



State of Wisconsin
2017 - 2018 LEGISLATURE

LRBs0179/1
JK:kjf&ahe

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 386**

November 30, 2017 - Offered by Representative R. BROOKS.

1 **AN ACT** *to create* 70.32 (1b) of the statutes; **relating to:** property tax
2 assessments based on comparable sales and market segments.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 70.32 (1b) of the statutes is created to read:

4 70.32 **(1b)** (a) To determine the value of property using generally accepted
5 appraisal methods, the assessor shall consider all of the following as comparable to
6 the property being assessed:

- 7 1. Sales or rentals of properties exhibiting the same or a similar highest and
8 best use with placement in the same real estate market segment.
- 9 2. Sales or rentals of properties that are similar to the property being assessed
10 with regard to age, condition, use, type of construction, location, design, physical
11 features, and economic characteristics, including similarities in occupancy and the

1 the potential to generate rental income. For purposes of this subdivision, such
2 properties may be found locally, regionally, or nationally.

3 (b) For purposes of par. (a), a property is not comparable if any of the following
4 applies:

5 1. At or before the time of sale, the seller places any deed restriction on the
6 property that changes the highest and best use of the property, or prohibits
7 competition, so that it no longer qualifies as a comparable property under par. (a) 1.
8 or 2. and the property being assessed lacks such a restriction.

9 2. The property is dark property and the property being assessed is not dark
10 property. In this subdivision, “dark property” means property that is vacant or
11 unoccupied beyond the normal period for property in the same real estate market
12 segment. For purposes of this subdivision, what is considered vacant or unoccupied
13 beyond the normal period may vary depending on the property location.

14 (c) For purposes of par. (a), “highest and best use” means the specific use of the
15 property as of the current assessment date or a higher use for which the property may
16 be used as of the current assessment date, if the property is marketable for that use
17 and the use is legally permissible, physically possible, not highly speculative, and
18 financially feasible and provides the highest net return. When the current use of a
19 property is the highest and best use of that property, value in the current use equals
20 full market value. In this paragraph, “legally permissible” does not include a
21 conditional use that has not been granted as of the assessment date.

22 (d) For purposes of par. (a), “real estate market segment” means a pool of
23 potential buyers and sellers that typically buy or sell properties similar to the
24 property being assessed, including potential buyers who are investors or
25 owner-occupants. For purposes of this paragraph, and depending on the type of

1 property being assessed, the pool of potential buyers and sellers may be found locally,
2 regionally, nationally, or internationally.

3 **SECTION 2. Initial applicability.**

4 (1) This act first applies to the property tax assessments as of January 1, 2018.

5 (END)