

2022 Property Assessment Information

The following is the Wisconsin Department of Revenue's (DOR) response to questions on 2022 property assessments.

1. Will property assessments change for 2022?

- It depends. A property assessment will change if there was new construction to the property between January 1, 2021 and January 1, 2022. However, even if there was no new construction to the property between January 1, 2021 and January 1, 2022, a property assessment still may change depending on other factors.
 - Example 1: a residential property assessment will change if a new garage was built on the property between January 1, 2021 and January 1, 2022
 - Example 2: a residential property assessment may or may not change if there was no new construction to the property between January 1, 2021 and January 1, 2022 and the municipality is conducting a revaluation. When a municipality completes a revaluation, all taxable property is reviewed with assessed values updated to current full value (i.e., fair market value).
- State law establishes an annual property assessment and taxation process, providing the annual assessment date of January 1 (sec. [70.10](#), Wis. Stats.). The 2022 assessments are effective as of January 1, 2022 and are based on the property's status as of January 1, 2022. However, state law does not require annual full value (ex: fair market value) assessments. Assessments must be within 10% of full value once every five years (sec. [70.05](#), Wis. Stats.).
- A municipality determines whether to conduct a revaluation where all property assessments are updated to full value or a maintenance assessment where property values are updated for new construction and classification, though not updated to full value. See Chapter 4, pages 1-3, of the [Wisconsin Property Assessment Manual](#) (WPAM) for additional information on the different assessment types.
- Contact your municipality to determine the type of assessment it is conducting for 2022

2. If a municipality is completing a 2022 revaluation and updating all assessments to full value, what does the assessor consider to determine a property's assessed value?

- State law (sec. [70.32](#), Wis. Stats.), establishes property sales as the best indicator of a property's value subject to taxation. "...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 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."
- Chapter 10 of the [WPAM](#) provides information on review and use of property sales. See pages 1-3 for information on analyzing and stratifying sales to determine overall value and changes by property type. Chapter 12 focuses primarily on the use of sales to determine residential property assessments. See pages 23-25 for an example.
- Chapter 13 of the [WPAM](#) provides information on valuation of commercial property. See pages 36-41 for the valuation of leased property and consideration of sales, income, and cost information to determine the full value subject to taxation. As noted on page 40, when using the income approach, the goal is to determine market rent. Similar to sales, rental rates and leases are also reviewed to determine whether they are arm's length and represent market rent. In determining market rent, contract rents are analyzed to determine adjustments for many factors including short-term and long-term contracts that may not reflect the market.

3. Should a 2022 revaluation be postponed?

- Assessors should discuss the 2022 assessment type with the municipality and determine any contract changes as appropriate. The assessor and municipality may determine a 2022 maintenance assessment is appropriate versus a revaluation.
- Municipalities that received a second notice of non-compliance on October 30, 2021, under state law (sec. [70.05](#), Wis. Stats.), are required to meet compliance in the 2022 assessment year. For more information, contact the [Equalization Supervisor](#) in your district.

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4. How will a property owner know if a property assessment is changing for 2022?

- State law (sec. [70.365](#), Wis. Stats.) requires assessors to send a Notice of Changed Assessment when an assessment changes from the prior year to the current year. Effective January 1, 2020, the assessor is not required to provide notice if land is classified as agricultural land, as defined in sec. [70.32\(2\)\(c\)1g](#), Wis. Stats., for the current year and previous year and the difference between the assessments is \$500 or less.

5. How are assessors completing property inspections?

- Assessors should discuss assessment work with the municipality and determine contract changes as appropriate
- State law (sec. [70.32](#), Wis. Stats.) requires assessments based on actual view, or the best information available
- If inspections cannot be completed, assessors may consider using other data sources described in the [WPAM](#), see pages 20-21, Data Collection section in Chapter 9

6. Is there a valuation cap/limit how much assessments can increase or decrease?

- State law does not limit the amount an assessment can change from the prior year to the current year
- However, under state law (sec. [70.05](#), Wis. Stats.), assessed values must be within 10% of full value once every five years to remain in compliance. See Chapter 1 of the [WPAM](#) for additional information.

7. Will property taxes remain the same for 2022 if the assessed value of a property remains the same?

- Not necessarily. There are many factors that affect property taxes beyond a property's assessed value including levies for local schools, municipalities, various credits, etc. Review the [Guide for Property Owners](#) for additional information on factors impacting property tax.

8. Does COVID-19 impact the 2022 Municipal Assessment Report (MAR) June 13, 2022 filing deadline?

- No. There is no change to the June 13, 2022 deadline for the 2022 MAR.
- Assessors should file MARs with the best information available
- File amended MARs when new information is available

9. Will DOR rely on the estimated MAR similar to prior years or will it rely on the final MAR? Boards of Review (BORs) may be held later and there could be changes made between the MAR filing deadline and submission of the final MAR.

