

NOTICE OF PROPOSED GUIDANCE DOCUMENT

DTIMBOA9

Pursuant to Wis. Stat. s. 227.112, the Wisconsin Department of Transportation is hereby seeking comment on DTIMBOA9, a proposed guidance document.

PUBLIC COMMENTS AND DEADLINE FOR SUBMISSION

Comments may be submitted to the Wisconsin Department of Transportation for 21 days by:

1. Department's website: <https://appengine.egov.com/apps/wi/dot/guidance-docs?guidDocId=DTIMBOA9>

2. Mailing written comments to:

Division of Transportation Investment Management
Wisconsin Department of Transportation
4822 Madison Yards Way
PO Box 7913
Madison, WI 53707-7913

WEBSITE LOCATION OF FINAL GUIDANCE DOCUMENT

The final version of this guidance document will be posted at wisconsin.dot.gov to allow for ongoing comment.

AGENCY CONTACT

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Appraisal Guidelines for Property Owners

The Wisconsin Department of Transportation, Bureau of Aeronautics (BOA), acting as the agent of the airport owner, has provided you with a written offer to purchase property that is needed for an airport improvement project. The Bureau has also provided you with a copy of an appraisal upon which that offer is based. Wisconsin state statutes provide you the right to obtain your own appraisal of the proposed land acquisition. The following information is provided to assist you in understanding that right.

Wisconsin statute, Section 32.05(2)(b), states in part: *The owner may obtain an appraisal by a qualified appraiser of all property proposed to be acquired, and may submit the reasonable costs of the appraisal to the condemnor for payment. The owner shall submit a full narrative appraisal to the condemnor within 60 days after the owner receives the condemnor's appraisal.*

Qualified Appraiser

We require that appraisers for airport land acquisitions be licensed by the state of Wisconsin as a Certified General Appraiser. You may want to consider a Certified General Appraiser with airport-related appraisal experience. The appraiser should prepare an appraisal that is in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Federal Aviation Administration Order 5100.37B. The ultimate choice of the appraiser is yours. The Bureau will not recommend appraisers but does maintain a list of appraisers who have recently done airport appraisals. It is your responsibility to ask for references if you would like to do so. Appraisers may be located in the phone listings under "Real Estate Appraisers".

Reasonable Costs

The Bureau will only reimburse fees for appraisals that are determined to be reasonable in cost. Fees will be considered reimbursable if:

- The appraisal meets all Bureau appraisal requirements;
- The analysis and presentation of the appraisal data are documented with logical and reasonable conclusions of value;
- The billed fees are comparable to fees charged for similar work performed by other qualified appraisers within the same market area, as determined by the Bureau; and
- The reasonableness of the fee will also be judged by the complexity of the appraisal problem and the independent analysis and data provided by the appraiser.

In order for the Bureau to determine the reasonableness of the appraisal fee, the appraiser must submit a detailed breakdown of the time involved. The appraiser must indicate the dates and hours spent inspecting the subject property, inspecting and verifying comparable sales, drafting the report, etc. and indicate the hourly rate charged. It is the owner's responsibility to ensure the appraisal invoice contains these items. The appraisal report and bill must be submitted to the Bureau (via the negotiating agent) within the 60-day limit as specified in the original written offer.

Fees that will not be reimbursed:

- Consultation with the owner or owner's representative or attorney unless it occurs during the actual property inspection or while gathering additional property data.

- Time spent reviewing the Bureau’s appraisal.
- The entire payment can be denied if the appraisal does not meet the requirements under these guidelines.

Full Narrative Appraisal

A “full narrative appraisal” is a detailed and comprehensive appraisal report. It describes the property to be acquired and provides a documented conclusion of its fair market value and, if applicable, any damages to the remaining property. The appraisal report must contain the appraiser’s rationale for determining the damage estimate that must be based on market data contained within the appraisal. The report will typically be similar in scope and format to the appraisal report provided you by the Bureau.

60-day Time Limit

Wisconsin statutes require that your appraisal must be delivered to the Bureau or be postmarked within 60 days after you receive the Bureau’s appraisal. The 60 days run consecutively without interruption. Failure to return an appraisal within 60 days does not mean an appraisal cannot be submitted for consideration, only that it will not be paid for by the Bureau.

THE BUREAU OF AERONAUTICS CANNOT PAY FOR THE COST OF AN APPRAISAL
RECEIVED OR POSTMARKED AFTER 60 DAYS
--- NO EXCEPTIONS ---

Reduce Your Risks

In order to reduce your risk, you may want to consider the following:

- Use a Wisconsin Certified General Appraiser.
- Avoid appraisers who want to be paid in advance or will not provide an estimate of the appraisal fee.
- Make contacts with appraisers early in the process to ensure their availability.
- Discuss the estimated appraisal fee with the negotiating agent before hiring an appraiser if you are concerned about the reasonableness of the fee.
- Ask your appraiser to sign a written agreement that requires them to comply with these guidelines.
- Ask your appraiser, in the agreement, to allow you adequate time to review the appraisal prior to the 60-day deadline.

Most appraisers have no trouble meeting these conditions, and the cost of the appraisal is routinely paid. There have been some instances, however, where appraisers have not followed the guidelines or have charged unreasonably high fees. When this happens, the Bureau may deny reimbursement of the fee or may pay only the portion determined to be reasonable for the appraisal service performed.

Any agreement for appraisal services is strictly between you and the appraiser. The ultimate responsibility for payment of the fee charged by the appraiser rests solely with you. The statutory responsibility to pay the reasonable cost of an appraisal is not subject to or affected by an agreement reached between you and your appraiser.

The information contained in these guidelines is offered to help prevent any potential misunderstanding between you and the Bureau regarding the reimbursement of appraisal fees.

Your ability to obtain your own appraisal is a statutory right, to be exercised or not, at your discretion.

If you have any questions regarding these guidelines, please contact the Bureau via the negotiating agent.