
Wisconsin Legislative Council

AMENDMENT MEMO



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2019 Senate Bill 624

Senate Substitute Amendment 1

BACKGROUND

Current law regulates the manner in which an assessor determines the value of real property. Among other factors, an assessor must consider: (1) recent arm's-length sales of the property to be assessed if, according to professionally acceptable appraisal practices, those sales conform to recent arm's-length sales of reasonably comparable property; (2) recent arm's-length sales of reasonably comparable property; and (3) all factors that, according to professionally acceptable appraisal practices, affect the value of the property to be assessed.

An assessor must notify a property owner when the assessed value of a property changes from the previous year's assessment.

2019 SENATE BILL 624

2019 Senate Bill 624 prohibits an assessor from changing the assessed value of a property based solely on the recent arm's-length sale of the property unless the change in assessed value updates a previous assessment based on incorrect or outdated information about the property characteristics.

The bill does not limit an assessor's ability to change the assessed value of a property using a recent arm's-length sale of the property as part of a revaluation or interim market update of the taxation district.

The bill first applies to property tax assessments as of January 1, 2020.

SENATE SUBSTITUTE AMENDMENT 1

Senate Substitute Amendment 1 replaces the prohibition in the bill with a requirement that an assessor, when notifying a property owner of a change in assessed value from the previous year's assessment, include the following statement in the notice:

Under Wisconsin law, generally, the assessor may not change the assessment of property based solely on the recent arm's length sale of the property without adjusting the assessed value of comparable properties in the same market area. For information on the assessment of properties that have recently sold, visit the Internet site of the Department of Revenue at [address].

The substitute amendment also revises the initial applicability of the bill to property tax assessments as of January 1, 2021.

BILL HISTORY

Senate Substitute Amendment 1 was introduced by Senator Craig on January 29, 2020. On February 13, 2020, the Senate Committee on Agriculture, Revenue and Financial Institutions recommended adoption of the amendment and passage of the bill, as amended, on votes of Ayes, 9; Noes, 0.

DWS:ksm