local BOR. This board is responsible for examining the assessment roll prepared by the expert help, and reviewing and correcting the assessments in the same manner as a BOR. Throughout the entire course of the reassessment, the expert help is paid by the DOR. All costs incurred by the DOR, including supervision and payment of the expert help, are billed to the municipality when the project is completed.

When a supervised assessment is conducted under sec. 70.75(3), Wis. Stats., the DOR is again responsible for selecting the expert help, supervising the work performed and paying the expert help; however, the municipality is still involved in the assessment and review process. The local assessor is a member of the assessment board, along with the expert help, and a designee of the DOR. While the DOR supervises the assessments, the local assessor, as a member of the assessment board, should be aware of the status of the revaluation and the procedures used in performing the assessments. The assessor is also responsible for performing all work required of the assessor in regard to valuing mobile homes subject to the monthly mobile home parking permit fee and valuing personal property. When a supervised assessment is performed, the local BOR has the same powers, duties, and limitations as in any ordinary assessment year. In essence a supervised assessment is basically the same as a revaluation under sec. 70.055, Wis. Stats., with the exception of the DOR's selection, payment, and supervision of the expert help.

Section 70.05 (5), Wis. Stats. – Market Value Assessment

Under sec. 70.05(5)(d),Wis. Stats., the assessed value of each major class of property must be within ten percent (10%) of the full value of the same major class of property, in the same year, at least once in the five-year period consisting of the current year and the four previous years. Full value is defined as the total value of each major class of property (excluding manufacturing) as determined by the DOR August 15 of each year. Major class of property means any class of property that includes more than five percent (5%) of the full value of the taxation district. For purposes of this law, undeveloped land, agricultural forest, forest, and other (Classes 5, 5M, 6 & 7) are treated together as one class.

If the DOR determines that the assessed to full value of each major class of property (excluding manufacturing) has not been established within 10% of each other, in the **same year**, at least once in the four-year period consisting of the current year and the three previous years, the DOR will notify the clerk of the district. The DOR's official notification will be in writing and mailed to the clerk on/or before November 1 of the year of determination.

The notice will list the percentages of assessed to full value of each major class of property for each of the four years in question (the current and the three previous years). It will state that the taxation district has one more year to meet the requirements of the law. If the taxation district in the subsequent (fifth) year is still not in compliance with the law, the district's assessment staff will be required to participate in an educational program provided by the DOR the following (sixth) year.

If, in both the year in which the assessment staff receives training (sixth) and the next year (seventh), the assessed value of each major class of property is not within 10% of the full value of the same major class of property, the DOR will order special supervision of the subsequent year's (eighth) assessment under sec. 70.75(3), Wis. Stats.

When the DOR orders a special supervision under sec. 70.05, Wis. Stats., it is not required to hold a public hearing to gather information as it is with a taxpayer-initiated petition for reassessment under sec. 70.75, Wis. Stats.

The DOR's involvement in this process is the same as already outlined previously under Section 70.75 Reassessment and Supervised Assessments. All costs of the DOR in connection with special supervision under this section will be billed to the taxation district.

Local Assessor

It is not necessary that the municipality hire expert help under sec. 70.055, Wis. Stats., or assistant assessors under sec. 70.05(2), Wis. Stats., to perform a revaluation. In some cases the municipality may be aware of the need for a revaluation and may prefer that the assessor perform the work. In municipalities with a full-time assessor, this may necessitate the hiring of additional support staff. Where the assessor is a part-time position, it may require that the position be made full-time for the length of time necessary to perform the revaluation, and may require the hiring of additional staff.

Staffing needs will be dependent on the amount of work to be performed, and the time-frame to complete the revaluation. WPAM Chapter 3 provides information on staffing, productivity rates, and budgeting, which can be used to estimate the number of additional staff and budget requirements for an in-house revaluation. Once staffing and budget needs have been determined and provided, the assessor is ready to proceed with the revaluation project as follows:

Obtain Assessment Forms

Prior to beginning the assessments, the assessor must obtain all of the necessary assessment forms and records, including property record cards, assessment notices, personal property returns, occupational tax forms, maps, soil surveys, aerial photos, real estate transfer returns, building permits, cost manuals and any other records that may be useful during the revaluation. It is particularly important that the assessor have a complete set of current maps for verifying legal descriptions and to be sure that no property is omitted from assessment.

Distribute Reporting Forms

The assessor distributes the various report forms, such as the statement of personal property and occupational tax forms to the appropriate taxpayers. The forms should be distributed well in advance of the due date so taxpayers have enough time to properly complete the forms.