- DOR will use the MAR submitted by the filing deadline (June 13, 2022) to develop the 2022 Equalized Values, TIF district values, and net new construction. These values are certified on August 15, 2022.
- Estimated MAR submissions should provide an assessor's best estimate of the local assessment changes as of January 1, 2022
- Final MAR submissions received after June 13, 2022, will be used to calculate corrections to be applied to 2023 Equalized Values, TID values, and net new construction

10. Similar to the MAR, late BORs may impact current year values reported on the Statement of Assessment. When is the SOA due to DOR?

- SOA is due to DOR the second Monday of June or after the BOR
- If there are significant value changes in the current year and/or value changes between taxing jurisdictions within the municipality (ex: due to boundary changes) – submit the SOA to DOR by September 1. DOR will use the submitted SOA to certify 2022 Equalized Values for school districts, technical colleges, and special districts.
- After the BOR, an amended SOA must be submitted to DOR

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The following includes responses to assessment-related questions submitted to DOR.

Maintenance Type

- 1. DOR's guidance in the past has stated that assessors should not make changes for market conditions in a maintenance year. Does this mean that we should not make changes for property values affected by the COVID-19 pandemic as of January 1, 2022 if we are performing a maintenance assessment in 2022?**
 - No. The assessor should not change property values affected by COVID-19 in this case. During a maintenance assessment, the assessor should make updates for new construction, demolition, and changes in classification.
 - A maintenance assessment does not update assessments to full value (ex: changes in the real estate market). The [WPAM](#) describes the required assessment processes by assessment type. See Chapter 4, pages 1-3, of the [WPAM](#).
- 2. If an assessor is performing a maintenance assessment in 2022, is the assessor responsible to discover which properties were negatively affected by the COVID-19 pandemic in terms of market value?**
 - Assessors are not required to determine market value changes to each property during a maintenance assessment. However, an assessor does need to review the overall municipality and determine the overall level of assessment using assessment and sales ratio studies when completing any assessment type. See the [WPAM](#) and Chapter 10.
- 3. If an assessor is performing a maintenance assessment in 2022 and distributes Notices of Changed Assessment without making changes for COVID-related market conditions, can or should the assessor make such changes based on appeals and evidence provided on a case-by-case basis during Open Book?**
 - No. A maintenance assessment updates assessments for new construction, demolition, and classification.
 - A maintenance assessment does not address changes to the property's market value. The [WPAM](#) describes the required assessment processes for any assessment type. See Chapter 4, pages 1-3, of the [WPAM](#).
- 4. How should assessors respond to municipal officials and the public, when asked why assessors are not recognizing impacts of COVID-19 for 2022 due to a maintenance year assessment roll?**
 - State law establishes an annual property assessment and taxation process, providing the annual assessment date of January 1 (sec. [70.10](#), Wis. Stats.). The 2022 assessments are effective as of January 1, 2022 and are based on the property's status as of January 1, 2022. However, state law does not require annual full value (ex: fair market value) assessments. Assessments must be within 10% of full value once every five years (sec. [70.05](#), Wis. Stats.).
 - A municipality determines whether to conduct a revaluation where all property assessments are updated to full value or a maintenance assessment where property values are updated for new construction and demolition and classification, though not updated to full value. See Chapter 4, pages 1-3, of the [WPAM](#) for additional information on the different assessment types.
 - Contact your municipality to determine the type of assessment it is conducting for 2022

Valuation

- 1. If the assessor reduces assessments of some types of commercial properties negatively impacted by the COVID-19 pandemic, should the assessor also increase assessments of other types of commercial (or residential) properties that show evidence of market appreciation as of January 1, 2022?**

If the municipality is completing a 2022 non-maintenance assessment, the assessor is required to follow state law and establish the value of all property according to sec. [70.32](#), Wis. Stats., which establishes property sales as the best indicator of a property's value subject to taxation. "...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 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."

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- 2. If the assessor makes adjustments to COVID-affected commercial properties, should the assessed values be at market value as of January 1, 2022? Should the value be further adjusted to reflect the level of assessment in the municipality? If level of assessment is to be considered, should it be the overall general level of assessment, the commercial class level of assessment, or, if stratified, could the level from a subclass or stratum of commercial properties be used?**

If the municipality is completing a 2022 full revaluation or exterior revaluation, all property is assessed at full value as of January 1, 2022. If a municipality is conducting an interim market update, all property is assessed at the same level (municipality's aggregate level of assessment) of full value as of January 1, 2022. Follow state law (sec. [70.32](#), Wis. Stats.) and value all real property according to sec. [70.32](#), Wis. Stats. See Chapter 4, pages 1-3, of the [WPAM](#) for additional information on the different assessment types.

