



Joint Legislative Council's Report of the Study Committee on Property Tax Assessment Practices

[2019 Senate Bills 95, 96, and 97]

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STUDY COMMITTEE ON PROPERTY TAX ASSESSMENT PRACTICES

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PART I

KEY PROVISIONS OF COMMITTEE RECOMMENDATIONS

The Joint Legislative Council introduced the following bills in the 2019-20 session of the Legislature.

2019 SENATE BILL 95, RELATING TO COST-SHARING ASSISTANCE FOR PROPERTY TAX ASSESSMENTS

2019 Senate Bill 95 authorizes cost-sharing across affected units of local government for certain expenses relating to defending a property tax assessment. The bill authorizes such cost sharing if approved by representatives of three of the four taxing jurisdictions — municipality, county, school district, and technical college district — with taxing authority over a given property.

2019 SENATE BILL 96, RELATING TO ACTIONS FOR EXCESSIVE PROPERTY TAX ASSESSMENTS

2019 Senate Bill 96 makes two changes to the timelines and procedures governing actions to challenge a property tax assessment on the grounds that it is excessive. First, the bill removes a step in the process for such actions. Second, the bill aligns the timelines for appeals to circuit court after various board of review decisions.

2019 SENATE BILL 97, RELATING TO THE SUBMISSION OF INFORMATION FOR COMMERCIAL PROPERTY TAX ASSESSMENTS

2019 Senate Bill 97 requires commercial taxpayers to disclose certain documents at the request of a property tax assessor. The bill enumerates types of documents that an assessor may request and requires the Department of Revenue (DOR) to create a form for such requests. If a commercial taxpayer fails to provide requested documents by a given deadline, the bill generally prohibits the taxpayer from taking certain actions to object to a property tax assessment. However, the bill provides a limited exception and procedure for documents that are not in a commercial taxpayer's possession.

PART II

COMMITTEE ACTIVITY

ASSIGNMENT

The Joint Legislative Council established the Study Committee on Property Tax Assessment Practices and appointed the chairperson by an April 9, 2018 mail ballot. **Appendix 2** identifies the membership of the Joint Legislative Council at the time the mail ballot was approved. The committee was directed to review current property tax assessment practices, including the review of statutory, administrative, and judicial directives on assessment practices and the consistency of assessment practices throughout the state. Following its review, the committee was directed to recommend legislation to revise and clarify property tax assessment practices, including recommendations regarding the role of comparable sales and market segments in assessments and the assessment of leased property.

Membership of the study committee was appointed by a June 4, 2018 mail ballot. The final committee membership consisted of three representatives, three senators, and six public members. A list of committee members is included as **Appendix 3** to this report.

SUMMARY OF MEETINGS

The committee held five meetings on the following dates:

- August 7, 2018.
- September 6, 2018.
- October 9, 2018.
- December 11, 2018.
- January 9, 2019.

At the committee's August 7, 2018 meeting, Chair Olsen welcomed committee members. Scott Grosz, principal attorney, and Anna Henning, senior staff attorney, Legislative Council staff, summarized the material in Staff Brief 2018-04, *Study Committee on Property Tax Assessment Practices*. Questions and discussion followed the presentation. Senator Cowles requested definitions of technical terms that are likely to arise in the committee's work.

Nicole Kuehl, legislative liaison, and Scott Shields, director, Office of Technical and Assessment Services, DOR, provided an overview regarding property tax assessment in Wisconsin, including background regarding property tax administration, the department's role, the Wisconsin Property Assessment Manual (WPAM), and assessor certification. They then answered committee members' questions regarding whether the state's approach to assessment varies for different categories of property; whether the state's tax assessment system has been audited; where

Wisconsin's taxation levels rank compared with other states'; assessor training, certification, and evaluation; updates to the WPAM; and whether DOR recommends any changes to current law.

Tim Michalak, mayor, City of Hartford, and Washington County supervisor described how changes to commercial tax assessments have affected the City of Hartford and surrounding areas in Washington County. He noted that a large portion of the city's budget is allocated to police services, which are disproportionately utilized at certain large retail stores.

