



MANUFACTURER'S FORM OF OBJECTION TO REAL ESTATE ASSESSMENT

ALL INFORMATION REQUESTED ON THIS FORM MUST BE PROVIDED. FAILURE TO DO SO WILL RESULT IN THE STATE BOARD OF ASSESSORS (BOA) DENYING JURISDICTION ON THE APPEAL.

Filing Requirements - Sec. 70.995 (8)(c) Wis. Stats., requires a state prescribed objection form be filed with the BOA including a **\$45 FILING FEE** payable to the Wisconsin Department of Revenue. An objection is not considered filed until the fee is paid. The fee is waived if a prior year appeal on the same property is pending (sec. 70.995 (8)(c) and (d), Wis. Stats.). A separate objection form and fee is required for each real estate account being appealed. Sec. 70.995 (8)(c)1, Wis. Stats., requires the appellant to provide the reason for the objection, an opinion of the correct full value assessment and the basis for the opinion. This information must be provided in Section 2, A and B of prescribed objection form PA-132. See "Indicators of Value" on page three for types of supporting data. Submit the original plus one copy of the state prescribed objection form, correspondence, and all supporting data. If this information is not included your objection will be denied.

M-Form - Sec. 70.995(12)(a), Wis. Stats., requires the annual filing of the MR Form, Wisconsin Manufacturing Real Estate Return. The BOA will deny jurisdiction on the objection if the completed form has not been filed.

Agent Authorization - If an agent is working on behalf of the property owner, written authorization from the property owner must accompany the objection form.

Due Date - The objection form and fee must be filed with the BOA within 60 days of the issuance date on the notice of real estate assessment. A postmark or delivery service ship date within 60 days of the issuance date serves as evidence of timely filing.

Where To File - Send the objection form, **\$45 FILING FEE** and supporting data to:

Street Address:

Wisconsin Department of Revenue
State Board of Assessors
Mail Drop # 6-97
2135 Rimrock Road
Madison WI 53713

Mailing Address:

Wisconsin Department of Revenue
State Board of Assessors
Mail Drop # 6-97
PO Box 8971
Madison WI 53708-8971

Telephone Number: 608-266-1147

INDICATORS OF VALUE

The statutory standard in valuing property for assessment purposes is "...at the full value which could ordinarily be obtained therefor at private sale. 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 the 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." (Sec. 70.32 (1) Wis. Stats.)

RECENT SALE

If there has been a recent sale, please provide the sale price, the names and relationships between the grantor and grantee, the date of the sale, the type of market exposure, the length of time on the market, any personal property or goodwill included in the sale price, the type of transfer (purchase, merger, stock transfer, etc.), the terms of the financing and the basis for the value (book value, independent appraisal, etc.). Also provide a list of changes (and their cost) made to the property between the sale date and the January 1 assessment date.

REASONABLY COMPARABLE SALES

The courts have stated that, in absence of a sale of the subject property, sales of reasonably comparable properties must be considered. Types of information to provide would include the names of grantor and grantee, location of the property, date of sale, sale price (of the real property only), any special circumstances (financing, compulsion to buy or sell the property), the total area of land and of the building, type of use (warehousing, office, light or heavy manufacturing), the intended use or changing use of the property, the type of construction, age and condition, ceiling heights, number of stories and bay sizes.

It is essential that the properties used as reasonably comparable be as similar as possible to the subject property. You should consider the differences between these comparables and your property and give us your estimate of market value considering those differences. Case law states that comparability is measured in the adjustment process. Specific and detailed adjustments for differences must be shown in order to substantiate comparability.

COST APPROACH TO MARKET VALUE

In addition to considering the sales of like property, you should consider the original cost (adjusted for inflation and depreciation). This would be a good indicator of value if the building has recently been built. You should provide us with your actual costs and some indication whether you contracted out the work, built part yourself or acted as general contractor.

Another alternative would be to use a current cost service and estimate the reproduction/replacement cost new (RCN) of your building and subtracting for

the physical, functional and economic obsolescences the property suffers. This is one of the methods the Department of Revenue (DOR) uses and during our field audit we do review the physical problems the building suffers, the problems with plant layout, bay sizes, ceiling heights, and problems with the neighborhood, transportation access, etc.

INCOME APPROACH TO MARKET VALUE

There are some types of properties where any analysis of the potential income will produce a good indicator of market value. One of the problems typically encountered is the issue of long-term leases which produce a contract rent no longer favorable in the current market place. This, in effect, has split the market value of the property between the lessor (the market value of the contract rent) and the lessee (the value resulting from having a low rent guaranteed). The courts have determined that we should be looking at the market rent of a property, not necessarily the contract rent, when setting a market value for equitable assessment.

The information you should submit would include your actual rents, vacancy ratios, expenses and your estimate of the capitalization rate which converts the annual net rent to an estimate of market value. You should review what current market rents are for properties similar to yours, what are market vacancy ratios and average expenses. To estimate the capitalization rate you should list properties that have sold which were rented, thereby developing the rate from market data. As with reasonably comparable sales, you should take into account similarities and differences between your properties and those used as comparables.

OTHER INDICATORS OF VALUE

Providing an independent appraisal is beneficial. It is important that you consider the purpose of that appraisal (was it for insurance, liquidation, condemnation, potential sale, etc.) and when the date of the appraisal was. One-page estimates of value without any supporting information would not be given very much weight in our review.

Any other aspects of the property, or changes to the property we may not have been aware of should be pointed out at this stage as well