

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2592/1	Introduction Number AB-656
Subject	
Use of income in determining fair market value	

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected**
- Towns Village Cities
 - Counties Others Housing, Redevelopm. Auth.
 - School Districts WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 9/15/2005

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Assumptions Used in Arriving at Fiscal Estimate

Under current law, a property owner whose property is condemned is entitled to the fair market value of the property taken. In *Leatherm Smith Lodge, Inc. v. State*, 94 Wis. 2d 406 (1980), the Wisconsin Supreme Court ruled that in determining fair market value, income evidence is not admissible when evidence of comparable sales exists.

Under the bill, a condemnation commission or a court would be allowed to consider income evidence even if evidence of comparable sales exists.

To the extent that the use of income evidence produces a different determination of fair market value, the bill may increase or decrease state and local costs to acquire property for a public purpose. It is not possible, however, to determine the magnitude of the fiscal impact.

Long-Range Fiscal Implications