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November 1, 2017

AB 495

Good morning Chairmain Macco and committee members. Thank you for holding a hearing on AB495. This is a short, simple bill that deals with the type of evidence a court may consider in a lawsuit filed by a property owner who is challenging the assessed value of his or her property for tax purposes. The bill makes it clear that a municipality may present as evidence to the circuit court an appraisal from an appraiser to support the challenged assessment. The court may not reject any such appraisal solely because the valuation determined by the expert is higher than the actual assessment.

Last winter, the Wisconsin Supreme Court included a footnote in a decision involving a property assessment challenge which is causing some confusion among municipalities on this issue. Footnote 19 in the *Regency West Apartments LLC v. City of Racine* decision implies that in cases in which property owners are challenging the assessed value of their property, any appraisals submitted by experts hired by the city exceeding the assessed value as determined by the assessor are not to be considered by the court, not even as evidence that the city's assessment was reasonable. AB 495 makes it clear that a local government may present as evidence to the circuit court appraisals from appraisers to support the challenged assessment and the court may not reject any such appraisal solely because the valuation determined by the appraisal is higher than the assessment.

This bill in no way limits the ability of property owners to challenge their assessed valuation. The bill also does not change current case law holding that a court may not rule in assessment challenges that the proper assessed value of the property actually exceeds the value determined by the municipal assessor. The bill makes sure, however, that the city can offer expert testimony in support of the reasonableness of the assessor's determination of the value of the property.

I'm happy to answer any questions you may have.

Todd Novak

51st Assembly District



State Senator Sheila Harsdorf

Date: November 1, 2017

To: Assembly Committee on Ways and Means

Fr: Senator Sheila Harsdorf

RE: Assembly Bill 495 – Municipal evidence supporting a challenged assessment

Dear Chair Macco and Committee Members:

Thank you for holding a public hearing on Assembly Bill 495. While I am unable to testify today, I appreciate the opportunity to share my testimony and the importance of passing this legislation.

When property assessments are challenged, property owners provide evidence to support their claim in seeking to have their assessed value changed. First a property owner must file a claim for adjustment with the local government. The property owner must demonstrate why they believe the value should be changed and present evidence to support the change. Most often the best source used is a recent appraisal of the property.

In a recent Wisconsin Supreme Court decision, a footnote indicating that expert appraisals presented to the court supporting a higher value on behalf of the local government may not be considered by the court in making a decision as to the value of the property. Assembly Bill 495 would strike a balance for both the property owner and the local government presenting evidence supporting their respective claims.

Assembly Bill 495 would not limit a property owner from challenging their assessment but would clarify that a local government may present evidence of an appraiser to support the assessed property value. This is an important step to balance the use of acceptable evidence presented to the court when property values are challenged.

Again, thank you for holding a public hearing on Assembly Bill 495. I appreciate your consideration and urge your support.



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To: Assembly Committee on Ways and Means
From: Curt Witynski, Deputy Executive Director, League of Wisconsin Municipalities
Date: November 1, 2017
Re: **AB 495, Ensuring that municipalities may provide expert evidence when defending against a claim for excessive assessment.**

The League of Wisconsin Municipalities supports AB 495, clarifying the type of evidence a court may consider in a lawsuit filed by a property owner who is challenging the assessed value of his or her property for property tax purposes. The bill, which the League was pleased to work with Rep. Novak to have drafted and introduced, makes it clear that a municipality may present as evidence to the circuit court appraisals from other appraisers to support the challenged assessment and the court may not reject any such appraisal solely because the valuation determined by the expert is higher than the actual assessment.

Last winter, the Wisconsin Supreme Court included a footnote in a decision involving a property assessment challenge which is causing some confusion among municipalities on this issue. Footnote 19 in the *Regency West Apartments LLC v. City of Racine* decision implies that in cases in which property owners are challenging the assessed value of their property any appraisals submitted by experts used by the municipality exceeding the assessed value as determined by the assessor are not to be considered by the court, not even as evidence that the municipality's assessment was reasonable. AB 495 makes it clear that a local government may present as evidence to the circuit court appraisals from other expert appraisers to support the challenged assessment and the court may not reject any such appraisal solely because the valuation determined by the appraisal is higher than the assessment.

This bill in no way limits the ability of property owners to challenge their assessed valuation. The bill also does not change current case law holding that a court may not rule in assessment challenges that the proper assessed value of the property actually exceeds the value determined by the municipal assessor. The bill does, however level the playing field with regard to expert testimony by making sure the city can offer expert testimony in support of the reasonableness of the assessor's determination of value.

The League urges you to recommend passage of this bill. Thanks for considering our comments.

YOUR VOICE. YOUR WISCONSIN.