Review Legal Descriptions

Legal descriptions as listed in the assessment roll should be reviewed for errors, incorrect acreages, omissions, overlap, and failure to close. This is done using current maps, and helps to guarantee that all property in the municipality is accounted for. The real estate transfer returns should also be reviewed for land splits or combined parcels which necessitate the preparation of a new legal description. Any incorrect legal descriptions should be researched using deeds (found in the Register of Deeds Office). The county Real Property Lister can also be contacted for assistance in preparing new legal descriptions.

Preparation of Record Cards

The assessor must prepare appropriate property record cards for each parcel in the municipality, using current forms. The record cards should be labeled with the property owner's name and address as provided in sec. 70.17, Wis. Stats., a legal description of the property, parcel number, and size of the land parcel when available. This information is generally available on adhesive backed labels from the county clerk or real property lister. Using up-to-date maps, lot sketches should be drawn, and dimensions recorded on the residential and commercial property record cards. Sketches are particularly desirable for parcels that are not delineated on the maps (in such cases it will be necessary to refer to the legal descriptions to determine the size and shape of the parcel) or if maps are not conveniently available.

Data Organization

When labeling the property record cards, they should be arranged in some logical sequence to facilitate office and field operations. For example, all of the property cards for one subdivision should be grouped together and arranged by blocks, in numerical sequence; or in a rural area, the record cards for one section should all be grouped together, and then arranged in order beginning with those in the NE NE, then the NW NE, then the SW NE, and so on.

Zoning

Using current zoning maps, the zoning of each parcel should be recorded on the property record cards. Private deed restrictions are also noted on the cards.

Review of Building Permits

Building permits should be reviewed, and the data contained on them posted on the appropriate property record cards. This provides a convenient history of any construction that has taken place on a building.

Collect and Analyze Cost Data

Cost data should be collected from builders, developers, and property owners. This information can be used to verify the cost schedules in Volume 2 of the assessment manual, and to determine whether adjustments are needed in the local modifiers provided by the DOR.

Collect and Analyze Income Data

Investors, lending institutions, realtors, and property managers should be contacted to obtain data to be analyzed for use in the income approach. Specific income data can also be obtained from property owners during the listing phase of the assessment process. Data to be collected and analyzed includes economic rents, typical vacancy rates, typical operating expense ratios, discount rates, and recapture rates. The income and expense data collected must be sufficient to derive capitalization rates, and accurate estimates of net income needed to effectively apply the income approach. When valuing income producing properties, all data must be properly documented and adequate records prepared showing the determination of value by the income approach.

Collect and Analyze Sales Data

The assessor must collect and analyze all available sales data for the municipality in order to effectively apply all three approaches to value. Real estate transfer returns are the primary source of sales information, and are provided to local assessors by the DOR. The assessor must verify the data contained on each transfer return to find out if the sale is arm's-length, learn the terms of the sale, and determine whether the sale price included personal property. Once the sales that are not arm's-length have been eliminated, the assessor can utilize the remaining data to perform sales analyses.

When analyzing the sales they should be divided into property groups that can be meaningfully compared against one another for valuation purposes. This is known as stratification. The sales should first be stratified by property classification. If there are a large number of sales, it may be possible to further stratify the sales by neighborhood, age, size, etc. Once the sales have been stratified, they are analyzed to separate the amount of sale attributable to land and improvements; to develop unit values for land; to measure accrued depreciation as evidenced by the difference between the cost of replacement new and sale price attributable to improvements; and to develop a systematic record of the findings of each sale investigated. The procedure for performing a sales analysis is discussed in more detail in WPAM Chapters 11 and 14. All sales analyzed should be properly documented so they can be used at BOR proceedings and referenced in the future as necessary.

The assessor may also supplement the data contained on the real estate transfer returns by contacting realtors, lending institutions, and property owners. All sales data should be posted on the property record cards.

Collection of Neighborhood Data

When performing field work, neighborhood data should be collected so it is possible to delineate neighborhoods. A neighborhood is an area exhibiting homogeneity in residential amenities, land use, economic and social trends, and housing characteristics. Each neighborhood should be assigned an arbitrary neighborhood code, which should be noted on the property record card. Neighborhood data should be complete in order to determine the variations in selling prices due to location. The data should include school district; various neighborhood characteristics such as the type (urban, suburban), the predominant use class, whether it is declining, improving, or relatively stable, accessibility to the central business district, shopping centers, housing characteristics, range of selling prices, etc.; and a rating of the relative desirability of the neighborhood.

