



State of Wisconsin
2021 - 2022 LEGISLATURE

LRBs0205/1
JK:cdc

**SENATE SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 191**

June 30, 2021 - Offered by Senators AGARD, CARPENTER and L. TAYLOR.

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

Analysis by the Legislative Reference Bureau

This bill provides that, for property tax assessment purposes, to determine the value of property using generally accepted appraisal methods, an assessor must consider all of the following as comparable to the property being assessed:

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

The bill defines “real estate market segment” to mean a pool of potential buyers and sellers that typically buy or sell properties similar to the property being assessed, including potential buyers who are investors or owner-occupants.

The bill also provides that a property is not comparable to the property being assessed if the seller has placed restrictions on the highest and best use of the property or if the property is dark property and the property being assessed is not dark property. The bill defines “dark property” as property that is vacant or

unoccupied beyond the normal period for property in the same real estate market segment.

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

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

2 70.32 **(1b)** (a) To determine the value of property using generally accepted
3 appraisal methods, the assessor shall consider all of the following as comparable to
4 the property being assessed:

5 1. Sales or rentals of properties exhibiting the same or a similar highest and
6 best use with placement in the same real estate market segment.

7 2. Sales or rentals of properties that are similar to the property being assessed
8 with regard to age, condition, use, type of construction, location, design, physical
9 features, and economic characteristics, including similarities in occupancy and the
10 the potential to generate rental income. For purposes of this subdivision, such
11 properties may be found locally, regionally, or nationally.

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

14 1. At or before the time of sale, the seller places any deed restriction on the
15 property that changes the highest and best use of the property so that it no longer
16 qualifies as a comparable property under par. (a) 1. or 2.

17 2. At or before the time of sale, the seller places a deed restriction on the
18 property that substantially impairs the property's marketability.

19 3. The property is dark property and the property being assessed is not dark
20 property. In this subdivision, "dark property" means property that is vacant or
21 unoccupied beyond the normal period for property in the same real estate market

1 segment. For purposes of this subdivision, what is considered vacant or unoccupied
2 beyond the normal period may vary depending on the property location.

3 (c) For purposes of par. (a), “highest and best use” means a use that is legally
4 permissible, physically possible, and financially feasible and that provides the
5 highest net return.

6 (d) For purposes of par. (a), “real estate market segment” means a pool of
7 potential buyers and sellers that typically buy or sell properties similar to the
8 property being assessed, including potential buyers who are investors or
9 owner-occupants. For purposes of this paragraph, and depending on the type of
10 property being assessed, the pool of potential buyers and sellers may be found locally,
11 regionally, nationally, or internationally.

12 **SECTION 2. Initial applicability.**

13 (1) This act first applies to the property tax assessments as of January 1, 2022.

14 (END)