Shannon Krause, assessor, City of Wauwatosa, described the process she uses for property tax assessment and the appeals process. She noted that her preference is to hear about concerns early in the process and work with taxpayers to resolve issues. She said that municipalities have been defending assessments in circuit court, which is very costly, and that many municipalities choose to concede to a lower assessment to avoid the expense of litigation. She distributed a list of claims that have been filed against the City of Wauwatosa during the past several years.

Brian Grossman, senior manager, Property Tax, Walgreen Company, emphasized Walgreen Company's contributions in Wisconsin and noted that challenging tax assessments is a legal right, not a loophole. He stated that assessors should determine property value, not business value. He described Walgreen's build-to-suit model and explained that Walgreen Company is not a party to the sale in such transactions. He noted the importance of *The Appraisal of Real Estate*, which he said states that a lease never affects fee simple value. He asserted that an assessment that incorporates the value of an above-market lease double taxes income, and that sale-leasebacks should not be considered arms-length transactions.

Robert Vujea, property tax manager, Meijer, Inc., described Meijer, Inc.'s investment and contributions in Wisconsin. He stated that assessments should be based on the value of the bricks and mortar, and a structure's occupant should have no bearing on value. He stated that certain features of Meijer, Inc.'s stores are only valuable to Meijer, Inc., and that if a market segment is too narrowly drawn, it undercuts the sales comparison approach to property tax assessment. He characterized the phrase "dark stores" as misrepresenting the sales comparison approach. Finally, he urged the committee to: (1) focus on property value; (2) not eliminate all deed-restricted properties as potential points of comparison; and (3) take a property's functional obsolescence into account.

At the September 6, 2018 meeting, **Mark J. Eppli, director, Graaskamp Center for Real Estate, Wisconsin School of Business, UW-Madison,** began his presentation to the committee with an overview of real estate assessment practices, describing valuation concepts and principles such as the bundle of rights, market value, uniformity, highest and best use, and the sales comparison, income, and cost approaches to value. Following his overview, Mr. Eppli offered his opinions regarding the application of these principles to the assessment of leased property, discussing differences between assessment of leased fee interests and fee simple interests, how a "market" should be determined for a particular property, consideration of contract rents, and evaluation of leaseholder creditworthiness.

Rich Meeusen, chairman, president and CEO, Badger Meter, described the nature of Badger Meter's business, as well as the company's operations within the state of Wisconsin. In particular, he shared his experience with business acquisition, describing the manner in which Badger Meter

completed a recent acquisition of another business. In that example, he noted that Badger Meter did not separately value the various assets held by the acquired business, but instead placed a single value on the business as a going concern, including the real property acquired in the transaction. Mr. Meeusen also described advice he had received regarding the potential for increases in property taxes on properties owned by Badger Meter under bills relating to property assessment introduced during the 2017-18 legislative session.

Patrick Schloss, manager of community development, City of West Allis, explained the importance of the tax incremental financing (TIF) law as a tool for local economic development, highlighting his experience with TIF law in the City of West Allis. He described the effect of appeals to property tax assessments of property inside a tax incremental district (TID), and explained that such effects may be addressed in negotiations for new TIDs. However, he noted that assessment appeals also affect TIDs created prior to the prevalence of certain appeals practices, and that such effects are likely to result in unanticipated risks to the performance of such TIDs.

At the October 9, 2018 meeting, Chair Olsen and Legislative Council staff facilitated a discussion regarding several options summarized in a study committee memorandum, *Options for Committee Discussion* (revised October 4, 2018), and corresponding bill drafts. First, the committee discussed the option of shifting commercial and manufacturing assessments to the county level. Following a summary of the topic and corresponding bill draft LRB-0336/P1, members observed that the primary obstacle to similar proposals offered in the past — cost — remains a concern. Mr. Vita noted that personnel costs would make county valuations more expensive. Senator Ringhand and Mr. Nooyen expressed concerns regarding counties' increased costs. Regarding a provision of the bill draft authorizing counties to charge certain costs to municipalities, Ms. Siebel noted that it may be difficult to determine the amount municipalities had spent on commercial assessments in particular. Mr. Millis suggested that a multi-year average may be preferable to a single-year benchmark for municipal contributions. Vice Chair Allen commented that an advantage to county assessment would be more precise valuations for very difficult properties. Mr. Nooyen posited that county assessment would not address the substantive questions regarding commercial property assessments. Chair Olsen suggested setting aside the county assessment proposal for future discussion.

