

NOTICE OF PROPOSED GUIDANCE DOCUMENT

Department of Revenue (DOR) Property Assessment Guidance

Pursuant to s. 227.112, Wis. Stats., the Wisconsin Department of Revenue is hereby seeking comment on the following proposed DOR Property Assessment guidance.

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3-5	2019 DOR Annual Assessor Meeting Questions and Answers

PUBLIC COMMENTS AND DEADLINE FOR SUBMISSION

Comments may be submitted to Wisconsin Department of Revenue until January 27, 2020 by:
Emailing bapdor@wisconsin.gov

LOCATION OF GUIDANCE

The final version of the guidance documents will be posted at
<https://www.revenue.wi.gov/Pages/Training/assessor-certification.aspx#edu> to allow for ongoing comment.

AGENCY CONTACT PERSON

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Certification Statement

As the Secretary of the Wisconsin Department of Revenue (DOR), I have reviewed this guidance document or proposed guidance document and I certify that it complies with secs. 227.10 and 227.11, Wis. Stats. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is not explicitly required or explicitly permitted by a statute or rule that has been lawfully promulgated. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is more restrictive than a standard, requirement, or threshold contained in the Wisconsin Statutes.

DEPARTMENT OF REVENUE

A handwritten signature in black ink, appearing to read "Peter W. Barca". The signature is written in a cursive style with a large initial "P" and "B".

Peter Barca

Secretary of Revenue

The following questions were asked during the 2019 Wisconsin Department of Revenue (DOR) Annual Assessor Meetings held in Eau Claire, Wausau, Appleton, Madison and Waukesha. If you would like more details on these topics, refer to the [Wisconsin Property Assessment Manual](#) (WPAM).

A. Real Estate Transfer Return (RETR) and Provide Assessment Data (PAD)

1. How should personal property values be reported when they are part of a sale?

- If an assessor verifies personal property is part of the sale price on a Real Estate Transfer Return (RETR), the assessor can note that in the PAD comments field. If there is any significant personal property value, the assessor should report it to Local Government Services RETR Auditors, who will investigate further.

2. What is the purpose of submitting property attribute data in PAD?

- The property attribute data collected in the PAD system is meant to help assessors identify comparable sales. DOR reviews the data as part of our annual sales analysis and for appraisal purposes.

3. Can assessors review their attribute data after submitting to PAD?

- Yes. Statewide PAD data is available to all assessors in an XML format that can be converted to Excel.

4. Is there a way for assessors to check or correct the data they submitted to PAD?

- Assessors can modify PAD data during the same week they submit it
- If modifications are needed after that week, the assessor should contact the Equalization District Office, who will make the changes

5. Can sales reports be available in Excel?

- DOR is reviewing the possibility

B. Equalized Values

1. Are equalized values used to measure 70.05 compliance?

- No. DOR maintains a separate value called the "base value," which is used to measure compliance. The base value does not include prior year compensation value resulting from a prior year correction.

2. Are sales that are valid but clear outliers used in equalized values?

- DOR reviews all sales data submitted through the PAD system. If a valid sale is considered a statistical outlier, it is removed from DOR's analysis and is not included in the data used to determine the economic adjustment to the equalized value.

3. Is there a way to capture "new construction" for improvements on leased land?

- State law ([sec. 70.17, Wis. Stats.](#)) allows for the assessment of improvements on leased land as real estate or personal property
- When assessed as real estate, the change is considered new construction on the Municipal Assessment Report (MAR); this process may require the property owner to contact the tenant and address payment of property taxes as part of the lease agreement
- Chapter 19 of the [Property Assessment Manual](#) provides additional information

6. Can DOR blend group information be available to assessors online?

- DOR does not publish blend group information. It is part of the DOR sales analysis and is modified on an ongoing basis. Assessors may contact the Equalization District Office for information on specific blend groups.

7. Can the MAR show the reported acre information from the prior year?

- No. Since the prepopulated MAR data comes from the Statement of Assessment (which does not have detailed acre base information), this is not possible.

C. General Assessment

1. Can DOR provide agricultural program enrollment information?

- Program enrollment is generally confidential and not available to DOR or assessors
- DOR works with agencies administering the programs and encourages them to contact program participants who need to provide the assessor with a completed [PR-324 Form](#)

2. Do Christmas trees qualify for agricultural classification?

- Generally, yes
- Land devoted primarily to growing Christmas trees during the prior production season (2018) and remains compatible with growing Christmas trees on the January 1 assessment date (January 1, 2019) is classified agricultural for 2019
- Review agronomic practices ([sec. 70.32\(2\)\(c\)1k., Wis. Stats.](#)) to determine if the land is devoted primarily to growing Christmas trees (i.e., tree spacing)

3. If a parcel with multiple classifications has an assessed value change less than \$500, and the change is only to the ag land, does the assessor need to send a notice of assessment change?