Collection of Property Data

The data collected on each property should be complete, accurate, and consistent. All information should be collected and recorded on the property record cards. When making a field viewing, the lister should:

1. Provide identification and explain the purpose of the viewing to the property owner
2. Verify any sales information on the property
3. Check the property address
4. Verify the property classification and zoning
5. Interview the property owner and record all pertinent facts
6. View the interior of the building, recording physical data
7. Measure and view the exterior of the building recording the story height and dimensions
8. Sketch (top view) the improvement showing all additions and porches
9. Select the proper quality and grade of the improvements consistent with the cost manual being used
10. Record site characteristics
11. Review the property record card for completeness and accuracy
12. Record the date of viewing on the property record card

When the listing is performed by the assessor the observed condition and "percent good" determination for the improvements can also be determined when collecting property data.

After the field viewing is completed, the property record cards are returned to the office for calculation of area and cost computations.

In those cases where the assessor or lister is unable to find the property owner at home, a "call back" form should be left at the property. The form should not be left in the mailbox since this is a violation of postal regulations. A call back is simply a form stating the purpose of the viewing, with a phone number and person to contact to arrange an appointment for the assessor to view the property.

If the assessor's request to view a property is refused, the assessor should make a request by certified mail (sec. 70.47(7) (aa), Wis. Stats.) to view the building, stating the purpose of the viewing, the desired time of viewing, and advising the owner that refusal of the request will result in loss of the right to appeal the assessment. In those cases where the assessor is unable to gain entry, the improvement will have to be listed and valued according to the best information available.

Land Valuation

In 1998, agricultural lands began being assessed at "use-value," i.e., assessment based on the ability of the land to generate income. The DOR provides assessors with the values for agricultural lands on an annual basis. WPAM Chapter 11 provides details on how to assess agricultural lands.

Aerial photographs and soil surveys should be used in conjunction with (not in lieu of) field viewings to evaluate and classify, undeveloped and timber lands. Overlays should be prepared to show ownership lines and acreages, land classification and unit values used for each parcel valued. Land classification and grading must be recorded on the property record cards.

Basic unit values for residential and commercial lands are derived from an analysis of sales, rents, leases, and other available market data. In the analysis of market data, adequate records should be prepared showing the data collected and unit value determinations. Once unit values have been determined, they are applied to each parcel with adjustments made as necessary to account for the particular characteristics of the site. Land computations should be shown for each parcel on the property record cards.

Valuation of Personal Property

The assessor should begin by preparing a list of all personal property accounts in the municipality. This can be compiled from the preceding year's assessment roll, and updated with additions or deletions that the assessor has discovered since the last assessment. The assessor should be sure that each property owner required to submit a personal property return has done so, and if not, they should be contacted to obtain the information. Any personal property returns submitted should be checked for arithmetic and procedural errors, and verified for accuracy in content. Since personal property returns are not required from farmers or other firms or corporations whose personal property is not used for the production of income, each such establishment must be visited to determine the amount and value of the personal property. The procedures discussed in WPAM Chapter 15 should be followed for the valuation of personal property.

Mobile Homes

In municipalities without a mobile home ordinance pursuant to sec. 66.0435, Wis. Stats., the assessor must assess mobile homes as either real estate, or personal property. In municipalities where a mobile home ordinance is in effect, the assessor must determine the market value of each mobile home against which the prior year's net tax rate is applied to arrive at the monthly parking fee. The value of each mobile home under such an ordinance,

however, is not entered in the assessment roll since mobile homes subject to an ordinance are exempt from the general property tax.

When valuing mobile homes, the assessor should use a mobile home listing form on which the physical features of each mobile home are recorded. Specific information to be collected on each mobile home includes: manufacturer, model, serial number, size, age, appearance, condition, number of rooms, foundation, siding, type of heat, utilities, any additions such as patios, porches, skirting, etc., and any extras such as air conditioning, fireplaces, basement, etc. A blue book price manual should be checked for information on the resale value of mobile homes, and mobile home dealers in the area should be contacted to obtain cost data. Where there have been mobile home sales, a sales analysis should be prepared in order to study the local market and to compare with the cost approach.

Approaches to Value

The assessor must analyze the data collected on each property, giving consideration to the factors influencing the value of each property compared to others, and then process the data into a value indication by employing the cost, income, and market approaches (as applicable) to value.