Second, Legislative Council staff summarized an option to incentivize certain disclosures from taxpayers. Chair Olsen provided background information regarding the option. Committee members compared and contrasted the option, as set forth in bill draft LRB-0394/P1, with the current requirement to provide information regarding income and expenses during the board of review process under s. 70.47 (7) (af), Stats. Ms. Siebel noted several practical limitations of the requirement under current law, including that litigants cannot obtain some documents without a subpoena. Mr. Millis stated that he was not opposed to the concept of the bill draft, but he would like to refine the list of documents included in the bill draft and strengthen the confidentiality provision to extend through the board of review process. Mr. Hoffman asked whether the bill binds a tenant taxpayer if an owner fails to produce the required documents and noted that some large business owners may be reticent to provide documents. In response to a question from Chair Olsen, Ms. Siebel agreed that requiring disclosure of more information would result in better assessments and could help to avoid litigation in some circumstances. Following a robust

discussion, it appeared that there was general consensus that the committee would like to see a revised bill draft on this issue. In addition, committee members expressed support for modifying the “incentive” provision in the bill draft to be more similar to the incentive under s. 70.47 (7) (af), Stats.

Next, the committee discussed options regarding the process of challenging a property tax assessment, including a proposal suggested by Vice Chair Allen to require arbitration and a proposal by Mr. Hoffman to require tax payments to be escrowed while a challenge is pending. Members raised practical concerns relating to both proposals. However, committee members expressed general support for a suggestion that certain timelines to challenge property tax assessments could be shortened.

The committee then discussed an option to recommend legislation similar to 2017 Assembly Bill 386 and 2017 Senate Bill 292, companion bills sometimes referred to as the “comparable sales” or “dark store” bills. For purposes of discussion, Legislative Council staff summarized the differences between two proposed alternatives to the introduced bills, including a bill draft shared by Mr. Millis and Assembly Substitute Amendment 1. Members addressed concerns with specific wording or phrases in the various proposals. Ms. Siebel argued that, by omitting certain key terms and provisions, the draft shared by Mr. Millis would have the possible effect of refuting key case law and resulting in legal uncertainty. She stated that she would rather have no statutory change than that compromise proposal. There was general agreement that current case law provides an adequate legal foundation for assessment, and that a significant aspect of the “dark store” “problem” is that some taxpayers challenge assessments based on arguably spurious comparable property claims. Committee members noted that, as a result of such challenges, municipalities often settle for lower than market assessments to avoid litigation costs.

After significant discussion of those and related concerns, there was general consensus in favor of having a bill draft prepared that would provide for cost-sharing across affected taxing jurisdictions for both hiring expert assistance with complex assessments and defending assessments that are challenged. The committee discussed that a joint assessment board, similar to a joint review board for purposes of TIF, could be created, and that a majority of the members of such a board would need to vote in favor of hiring expert assistance and defending assessments.

Finally, the committee briefly discussed options relating to assessor training and certification. Mr. Vita noted for certification that there are currently different levels of certification, with a more rigorous test required to assess commercial properties. Mr. Hoffman and Mr. Vita noted that there is already a national shortage of qualified assessors and appraisers.

At the December 11, 2018 meeting, Legislative Council staff discussed three bill drafts. First, the committee discussed LRB-0484/1, relating to actions for excessive property tax assessments. Following a summary of the bill draft by Legislative Council staff, Mr. Millis offered an amendment to clarify the deadline for filing an action for excessive assessment under the bill draft when a taxpayer does not receive a notice under s. 70.47 (12), Stats. Ms. Seibel raised several concerns relating to deadlines for appeal, appeal rights upon dismissal of an objection before the board of review under s. 70.47, Stats., and the standard of review to be applied by courts upon appeal. Following discussion by the committee, Chair Olsen asked Legislative Council staff to

prepare draft language that addresses the topics raised by Mr. Millis and Ms. Seibel for consideration at the committee's next meeting.

