



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-0394/1
EKL:emw

2019 BILL

1 **AN ACT** *to amend* 70.47 (7) (af); and *to create* 70.325 of the statutes; **relating**
2 **to:** the submission of information for commercial property tax assessments.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the Joint Legislative Council Study Committee on Property Tax Assessment Practices. In Wisconsin, if a property tax assessor concludes that recent sales data is insufficient to allow assessment based on a sale of the subject property or recent sales of comparable properties, an assessor may rely on an “income approach” to estimate a property’s value based on its income-generating potential. Under current law, an assessor may request that a person provide information regarding the income and expenses of a property in connection with board of review proceedings. No person may object to a valuation that relies on the income approach unless the person provided the assessor with the requested information at least seven days before the first meeting of the board of review.

The bill authorizes an assessor to request an enumerated list of documents at an earlier stage in the assessment process. Specifically, the bill authorizes an assessor, by March 1 of the current assessment year, to request a person to provide one or more of a specified list of documents that were executed, prepared, or submitted within the current assessment year or the three years prior to the current assessment year. The bill prohibits

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a person who has received such a request from objecting to a valuation before the board of review if the person did not provide the requested information by March 31 of the current assessment year.

The bill requires the Department of Revenue to prescribe a form listing the documents enumerated in the bill. Under the bill, the form and documents are confidential records of an assessor's office and must remain under seal before the board of review and on appeal. Finally, the bill provides that documents provided under the bill are not controlling and specifies that the bill does not limit an assessor's authority to seek additional evidence regarding a property's value.

1 **SECTION 1.** 70.325 of the statutes is created to read:

2 **70.325 Requirement to provide information for commercial property**

3 **assessments.** (1) To determine the value of property classified under s. 70.32 (2)

4 (a) 2. for which a person should be assessed, an assessor may request, no later than

5 March 1 of the current assessment year, the person to submit evidence of the

6 property's fair market value. An assessor shall make a request by providing the

7 person with a form prescribed by the department of revenue that the person shall

8 complete. The form prescribed by the department shall list documents that evidence

9 a commercial property's fair market value and shall require the person to declare

10 whether a document exists for the property to be assessed and, if so, to attach a copy

11 to the form. The assessor may request any of the listed documents that were

12 executed, prepared, or submitted within the current assessment year or the 3 years

13 prior to the current assessment year. The documents listed on the form shall include:

14 (a) All of the following relating to the rental of the property:

15 1. Operating statements.

16 2. Vacancy losses.

17 3. Rent rolls.

18 4. Leases.

19 5. Lease abstracts, including itemized expenses.

20 6. Federal tax form 8825.

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- 1 (b) All of the following relating to a sale or potential sale of the property:
- 2 1. Purchase agreements.
- 3 2. Listing contracts.
- 4 3. Offers to purchase.
- 5 4. Counteroffers to purchase.
- 6 5. Condition reports.
- 7 6. Option to purchase.
- 8 7. Rights of first refusal.
- 9 8. Letters of intent.
- 10 (c) All of the following provided to a purchaser of the property no later than the
- 11 sale's closing date:
- 12 1. Closing statements.
- 13 2. Rent rolls.
- 14 3. Leases.
- 15 4. Operating statements.
- 16 5. Stacking plans.
- 17 6. Title commitments.
- 18 7. Documentation of tenant delinquencies.
- 19 8. Service contracts.
- 20 9. Warranties.
- 21 10. Utility bills.
- 22 11. Environmental reports.
- 23 (d) Documents showing the cost of completed construction or completed
- 24 remodeling.
- 25 (e) Appraisals and feasibility studies.

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1 (f) Documents provided to the federal securities and exchange commission.

2 (g) Fixed asset schedules.

3 (h) Documents showing asset value in the real estate portfolio of a real estate
4 investment trust.

5 (i) Other documents related to income and expenses that are listed on the form
6 prescribed by the department.

7 **(2)** The form and documents provided under sub. (1) shall be the confidential
8 records of the assessor's office and shall remain under seal before the board of review
9 and on appeal. The municipality or county shall provide by ordinance for the
10 confidentiality of the information contained on the form and documents and shall
11 provide exceptions for persons using the information in the discharge of the duties
12 of their office or duties imposed by law or order of a court. The form and documents
13 provided under sub. (1) are not subject to the right of inspection and copying under
14 s. 19.35 (1) unless a court determines, prior to the first meeting of the board of review,
15 that information contained on the form or documents is inaccurate.

16 **(3)** If a person challenging an assessment is a tenant and is not in possession
17 of the documents requested under sub. (1), the requirement to provide the documents
18 under sub. (1) applies to the property's owner.

19 **(4)** No document or information provided under this section is controlling on
20 the assessor in the assessment of the property. Nothing in this section limits the
21 authority of the assessor to seek additional evidence as to the full value of the
22 property.

23 **SECTION 2.** 70.47 (7) (af) of the statutes is amended to read:

24 70.47 **(7)** (af) No person may appear before the board of review, testify to the
25 board by telephone or object to a valuation; if that valuation was made by the