The assessor must determine the value according to sec. 70.32(1), Wis. Stats. by first considering "any recent arm's-length sales of the [subject] property to be assessed if according to acceptable appraisal practices those sales conform to recent arm's-length sales of reasonably comparable property." If no recent sales of the subject property exist, then the assessor must consider "recent arm's-length sale of reasonably comparable property." If no recent sales of the subject property and no recent sales of comparable property exist, then the assessor must consider "all factors that, according to professionally acceptable appraisal practices, affect the value of the property to be assessed." However, in the use of any approach other than the market approach for non-agricultural property, the final assessed values must be correlated to the statutory standard--ordinary market value.

Final Review

After initial value estimates have been derived, each property must again be viewed, along with the property record card and value estimate. This is done to verify the accuracy of the data, to be sure that the replacement costs have been properly derived, and to make a judgment of the overall condition, desirability, and usefulness of each improvement to arrive at a depreciation estimate. When appropriate, net income should be capitalized into an indication of value to determine the loss of value attributable to functional and economic obsolescence. The depreciated improvement value is then added to the land value, and the total property value is reviewed against sales data for comparable properties to be certain that it is reasonable, and against the assessments of other properties to assure equity between properties. Where a determination of value has been made using the income approach, the value estimate must also be reviewed to make the proper correlation between the cost, market, and income approaches. A final review is a very important aspect of any revaluation project. It helps to eliminate errors in computations, ensure uniformity in record card and form completion by various personnel, and to be sure that all land and improvements have been properly accounted for.

Measure Assessment Performance

Once the assessments have been established for each property, the values must be tested to find if they represent market value and if they are equitable. The best way to do this is through assessment/sales studies, provided there are a sufficient number of sales available. The procedures to be used for these studies are discussed in detail in WPAM Chapter 14.

Completion of Assessment Roll

After the assessments have been reviewed in the field, and any necessary changes have been made, the assessor completes the assessment roll. For real estate, the class code, acreage, and assessment for each parcel are entered in the appropriate section of the roll. Personal property assessments are entered in the personal property section of the roll in alphabetical order. Following the open book conference, any additional changes that have been made in the assessments are recorded in the assessment roll and each page of the assessment roll is totaled and the real estate assessment roll and personal property assessment roll summaries are completed. When the assessment roll is turned over to the clerk the assessor completes the assessor's affidavit and signs the roll.

Reports to the Department of Revenue

When expert help has performed a revaluation, the expert help is responsible for completing the Municipal Assessment Report, and a listing of buildings on leased land for that year. If the revaluation is performed by the local assessor, the assessor continues to be responsible for completing and submitting the reports to the DOR in May. If the revaluation has not been completed by that time, a tentative Municipal Assessment Report should be submitted. That report should include increases in valuation due to annexations, new construction, property formerly exempt and now assessed, losses in value due to annexation, demolitions, and property becoming exempt. For personal property it should provide information on the value of personalty by class. The Supervisor of Equalization should be contacted for assistance in preparing these reports.

Assessment Notices

Upon completion and review of the assessments, assessment notices are mailed to all property owners in the municipality. Under secs. 70.055 and 70.75, Wis. Stats., by contract these notices must be mailed at least 15 days prior to the open book conferences), except for any year that the taxation district conducts a revaluation under sec. 70.05, Wis. Stats., the notice shall be sent at least 30 days before the meeting of the BOR. This is done for the convenience of taxpayers so they have time to review their assessments and make arrangements as necessary to attend the open book conferences. The notice form used is prescribed by the DOR as provided under sec. 70.365, Wis. Stats., and must also include the dates and time for the BOR. The standard contract provides that the dates and times for the open book conferences also be included on the assessment notice.

Open Book Conference

An open book conference is an informal meeting which is held to allow taxpayers to discuss the new assessments with the assessor or expert help, learn how they were derived, and compare their assessments with others. The state standard contract specifies that an open book conference must be held by expert help when a revaluation is conducted under secs. 70.055 or 70.75, Wis. Stats. By allowing time to meet with taxpayers prior to turning the assessment roll over to the BOR, it may be possible to resolve problems and correct any errors that are discovered, thus decreasing the number of formal objections presented to the BOR.

After the open book conference has been held, the assessment roll is completed, signed by the appropriate person(s), and turned over to the clerk.

Completion Date for a Revaluation

The completion date for a revaluation or a reassessment will vary, depending on the size of the municipality, types of properties, number of individuals working on the project, quality of maps available, accuracy of legal descriptions, and other factors. It is not uncommon for the completion date to extend beyond the statutory meeting date for the BOR; however, the completion date should in no case, extend beyond the normal time for extending the tax rolls and collecting taxes.