The committee next discussed LRB-0485/1, relating to cost-sharing assistance for property tax assessments. Chair Olsen explained the operation of current law that serves as background for the bill draft. Mr. Millis recommended several amendments to the bill draft, including expansion of the cost-sharing procedure to appeals of manufacturing assessments before the tax appeals commission, clarification that agreement by a taxation jurisdiction to share costs does not authorize a taxation jurisdiction to intervene in any proceeding, and a technical amendment to refer to DOR in SECTION 3 of the draft. Ms. Seibel recommended an amendment to expand the chargeback procedures under current law to provide for chargeback of both refunded taxes as well as interest, in all circumstances where current law provides only for the chargeback of refunded taxes. Chair Olsen asked for, and received, the committee's unanimous consent to incorporate the amendments into the bill draft for the committee's final consideration at its next meeting.

Finally, the committee discussed LRB-0394/1, relating to the submission of information for commercial property tax assessments. Following a summary of the bill draft by Legislative Council staff, the committee reviewed several amendments proposed by Mr. Millis. Several of Mr. Millis' amendments related to revisions to the types of documents that must be listed on a form prescribed by DOR under the bill draft, as well as elimination of DOR authority to list other documents not specifically described in the bill draft. Chair Olsen asked for, and received, the committee's unanimous consent to incorporate these amendments into the bill draft for the committee's consideration at its next meeting. Other amendments offered by Mr. Millis proposed more substantive revision and expansion of the bill draft. These amendments included revision to a property owner's responsibility to provide documents when the owner is not the taxpayer, revision to the "penalty" for noncompliance in the production of documents, provision of taxpayer access to information submitted by other property owners, and clarification that there is no presumption that any document submitted pursuant to the bill draft is relevant to a property assessment. Following discussion by the committee, Chair Olsen asked Legislative Council staff to prepare draft language and background information that addresses the latter topics raised by Mr. Millis for further consideration at the committee's next meeting.

At the final committee meeting on January 9, 2019, the committee reviewed five bill drafts, and voted to recommend three of the bill drafts, with modifications.

Following an overview of LRB-0485/3 by Legislative Council staff, Vice Chair Allen suggested that the provision of the bill draft relating to the chargeback of interest be narrowed. Mr. Millis agreed that it might make sense to tie the interest provision to cost sharing for litigation. Several other committee members expressed that it is better to disentangle interest from the decision whether to litigate.

The committee rejected a motion to narrow the interest chargeback provisions, and approved another motion, made by Representative Gundrum, to require a majority of all members, rather than members present, to approve a motion of a board of assessment. A motion was made and passed to recommend introduction of the bill draft, as amended.

Next, Legislative Council staff summarized LRB-0484/1, LRB-1141/1, and LRB-1143/1, three alternative bill drafts regarding timelines and procedures governing actions to object to property tax assessments, and explained that the bill drafts provide differing approaches to situations in which a board of review has not issued a final notice under s. 70.47 (12), Stats.

Responding to a question posed by Chair Olsen, Mr. Millis and Ms. Seibel agreed that the procedural changes in LRB-0484/1 would generally improve the current process. Mr. Millis explained that the change in LRB-1141/1 was prompted in part by concerns about applying LRB-0484/1 in the City of Milwaukee. Mr. Millis, Ms. Seibel, and other committee members agreed that the procedural changes proposed in LRB-0484/1 may not work as well in the City of Milwaukee, which operates with unique procedures.

Ms. Seibel then spoke in favor of changes made to LRB-0484/1 by LRB-1143/1. She explained that LRB-1143/1 adds a process for a limited appeal of a board of review's decision to dismiss an objection. Ms. Seibel also suggested that the bill drafts should be amended to clarify who has standing to object to a tax assessment.

Some members opined that changes in LRB-1141/1 and LRB-1143/1 and changes relating to objector standing are arguably outside the scope of the limited purpose the committee sought to address when drafting LRB-0484/1. Chair Olsen noted that the committee's action is the beginning of the legislative process, and suggested that the committee should move forward with a good, if not perfect, bill draft.

A motion was made and passed to recommend the introduction of the bill draft, as amended to preserve current law with respect to a first class city in certain circumstances.

Finally, Legislative Council staff summarized LRB-0394/2. Mr. Millis and Ms. Seibel then spoke in favor of their respective proposals for revision, summarized in proposed revisions #1, #2, and #3 in the January 2, 2019 memorandum prepared by the Legislative Council staff.

After significant discussion, there appeared to be general support for revising the bill draft to provide a "good faith effort" standard for complying with the disclosure requirements under the bill, modifying the timeline for notifying a person of a request for documents, and broadening the scope of the consequence for noncompliance to apply to assessments made based on any valuation method, rather than only the income method.