- No. If change to parcel is only in the agricultural classified portion and is less than \$500, a notice is not required.

4. Is all personal property going to be exempt from property tax?

- No. Current state law does not exempt all personal property.

5. Is personal property taxable on a business not open?

- Generally, yes, the property is taxable
- State law ([sec. 70.109, Wis. Stats.](#)) provides for a presumption of taxability; the law requires the property owner to prove the property qualifies for property tax exemption
- If property does not qualify for a property tax exemption, the property is taxable
- State law ([sec. 70.35\(6\), Wis. Stats.](#)) does not allow the assessor to request a Statement of Personal Property from a person whose personal property is not used for the production of income; state law ([sec. 70.35\(1\), Wis. Stats.](#)) does allow the assessor to examine a person under oath if a prior year Statement of Personal Property is not sufficient to determine the current year value subject to tax

6. Is the Summary of Open Book Actions (Form PR-130) required?

- Yes. Each year, assessors must complete the Summary of Open Book Actions ([PR-130](#)) for each municipality
- See [WPAM 7-32](#)

7. How does the Wisconsin Department of Natural Resources (DNR) obtain assessor names and contact information?

- The DNR obtains municipal assessor information from the [DOR website](#)

8. Is the Annual Assessment Summary replacing the Annual Assessment Report (AAR)? Will it be completed by DOR?

- The Annual Assessment Summary does not replace the AAR. Starting in 2020, assessors are not required to complete an AAR. DOR will continue to provide an AAR template. Assessors and municipal officials need to discuss annual assessment requirements and determine whether an AAR, or similar document, will assist with completion and communication of these items. Municipalities and assessors may consider this as a contractual item, identifying what the assessor must complete by specified deadlines.
- The Annual Assessment Summary will be published by DOR on the DOR website. The information on the Annual Assessment Summary is provided to DOR through other required reports (i.e., MAR, SOA).

9. Are TID expirations reported to the assessors and/or municipality?

- DOR annually posts TID reports with maximum life and life extended date for each TID; DOR also annually posts a report of terminated TIDs
- TID reports are available on the [TID Reports](#) web page
- DOR [notifies](#) assessors and municipalities when the reports are posted

D. Manufacturing and Utility Assessment

1. When a municipal assessor provides information to DOR Manufacturing staff about a potential manufacturing property, does DOR inform the municipal assessor whether the property qualifies for state assessment or will remain locally assessed?

- DOR has sole discretion in the classification of property as "Manufacturing – Class 3." When DOR decides that real or personal property will be classified as "Manufacturing – Class 3" for assessment purposes, the department issues a letter to the municipal assessor and property owner informing them of the change in assessment classification. A copy of the letter is also sent to the municipal clerk and county real property lister.
- In addition to individual letters, each year on or before February 15, DOR publishes a "notification roll" of all property DOR will assess as "Manufacturing" during the new assessment year. Municipal assessors and municipal clerks are notified by email when the notification rolls are published online.
- DOR requests that assessors review the notification rolls to avoid double assessments, omitted property and errors in taxation district coding

2. Where can a municipal assessor obtain a list of utility parcels not subject to municipal assessment?

- Currently there is no list of exempt utility parcels other than parcels assessed as telecommunication property. Similar to manufacturing notification rolls, the telecommunication real estate notification roll is posted on DOR's website on or before February 15.
- Utility/Telco Real Property – Operating (Form UT-149) is filed with the municipal assessor and DOR when a license fee utility uses real property in the operation of its business. DOR is working with utilities to develop a list of operating properties, though it is not required under state law.

3. When Manufacturing picks up a parcel assessed as agricultural and agricultural use continues, how can the municipal assessor know when the land changes use, presumably to manufacturing, in order to notify the county of the conversion charge?

- DOR issues written notification to the municipal assessor, property owner, and county real property lister when a parcel will be added to the Manufacturing assessment roll for the coming assessment year
- The letter includes notice to all recipients that a conversion fee may apply if the parcel included land was assessed as Class 4 – Agricultural the prior year
- The entire parcel's use changes to Class 3 – Manufacturing when added to the Manufacturing assessment roll