Board of Review

When a revaluation extends beyond the statutory meeting date for the BOR, the Board must still meet during the 30-day period beginning on the second Monday of May; however, at that time it would adjourn to the date that it is anticipated the assessment roll will be completed. The clerk must post written notice on the outer door of the place of meeting, stating the date and time to which the meeting has been adjourned. If the assessment roll still is not completed on the adjourned meeting date, the Board must again meet and adjourn to another date when it is anticipated the roll will be completed. The clerk must again post a written notice on the outer door of the meeting place stating the new date and time to which the meeting has again been adjourned. This procedure must be followed each time the assessment roll is not completed on the adjourned meeting date until the date that the assessment roll is completed. When the assessment roll is finally completed and the BOR meets, it must be in session the hours required by statute for the first meeting of the BOR.

The BOR's powers, duties, and limitations still hold as in any ordinary year, and its responsibilities have not been lessened by virtue of a revaluation. However, where the DOR has ordered a reassessment pursuant to sec. 70.75(1), Wis. Stats., a special Board of Corrections, appointed by the DOR, would then be responsible for the review and correction of the assessments and the regular BOR members would be relieved of any responsibility in regard to those assessments. Reference should be made to WPAM Chapter 18 for additional information on BOR duties, responsibilities, and limitations.

Municipality's Role in a Revaluation

When expert help is hired to perform a revaluation, the standard contract makes the municipality responsible for furnishing adequate office space, at no cost to the expert help for the duration of the revaluation. The space should be in or near the municipal hall, and should include desks, tables, chairs, file cabinets, heating, lighting, plumbing, telephone, and janitorial services. The municipality must take an active role in the promotion of public information regarding the revaluation.

During the revaluation, the expert help and/or assessor may have reason to refer to various municipal records. The municipality should make available previous assessment rolls and records, sewer and water layouts, building permits, tax records, records of special assessments, plats, and any other maps currently in their possession, at no cost. The municipality should also be certain that there are adequate maps for use during the revaluation. This is essential for the proper assessment of all property in the municipality.

The municipality must also provide approved forms, binders, record cards, adhesive backed labels, assessment notice forms, and any other materials as necessary for the completion of the revaluation. In addition, the name and address of the owner, legal description, and parcel number of each parcel to be appraised must be provided by the municipality. All of these materials can be obtained from the County Clerk or the Real Property Lister.

2009 Wisconsin Act 68 addresses notification which must be published or posted prior to commencement of a revaluation by an assessor. The trespass bill states in part "Before a city, village, or town assessor conducts a revaluation of property under this paragraph [Section 70.05(5)(b) Wis. Stats.], the city, village or town **shall** publish a notice on its municipal website that a revaluation will occur and the approximate dates of the property revaluation. The notice **shall** also describe the authority of an assessor, under Section 943.13, Wis. Stats. and Section 943.15, Wis. Stats., to enter land. If a municipality does not have a website, it **shall** post the required information in at least 3 public places within the city, village or town." (Emphasis added)

Municipalities may consider publishing this notice every assessment year.

It is recommended that you provide a link to the above noted statutory references so that persons visiting your website could click on those links and review the statutes. Model language regarding this notice is provided below.

Sample Revaluation Notice

> A revaluation of property assessments in the (*municipality*) shall occur for the (*year*) assessment year. The approximate dates of the revaluation notices being sent to property owners is expected to be in (*month/year*). Please also notice that the Assessor has certain statutory authority to enter land as described in Sections 943.13 and 943.15, Wisconsin Statutes.
>
> The ability to enter land is subject to several qualifications and limitations, as described within the foregoing statutes. Copies of the applicable statutes

can be obtained at public depositories throughout the State of Wisconsin, and from the State of Wisconsin Legislative Reference Bureau website or a copy may be obtained from the municipal clerk upon payment of applicable copying charges.

Public Relations

Prior to, and throughout the revaluation, it is important that taxpayers be aware of what is happening. The municipality should publish articles in the local newspaper prior to the revaluation so citizens are aware that a revaluation will be conducted, the purpose of the revaluation, who will perform it, when it will begin, and what to expect.

The municipality should also prepare some type of letter of introduction for all field staff, which should be presented along with a picture identification card, when viewing each property. This will help to relieve apprehension on the part of property owners who may be reluctant to allow someone they do not know to enter their home. The DOR prepares letters of introduction for expert help hired under secs. 70.75(1) and (3), Wis. Stats.