The committee discussed several changes to the bill draft. Motions were made and passed to amend the bill draft as discussed and recommend the introduction of the bill draft, as amended.

PART III

RECOMMENDATIONS INTRODUCED BY THE JOINT LEGISLATIVE COUNCIL

This Part of the report provides background information on, and a description of, the bills as recommended by the Study Committee on Property Tax Assessment Practices and introduced by the Joint Legislative Council.

2019 SENATE BILL 95

Background

Under current law, when a taxpayer appeals a property tax assessment, costs of defending the assessment are borne by the municipality serving as the taxation district. If a taxpayer succeeds in the appeal and is awarded a refund, DOR determines the proportionate share of the refund relating to taxes levied by each taxation jurisdiction (e.g., counties, school districts, and technical college districts) and the taxation district may charge back and recover those amounts from each taxation jurisdiction. Generally, interest may not be charged back or recovered by the taxation district. Additionally, costs of defending the assessment may not be charged back or recovered.

The study committee devoted significant discussion to issues relating to litigation of property tax assessments. Among other incentives to settle cases rather than defend property tax assessments, the study committee heard testimony that the high cost of litigation is a significant factor.

Description

Under 2019 Senate Bill 95, a taxation district may convene a joint board of assessment, consisting of representatives of the taxation district, as well as the county, school district, and technical college district that have power to levy taxes on a property subject to assessment. Generally, the board must convene prior to the date on which the assessment of property is required to be completed. Once convened, the board may vote to share costs related to the assessment of a property, including costs of hiring expert help to assess the property, as well as costs of defending the assessment before the board of review, DOR, or tax appeals commission, or in any court action. If a joint board of assessment approves any motion for cost-sharing, costs described in the motion must be proportionately charged back and recovered from each taxation jurisdiction in the same manner that refunded taxes are charged back and recovered under current law. Failure of the board to approve any cost-sharing motion does not affect the authority of the taxation district to independently hire expert assessment help or defend an assessment before a board of review, DOR, or tax appeals commission, or in court.

The bill also modifies current law to generally require interest to be charged back to all taxing jurisdictions. Under s. 74.41 (4), Stats., DOR must determine the amount of rescinded or refunded taxes to be charged back to, and collected from, each taxing jurisdiction for which taxes were collected by a taxation district. Under current law, the amount determined does not include any interest. Under the bill, that amount must include interest.

2019 SENATE BILL 96

Background

Under current law, a taxpayer who wishes to appeal a property tax assessment may choose among several different opportunities for appeal, beginning with an opportunity for informal discussion with the assessor during the “open book period.” Following the “open book,” the taxpayer must appeal his or her assessment in a hearing before the local board of review, unless the board of review elects to waive the hearing requirement for the taxpayer. Following action by the board of review, a taxpayer may continue the appeal either before DOR, under s. 70.85, Stats.; in circuit court under s. 70.47 (13), Stats.; or in circuit court under s. 74.37, Stats. The latter appeal under s. 74.37, Stats., is referred to as an action for excessive assessment.

Under the process for appeal as an excessive assessment, a taxpayer must first file a claim with the taxation district that collected the tax. If that claim is disallowed by the taxation district, the taxpayer may bring an action for excessive assessment in circuit court. Such an action must be filed within 90 days after disallowance of the claim by the taxation district, unless the board of review waives its hearing requirement, in which case the taxpayer's claim is deemed disallowed and the action under s. 74.37, Stats., must be filed within 60 days.

Study committee members discussed that it would improve the process to streamline the timelines for filing appeals after various board of review decisions. The study committee also discussed that the requirement under current law to submit a claim prior to bringing an action under s. 74.37, Stats., is, in practice, an unnecessary procedural hurdle.

Description

Under 2019 Senate Bill 96, a taxpayer may bring a circuit court action for excessive assessment without first having to file a claim with the taxation district. Additionally, the bill generally aligns the requirements for timely filing of appeal. In particular, with a limited exception for first class cities, the bill specifies that a taxpayer also has 90 days to file an action under s. 74.37, Stats., following waiver of a hearing by a board of review.

