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2021 ASSEMBLY BILL 610

October 8, 2021 - Introduced by Representatives Brooks, Armstrong, Dittrich, Gundrum, Kitchens and Born, cosponsored by Senator Feyen. Referred to Committee on Housing and Real Estate.

- 1 AN ACT to amend 70.32 (1); and to create 70.32 (1p) of the statutes; relating
 - to: prohibiting certain property tax assessment practices.

Analysis by the Legislative Reference Bureau

Under this bill, assessors may not do any of the following when assessing the value of real property for property tax purposes:

- 1. Use mortgages or bank appraisals, or any portion thereof, to determine the assessed value.
- 2. Use projected rents and other future or anticipated benefits to determine fair market value.
 - 3. Use list and asking prices or rents to determine fair market value.
- 4. Use price trends to determine fair market value in order to increase the value of multiple properties by a general amount or percentage.
- 5. Consider the value of a club house, swimming pool, or other amenity that is part of a multifamily property when assessing the multifamily property if the club house receives minimal or no rental income, regardless of whether the club house is located on a separate lot.

The bill also provides that when there is an inconsistency or ambiguity between the Wisconsin Property Assessment Manual and a statute, the statute controls the practices of the assessor.

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For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 70.32 (1) of the statutes is amended to read:

70.32 (1) Real property shall be valued by the assessor in the manner specified in the Wisconsin property assessment manual provided under s. 73.03 (2a) from actual view or from the best information that the assessor can practicably obtain, at the full value which could ordinarily be obtained therefor at private sale. In <u>Subject to sub. (1p)</u>, in determining the value, the assessor shall consider recent arm's-length sales of the property to be assessed if according to professionally acceptable appraisal practices those sales conform to recent arm's-length sales of reasonably comparable property; recent arm's-length sales of reasonably comparable property; and all factors that, according to professionally acceptable appraisal practices, affect the value of the property to be assessed. In determining the value, if there is an inconsistency or ambiguity between the Wisconsin property assessment manual provided under s. 73.03 (2a) and a statute, the statute shall control the practices of the assessor.

Section 2. 70.32 (1p) of the statutes is created to read:

70.32 (1p) Beginning with the property tax assessments as of January 1, 2022, the assessor may not do any of the following when determining the value of real property:

(a) Use a mortgage or bank appraisal, or any portion thereof, to determine the property's assessed value.

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(b) Use projected rents and other future or anticipated benefits to determine
fair market value.
(c) Use list or asking prices, or list or asking rents, to determine fair market
value.
(d) Use price trends to determine fair market value in order to increase the
assessed value of multiple properties by a general amount or percentage.
(e) Take into consideration the value of a club house, swimming pool, or other
amenity that is part of a multifamily property when assessing the multifamily
property if the club house receives minimal or no rental income, regardless of

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whether the club house is located on a separate lot.