- 3. If we perform a city-wide revaluation in 2022 and we take into account the negative impacts of COVID, assuming the market rebounds as soon as next year, our values could be out of compliance only one year after a full revaluation. Should we really be taking COVID into account if the impact may be short-lived?**

- If the municipality is completing a 2022 non-maintenance assessment, the assessor is required to follow state law and establish the January 1, 2022 value of all property according to sec. [70.32](#), Wis. Stats., which establishes property sales as the best indicator of a property's value subject to taxation. "...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 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."
- Similarly, if the municipality is completing a 2023 non-maintenance assessment, the assessor is required to follow state law and establish the January 1, 2023 value of all property according to sec. [70.32](#), Wis. Stats.

- 4. How can assessors determine or measure the impact of the COVID-19 pandemic on different types of properties in our local market, especially if we have very few sales from 2021? What constitutes a large enough effect due to COVID-19 to make adjustment?**

- State law (sec. [70.32](#), Wis. Stats.) establishes property sales as the best indicator of a property's value subject to taxation. "...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 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."
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- Chapter 13 of the [WPAM](#) provides information on valuation of commercial property. See pages 36-41, for the valuation of leased property and consideration of sales, income, and cost information to determine the full value subject to taxation. As noted on page 40, when using the income approach, the goal is to determine market rent. Similar to sales, rental rates and leases are also reviewed to determine whether they are arm's length and represent market rent. In determining market rent, contract rents are analyzed to determine adjustments for many factors including short-term and long-term contracts that may not reflect the market.

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- 5. For leased properties affected by COVID-19, should the assessor consider high vacancy and/or collection loss or restructured leases and reduced rents? Should the assessor consider loss of business income due to forced closures, customer capacity limits, or other forms of reduced business income related to the pandemic?**
- State law (sec. [70.32](#), Wis. Stats.) establishes property sales as the best indicator of a property's value subject to taxation. "...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 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."
 - Chapter 13 of the [WPAM](#) provides information on valuation of commercial property. See pages 36-41, for the valuation of leased property and consideration of sales, income, and cost information to determine the full value subject to taxation. As noted on page 40, when using the income approach, the goal is to determine market rent. Similar to sales, rental rates and leases are also reviewed to determine whether they are arm's length and represent market rent. In determining market rent, contract rents are analyzed to determine adjustments for many factors including short-term and long-term contracts that may not reflect the market.
- 6. In evaluating the negative impact of the pandemic on income properties such as motel/hotels, restaurants, small businesses, etc., should the assessor consider income received from state/federal government stimulus packages? Is it a matter of public record how much stimulus money was given to individual businesses?**
- State property assessment law (sec. [70.32](#), Wis. Stats.) provides for the assessor to value the real property. State property assessment law (sec. [70.03](#), Wis. Stats.), defines real property as:
 - (1) Chapters 70 to 76, 78, and 79, real property, real estate, and land include not only the land itself but all buildings and improvements thereon, and all fixtures and rights and privileges appertaining thereto, except as provided in sub. (2) and except that for the purpose of time-share property, as defined in sec. [707.02\(32\)](#), Wis. Stats., real property does not include recurrent exclusive use and occupancy on a periodic basis or other rights, including, but not limited to, membership rights, vacation services, and club memberships
 - (2) Real property and real estate do not include any permit or license required to place, operate, or maintain at a specific location one or more articles of personal property described under sec. [70.04\(3\)](#), Wis. Stats., or any value associated with the permit or license
 - State property assessment law does not provide for the assessor to value the person who owns the property or payments to that person unrelated to the state law definition of real estate under sec. [70.03](#), Wis. Stats.
- 7. A reduction of tax base causes an increase in tax rates, which penalizes properties not negatively impacted by COVID. If the legislature is not proposing a tax credit or property tax relief, should we as assessors be expected to fix an economic crisis when the assessor's focus should be on real estate values rather than business values?**
- State law requires assessors to value real property according to sec. [70.32](#), Wis. Stats. and the [WPAM](#). State law does not provide for assessors to make arbitrary or otherwise unsubstantiated assessment changes.
- 8. In our assessment work, we normally use three years sales data and three years of stabilized income/expenses for establishing values. Should we disregard that practice to react immediately to the COVID impact as of January 1, 2022?**
- State law establishes an annual property assessment and taxation process, providing the annual assessment date of January 1 (sec. [70.10](#), Wis. Stats.). The 2022 assessments are effective as of January 1, 2022 and are based on the property's status as of January 1, 2022.
 - State law also (sec. [70.32](#), Wis. Stats.), establishes property sales as the best indicator of a property's value subject to taxation. "...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 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."