To keep abreast of the status of the revaluation, it is necessary for the governing body to regularly meet with the assessor or expert help (as the case may be) to receive progress reports and discuss problems. By being continually aware of the status of the revaluation, the governing body is in a better position to keep the public informed, and to plan ahead for open book conference and BOR dates.

During the revaluation the public should be kept informed of the progress of the revaluation. This is best handled through the local newspaper. There should be coordination between the assessor or expert help and the governing body regarding news releases to the public. Many times the expert help has had experience in this area and will have suggestions for how to handle informational releases.

Personal contacts are an important aspect of a public relations program. When dealing with taxpayers, the assessor and expert help should project a courteous, cooperative, and helpful attitude. It should be recognized that whenever there is a revaluation there are bound to be some problems. By taking time to meet with taxpayers and discuss the assessments, it may be possible to resolve many of the problems, and correct any errors that are found to exist.

Compensation to the Assessor

The amount of compensation for the assessor during a revaluation is up to the judgment of the governing body, and should be commensurate with the degree of participation expected of the assessor. When expert help is hired to perform a revaluation, the responsibilities of the assessor have not been lessened. Under sec. 70.055, Wis. Stats., the assessor and expert help are equally responsible for the assessments; under sec. 70.05(2), Wis. Stats., the assessor has sole responsibility for the assessments; and under sec. 70.75(3), Wis. Stats., the assessor, expert help, and DOR designee are all equally responsible for the assessments. As such, the assessor should take an active part in the entire revaluation. This involvement will help to ensure proper maintenance of the assessments in future years, and should be reflected in the assessor's salary.

Cost of a Revaluation

Cost can be a major factor in determining whether or not to conduct a revaluation. The cost for a revaluation is determined by the number of parcels to be appraised, the number of personal property accounts, the availability of maps, the quality of existing records, the different classes of property involved, accessibility to the entire area with regard to roads, etc. Any estimate of cost must consider all of these factors; therefore, the cost of a revaluation must be determined on an individual basis.

Maintenance of the Assessments and Assessment Records

Following a revaluation or a reassessment, it is important that the assessments and the assessment records be properly maintained on an annual basis to reflect current conditions. Section 70.32, Wis. Stats. states in part, "Real property shall be valued at the full value which could ordinarily be obtained therefore at private sale." Assessments should conform to market value to assure uniformity of assessments so that the property tax burden will be equitably distributed across property classes and among individual property owners. By analyzing recent sales and performing assessment/sales ratio studies, the assessor can readily determine whether the assessments represent market value and are equitable between property owners. An assessment/sales ratio study is a comparison of property assessments against the actual sales prices of the same properties. Overall, assessment ratios for each class of property should be approximately equal to the assessment ratio for all classes of property combined. If the assessment ratios for different classes of property are unequal, assessment inequities exist and it will be necessary for the assessor to review the assessments and make adjustments as needed to maintain equity in the assessments. For more information on how to use sales to analyze the equity of the assessments, refer to WPAM Chapter 14.

Assessments should not be carried over from year to year with no adjustments. Property values are continually changing, and the values do not change at the same rate for all properties. With no changes in the assessments, inequities will soon develop. Therefore, they should still be reviewed annually and sales analyses performed to determine if specific classes or types of property need to be adjusted to maintain equity in the assessments.

In addition to maintaining the assessed values, the property records must also be maintained. Assessments can only be as accurate as the property data on which they are based. It is not possible to arrive at equitable assessments using inaccurate and incomplete data. Because property characteristics are continually changing, the property record cards must be updated on an annual basis to account for new construction, remodeling, land splits, and demolitions. If the record cards are not properly maintained, they will no longer aid the assessor in making defensible assessments, and the benefits realized as a result of the revaluation will soon be lost.

To help maintain property records, the assessor is furnished with copies of all real estate transfer returns. Market data from the transfer returns should be analyzed and posted on the property record cards. The assessor should also be notified of all building permits, which alert the assessor to changes in property characteristics. In addition, it will be necessary for

the assessor to periodically view all properties and update the property record cards to reflect current conditions.

Sources

International Association of Assessing Officers. *Improving Real Property Assessment*, A Reference Manual. Chicago, Illinois, 1978.

Smith, Paul E. "Administration of a Reappraisal Program," *Assessment Digest*, International Association of Assessing Officers. May/June, 1979, p. 6-9.