2019 SENATE BILL 97

Background

Under current law, an assessor may request that a person provide information regarding the income and expenses of a property in connection with local board of review proceedings. No

person may object to a valuation that relies on the income approach¹ unless the person provided the assessor with the requested information at least seven days before the first meeting of the board of review. The deadline for submitting such income and expense information is seven days before the first meeting of the board of review. [s. 70.47 (7) (af), Stats.]

During the course of its work, the study committee discussed practical limitations of the income and expense information requirement under current law, including that some documents are typically not obtained without a subpoena. Study committee members suggested that requiring more detailed disclosures at an earlier stage in the process could improve the quality of assessments and help parties to avoid litigation in some circumstances. Other members noted that any proposal should address situations in which a taxpayer may not possess the relevant information. The study committee engaged in robust discussion regarding the types of documents to be included and the treatment of documents that may be in the possession of an investor owner rather than a tenant taxpayer in a triple-net lease situation.

Description

2019 Senate Bill 97 authorizes an assessor to request an enumerated list of documents at an earlier stage in the assessment process than is required under current law, and regardless of the valuation approach. Specifically, for commercial assessments, the bill authorizes an assessor, by January 15 of the current assessment year, to request a person to provide one or more of the following types of documents:

- Specified documents relating to rental of the commercial property, including itemized operating statements, vacancy losses, rent rolls, leases, lease abstracts, and federal tax form 8825.
- Specified documents relating to the sale or potential sale of the commercial property, including purchase agreements, listing contracts, offers to purchase, counteroffers to purchase, condition reports, options to purchase, rights of first refusal, and letters of intent.
- Specified documents provided to a purchaser in preparation for closing a sale of the commercial property, including closing statements, rent rolls, leases, operating statements, stacking plans, title commitments, documentation of tenant delinquencies, service contracts, warranties, utility bills, and environmental reports.
- Documents showing the cost of completed construction or completed remodeling.
- Appraisals and feasibility studies.
- Documents provided to the U.S. Securities and Exchange Commission in which the commercial property is listed or discussed.

¹ Under Wisconsin law, 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.

- Fixed asset schedules on which the commercial property is listed.
- Documents showing asset value of the commercial property in the real estate portfolio of a real estate investment trust.

The disclosure requirement under the bill applies to documents that were executed, prepared, or submitted within the current assessment year or the three years prior to the current assessment year.

The bill generally prohibits 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.

If the person challenging an assessment does not possess the requested documents, the bill requires the person to make a good faith effort to obtain them. The bill authorizes a board of review to dismiss a person's objection if the person does not demonstrate such good faith effort, and it provides for limited judicial review of such dismissals.

The bill requires DOR 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.

APPENDIX 1

COMMITTEE AND JOINT LEGISLATIVE COUNCIL VOTES

The following recommendations were introduced by the Joint Legislative Council in the 2019-20 session of the Legislature after being recommended by the Study Committee on Property Tax Assessment Practices.

STUDY COMMITTEE VOTE

On January 9, 2019, the study committee voted to recommend LRB-0394/2, LRB-0484/1, and LRB-0485/3, with certain modifications. The three bills presented to the Joint Legislative Council – LRB-0394/3, LRB-0484/2, and LRB-0485/4 – were the versions of those bills, as amended to reflect the modifications approved by the committee.

LRB-0394/3

- Senator Ringhand moved, seconded by Ms. Seibel, that LRB-0394/2 be amended as follows:
 - On page 2, line 5, replace “March 1” with “January 15”.
 - On page 4, replace the text in s. 70.325 (3), on lines 14-16, with a requirement that, if documents requested under sub. (1) are not in the possession of the person challenging an assessment, the person must demonstrate a good faith effort to obtain the documents, and make corresponding changes as needed on page 5, relating to the consequence for noncompliance.
 - On page 4, lines 24-25, strike “if that valuation was made by the assessor or the objector using the income method;”.
 - Create a process authorizing a board of review to dismiss an objection on the basis that a person has not made a good faith effort to obtain documents not in the person’s possession, and authorize a certiorari appeal of dismissals on those grounds.

The motion was approved on a vote of Ayes, 9 (Sens. Olsen, Cowles, and Ringhand; Reps. Allen, Considine, and Gundrum; and Public Members Hoffman, Seibel, and Vita); Noes, 2 (Public Members Catani and Millis); and Absent, 1 (Public Member Nooyen).

