



State of Wisconsin
2021 - 2022 LEGISLATURE

LRBa1394/1
JK:klm

**SENATE AMENDMENT 2,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 610**

February 22, 2022 – Offered by Senators SMITH, CARPENTER, AGARD and RINGHAND.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 3: delete the material beginning with that line and ending with
3 page 2, line 14, and substitute:

4 **“SECTION 1m.** 70.03 (1) of the statutes is amended to read:

5 70.03 (1) In chs. 70 to 76, 78, and 79, “real property,” “real estate,” and “land”
6 include not only the land itself but all buildings and, fixtures, improvements ~~thereon~~,
7 and ~~all fixtures and, leases, rights, and privileges appertaining thereto, including~~
8 assets that cannot be taxed separately as real property, but are inextricably
9 intertwined with the real property, enable the real property to achieve its highest and
10 best use, and are transferable to future owners, except as provided in sub. (2) and
11 except that for the purpose of time-share property, as defined in s. 707.02 (32), real
12 property does not include recurrent exclusive use and occupancy on a periodic basis

1 or other rights, including, but not limited to, membership rights, vacation services,
2 and club memberships. In this subsection, “lease” means a right in real estate that
3 is related primarily to the property and not to the labor, skill, or business acumen of
4 the property owner or tenant. In this subsection, “highest and best use” has the
5 meaning given in s. 70.32 (1).

6 **SECTION 2m.** 70.32 (1) of the statutes is amended to read:

7 70.32 (1) Real property shall be valued by the assessor in the manner specified
8 in the Wisconsin property assessment manual provided under s. 73.03 (2a) at its
9 highest and best use from actual view or from the best information that the assessor
10 can practicably obtain, at the full value which could ordinarily be obtained therefor
11 at private sale. In determining the value, the assessor shall consider recent
12 arm’s-length sales of the property to be assessed if according to professionally
13 acceptable appraisal practices those sales conform to recent arm’s-length sales of
14 reasonably comparable property; recent arm’s-length sales of reasonably
15 comparable property; and all factors that, according to professionally acceptable
16 appraisal practices, affect the value of the property to be assessed. In this subsection,
17 “arm’s-length sale” means a sale between a willing buyer and willing seller, neither
18 being under compulsion to buy or sell and each being familiar with the attributes of
19 the property sold. In this subsection, “highest and best use” means the specific
20 current use of the property or a higher use for which the property may be used as of
21 the current assessment date, if the property is marketable for that use and the use
22 is legally permissible, physically possible, not highly speculative, and financially
23 feasible and provides the highest net return. When the current use of a property is
24 the highest and best use of that property, value in the current use equals full market

1 value. In this subsection, “legally permissible” does not include a conditional use
2 that has not been granted as of the assessment date.

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

4 70.32 (1b) In determining the value of real property under sub. (1), the assessor
5 may consider, as part of the valuation under sub. (1), any lease provisions and actual
6 rent pertaining to a property and affecting its value, including the lease provisions
7 and rent associated with a sale and leaseback of the property, if all such lease
8 provisions and rent are the result of an arm’s-length transaction involving persons
9 who are not related in any of the ways specified under section 267 (b) of the Internal
10 Revenue Code for the year of the transaction. The assessor shall reconcile the results
11 of such consideration with the professionally acceptable appraisal practices
12 regarding reasonably comparable sales, the cost approach, and other methods
13 specified in the Wisconsin property assessment manual provided under s. 73.03 (2a).
14 In this subsection, an “arm’s-length transaction” means an agreement between
15 willing parties, neither being under compulsion to act and each being familiar with
16 the attributes of the property.

17 **SECTION 4m.** 70.32 (1d) of the statutes is created to read:

18 70.32 (1d) (a) To determine the value of property using generally accepted
19 appraisal methods, the assessor shall consider all of the following as comparable to
20 the property being assessed:

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

23 2. Sales or rentals of properties that are similar to the property being assessed
24 with regard to age, condition, use, type of construction, location, design, physical
25 features, and economic characteristics, including similarities in occupancy and the

1 the potential to generate rental income. For purposes of this subdivision, such
2 properties may be found locally, regionally, or nationally.

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

5 1. At or before the time of sale, the seller places any deed restriction on the
6 property that changes the highest and best use of the property, or prohibits
7 competition, so that it no longer qualifies as a comparable property under par. (a) 1.
8 or 2. and the property being assessed lacks such a restriction.

9 2. The property is dark property and the property being assessed is not dark
10 property. In this subdivision, “dark property” means property that is vacant or
11 unoccupied beyond the normal period for property in the same real estate market
12 segment. For purposes of this subdivision, what is considered vacant or unoccupied
13 beyond the normal period may vary depending on the property location.

14 (c) For purposes of par. (a), “highest and best use” has the meaning given in s.
15 70.32 (1).

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

22 **SECTION 5m. Initial applicability.**

