



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRBa1238/1  
EKL:skw

**ASSEMBLY AMENDMENT 1,  
TO ASSEMBLY BILL 901**

February 17, 2020 - Offered by Representative PETERSEN.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 2: after “assistance” insert “, and treatment of comparable  
3 property and leased property,”.

4 **2.** Page 4, line 13: after that line insert:

5 “**SECTION 3g.** 70.32 (1) of the statutes is amended to read:

6 70.32 (1) Real property shall be valued by the assessor in the manner specified  
7 in the Wisconsin property assessment manual provided under s. 73.03 (2a) from  
8 actual view or from the best information that the assessor can practicably obtain, at  
9 the full value which could ordinarily be obtained therefor at private sale. ~~In~~ Subject  
10 to subs. (1b) and (1c), in determining the value, the assessor shall consider recent  
11 arm’s-length sales of the property to be assessed if according to professionally  
12 acceptable appraisal practices those sales conform to recent arm’s-length sales of  
13 reasonably comparable property; recent arm’s-length sales of reasonably

1 comparable property; and all factors that, according to professionally acceptable  
2 appraisal practices, affect the value of the property to be assessed.

3 **SECTION 3m.** 70.32 (1b) and (1c) of the statutes are created to read:

4 70.32 **(1b)** For purposes of sub. (1), property may not be considered reasonably  
5 comparable to the property being assessed under any of the following circumstances:

6 (a) Either property has physical deterioration due to extended vacancy or is  
7 otherwise physically deteriorated and the other property does not have physical  
8 deterioration due to extended vacancy or is not similarly otherwise physically  
9 deteriorated.

10 (b) The comparable property is subject to a deed restriction, placed by the seller  
11 at or before the time of sale, that prohibits any use of the property that is reasonably  
12 comparable to the highest and best use of the property being assessed and the  
13 property being assessed is not subject to a similar restriction, unless credible  
14 adjustment can be made to account for the difference between the properties.

15 (c) The property being assessed is subject to a deed restriction that prohibits  
16 any use of the property that is reasonably comparable to the highest and best use of  
17 the comparable property and the comparable property is not subject to a similar  
18 restriction, unless credible adjustment can be made to account for the difference  
19 between the properties.

20 **(1c)** (a) In this subsection, “operating lease” means a lease that does not have  
21 any of the following characteristics:

22 1. Is entered into as part of or connected to a sale-leaseback transaction.

23 2. Has a purpose of facilitating or financing the construction, purchase,  
24 financing, or acquisition of the leased property or other tangible or intangible asset.

1 (b) In valuing property under sub. (1), the assessor shall value the fee simple  
2 estate as if unencumbered but subject to any effect from the exercise of police powers  
3 or other governmental action and shall comply with all of the following:

4 1. If the property being assessed is subject to one or more operating leases, the  
5 assessor may consider the lease provisions and rental income generated by the  
6 property only to the extent that the rental income does not exceed the rental income  
7 that would be expected if the rents were consistent with local market rents for  
8 reasonably comparable properties and the overall lease provisions, including the  
9 creditworthiness of the tenants, are not more favorable to the property's owner than  
10 is typical in the local market.

11 2. If the property being assessed is subject to one or more operating leases, the  
12 assessor may not rely on the rental income generated by the property or the lease  
13 provisions unless the assessor has actual knowledge of the material terms of all the  
14 operating leases and the creditworthiness of all the tenants as of the assessment  
15 date.

16 3. If the property being assessed is subject to a lease that is not an operating  
17 lease, the assessor may not rely on the rental income generated by the property or  
18 the lease provisions.

19 4. The assessor may rely on the sale of reasonably comparable property that  
20 is subject to one or more operating leases only if all of the following conditions are  
21 met:

22 a. At the time of the sale of the reasonably comparable property, the rental  
23 income generated by the reasonably comparable property did not exceed the rental  
24 income that would be expected if the rents were consistent with market rents for  
25 reasonably comparable properties in that property's local market.