- Mr. Vita moved, seconded by Senator Cowles, to recommend the introduction of LRB-0394/2, as amended. The motion was approved on a vote of Ayes, 10 (Sens. Olsen, Cowles, and Ringhand; Reps. Allen, Considine, and Gundrum; and Public Members Catani, Hoffman, Seibel, and Vita); Noes, 1 (Public Member Millis); and Absent, 1 (Public Member Nooyen).

LRB-0484/2

- Mr. Millis moved, seconded by Vice Chair Allen, to recommend the introduction of LRB-0484/1, as amended to preserve current law with respect to a first class city if its board has not convened by January 1. The motion was approved on a vote of Ayes, 11 (Sens. Olsen, Cowles, and Ringhand; Reps. Allen, Considine, and Gundrum; and Public Members Catani, Hoffman, Millis, Nooyen, and Vita); Noes, 1 (Public Member Seibel).

LRB-0485/4

- Representative Gundrum moved, seconded by Chair Olsen, that LRB-0485/3 be revised to require a majority of all members, rather than members present, to approve a motion by a board of assessment. The amendment was approved by a vote of Ayes, 12 (Sens. Olsen, Cowles, and Ringhand; Reps. Allen, Considine, and Gundrum; and Public Members Catani, Hoffman, Millis, Nooyen, Seibel, and Vita); Noes, 0.
- Representative Considine then moved, seconded by Vice Chair Allen, to recommend the introduction of LRB-0485/3, as amended. The motion was approved on a vote of Ayes, 11 (Sens. Olsen, Cowles, and Ringhand; Reps. Allen and Considine; and Public Members Catani, Hoffman, Millis, Nooyen, Seibel, and Vita); Noes, 1 (Rep. Gundrum).

JOINT LEGISLATIVE COUNCIL VOTE

At its March 6, 2019 meeting, the Joint Legislative Council voted as follows on the recommendations of the study committee:

*Sen. Roth moved, seconded by Rep. Brooks, that **LRB-0394/3**, **LRB-0484/2**, and **LRB-0485/4**, be approved for introduction by the Joint Legislative Council. The motion passed on a roll call vote as follows: Ayes, 21 (Reps. Brooks, August, Ballweg, Billings, Hesselbein, Hintz, Nygren, Spiros, Steineke, Taylor, and Vos; and Sens. Roth, Darling, Fitzgerald, Jacque, Marklein, Miller, Olsen, Petrowski, Risser, and Shilling); Noes, 0; and Absent, 1 (Sen. Erpenbach). [LRB-0394/3 was introduced as 2019 Senate Bill 97; LRB-0484/2 was introduced as Senate Bill 96; and LRB-0485/4 was introduced as 2019 Senate Bill 95.]*

JOINT LEGISLATIVE COUNCIL

[s. 13.81, Stats.]

SENATE MEMBERS

Roger Roth, Co-Chair

Senate President
Appleton

Alberta Darling

JFC Co-Chair
River Hills

Scott Fitzgerald

Majority Leader
Juneau

Howard Marklein

President Pro Tempore
Spring Green

Mark Miller

Monona

Terry Moulton

Chippewa Falls

Jerry Petrowski

Marathon

Fred A. Risser

Madison

Jennifer Shilling

Minority Leader
La Crosse

Lena Taylor

JFC Ranking Minority Member
Milwaukee

Van Wanggaard

Racine

ASSEMBLY MEMBERS

Robert Brooks, Co-Chair

Assistant Majority Leader
Saukville

Tyler August

Speaker Pro Tempore
Lake Geneva

Joan Ballweg

Markesan

Peter Barca

Kenosha

Dianne Hesselbein

Assistant Minority Leader
Middleton

Gordon Hintz

Minority Leader
Oshkosh

John Nygren

JFC Co-Chair
Marinette

John Spiros

Marshfield

Jim Steineke

Majority Leader
Kaukauna

Chris Taylor

JFC Ranking Minority Member
Madison

Robin Vos

Speaker
Rochester

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees.

APPENDIX 3

STUDY COMMITTEE ON PROPERTY TAX ASSESSMENT PRACTICES

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STUDY ASSIGNMENT: The Study Committee is directed to review current property tax assessment practices, including the review of statutory, administrative, and judicial directives on assessment practices and the consistency of assessment practices throughout the state. Following its review, the committee shall recommend legislation to revise and clarify property tax assessment practices, including recommendations regarding the role of comparable sales and market segments in assessments and the assessment of leased property.

12 MEMBERS: 3 Representatives; 3 Senators; and 6 Public Members.

LEGISLATIVE COUNCIL STAFF: Scott Grosz, Principal Attorney; Anna Henning, Senior Staff Attorney; and Tracey Young, Support Staff.

COMMITTEE MATERIALS LIST

[Copies of documents are available at www.legis.wisconsin.gov/lc]

August 7, 2018

- Handout, *Darkstore Legislation*, National Conference of State Legislatures (Updated July 2018).
- Presentation, by Nicole Kuehl, legislative advisor, and Scott Shields, technical and assessment services director, Wisconsin Department of Revenue.
- Handout, Shannon Krause, assessor, City of Wauwatosa.
- Staff Brief 2018-04, *Study Committee on Property Tax Assessment Practices* (July 31, 2018)
- Handout, Robert Vujea, property tax manager, Meijer, Inc.

September 6, 2018 Meeting

- Memorandum, from Nicole Kuehl, legislative advisor, Department of Revenue (August 15, 2018).
- Report, *Study of Assessment Practices*, submitted by the Department of Revenue (December 1994).
- LC Study Committee Memorandum, Recent Legislation Relating to Property Tax Assessment, (August 30, 2018).
- 2017 Assembly Bill 386.
- 2017 Assembly Bill 387.
- Memorandum, prepared by Emma Drilias, fiscal analyst, Legislative Fiscal Bureau (August 30, 2018).
- LC Study Committee Memorandum, *Glossary of Selected Terms* (August 30, 2018).
- LC Study Committee Memorandum, *Topics for Committee Discussion*, (August 30, 2018).
- Presentation, by Mark J. Eppli, director, Graaskamp Center for Real Estate, Wisconsin School of Business.

- Presentation, by Patrick Schloss, Manager of Community Development, City of West Allis.

October 9, 2018 Meeting

- LRB-0336/P1, relating to county assessment of commercial and manufacturing property and requiring the exercise of rule-making authority.
- LRB-0394/P1, relating to the submission of information for commercial property tax assessments.
- LRBa2310/P5, a bill draft submitted by Public Member Don Millis.
- LRBs0179/1, relating to property tax assessments based on comparable sales and market segments.
- Handout, *Commercial Big-Box Retail: A Guide to Market-Based Valuation*, (September 2017).
- Handout, *Conformance with Bonstores Decision*, submitted by Public Member Amy Seibel.
- Memo, from Aggregate Producers of Wisconsin and Wisconsin Industrial Sand Association, regarding *"Dark Store" legislation may harm Wisconsin's non-metallic mining industry*, (October 8, 2018).
- LC Study Committee Memorandum, *Options for Committee Discussion*, (October 2, 2018) (Revised October 4, 2018).

December 11, 2018 Meeting

- LRB-0394/1, relating to the submission of information for commercial property tax assessments.
- LRB-0484/1, relating to actions for excessive property tax assessments.
- LRB-0485/1, relating to cost-sharing assistance for property tax assessments.

January 9, 2019 Meeting

- LC Study Committee Memorandum, "Proposed Revisions for Discussion at the January 9, 2019 Meeting" (January 2, 2019).
- LRB-0394/2, relating to the submission of information for commercial property tax assessments.
- LRB-0484/1, relating to actions for excessive property tax assessments.
- LRB-0485/3, relating to cost-sharing assistance for property tax assessments.
- LRB-1141/1, relating to actions for excessive property tax assessments.

- LRB-1143/1, relating to actions for excessive property tax assessments and dismissal of board of review proceedings.

Recommendations to the Joint Legislative Council

- LCR-2019-07 Study Committee on Property Tax Assessment Practices
- LRB-0394/3, relating to the submission of information for commercial property tax assessments.
- LRB-0484/2, relating to actions for excessive property tax assessments.
- LRB-0485/4, relating to cost-sharing assistance for property tax assessments.

Joint Legislative Council Recommendations to the 2019-20 Legislature

- Joint Legislative Council's Report of the Study Committee on Property Tax Assessment Practices.
- 2019 Senate Bill 95.
- 2019 Senate Bill 96.
- 2019 Senate Bill 97.