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- Chapter 10 of the [WPAM](#) provides information on review and use of property sales. See pages 1-3 for information on analyzing and stratifying sales to determine overall value and changes by property type.
- Chapter 12 of the [WPAM](#) focuses primarily on the use of sales to determine residential property assessments. See page 6 for discussion on the adjustment process, first adjusting for time and reflecting the sale price as of the assessment date with an adjustment example chart on page 8. See pages 23-25 for additional information and examples on the sales comparison approach to value.
- Chapter 13 of the [WPAM](#) provides information on valuation of commercial property. See pages 36-41, for the valuation of leased property and consideration of sales, income, and cost information to determine the full value subject to taxation. As noted on page 40, when using the income approach, the goal is to determine market rent. Similar to sales, rental rates and leases are also reviewed to determine whether they are arm's length and represent market rent. In determining market rent, contract rents are analyzed to determine adjustments for many factors including short-term and long-term contracts that may not reflect the market. Also consider page 64, which outlines the appraisal process for reviewing income and expenses over several years.

9. How is the effect of the COVID-19 pandemic different from the 2008-2009 recession in terms of its effect on property values (commercial and residential)? How is it similar?

An assessor needs to follow state law and the [WPAM](#) appropriate to that assessment year. For the January 1, 2008 assessment, assessors were required to follow state laws effective on January 1, 2008 and the 2008 [WPAM](#). The same applies for the 2009 and 2022 assessments. For the January 1, 2022 assessment, assessors are required to follow state law effective on January 1, 2022 and the 2022 [WPAM](#).

10. A company is trying to discount for COVID-19 and changing the depreciation rates on the 2022 Statement of Personal Property. What should the assessor do?

- State law (sec. [70.34](#), Wis. Stats.) provides for the valuation of personal property at its true cash value. To determine the amount and value of personal property of any person, state law (sec. [70.35\(1\)](#), Wis. Stats.) allows the assessor to examine such person under oath or require such person to submit a return of such personal property and the taxable value thereof. Assessors are responsible for auditing these returns (ex: [Statements of Personal Property \(PA-003\)](#)). Contact the filer for information on the values and any adjustments.
- **Note:** State law (sec. [70.35\(3\)](#), Wis. Stats.) does not require the assessor to accept the form and values provided by the filer. If the assessor determines a personal property value different than the value provided by the filer, DOR recommends sending a [Notice of Personal Property Assessment \(PR-299\)](#). See Chapters 17 and 19 of the [WPAM](#).

Equalized Values

1. If the assessor reduces assessments for certain commercial properties based on evidence that the property values dropped due to the COVID-19 pandemic, should these value losses be reported on the Municipal Assessment Report (MAR) as extreme economic obsolescence?

- The Equalized Value is adjusted each year to reflect market value changes by property class. The adjustments are called "economic changes" and are based on the prior year sales data. However, unique circumstances may occur in the marketplace that impacts the value of a specific property or type of property, that cannot be captured in the sales analysis and may not be adequately reflected in the economic change.
- If an assessor is conducting a revaluation and determines an assessment adjustment is warranted on a single property or property type due to unique market circumstances, the assessment change can be reported on the MAR as Economic Obsolescence. The assessor should provide comments explaining the reason for the Economic Obsolescence entry. The Equalization District Office will likely contact the assessor to discuss the Economic Obsolescence entry and may request the assessor's analysis used as a basis for the assessment change.

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- 2. How will DOR account for value losses for certain types of commercial properties in the 2022 Equalized Values? In some cases, there will not be any sales data within the municipality, but there may be other sales in the county, market area, or regionally that would support a value loss for certain types of properties (ex: hotels).**
 - DOR conducts a sales analysis by property class each year. The analysis may extend beyond a municipality's boundaries, when appropriate, to help identify market trends. Assessors provide property type codes when submitted assessment data to DOR. The property type codes are utilized to help to identify trends related to specific property types.
 - See response to questions 1 and 4 for additional information related to adjustments to the Equalized Value for market value changes

- 3. Could DOR conduct a study using Provide Assessment Data (PAD) sales data (perhaps by county) to help guide assessors in estimating the effects of COVID-19 on different types of commercial properties? National data suggests that some types of properties, such as industrial property, have increased in value, while retail and hospitality properties have decreased sharply.**
 - It is the municipal assessor's responsibility to analyze sales activity used to determine assessed values. All assessors have access to statewide sales data as well as the associated [assessment data](#) provided by assessors (see [Provide Assessment Data](#), "Download Assessments"). This information can be utilized by assessors to evaluate market value changes for specific types of properties on a local level or regional level.

- 4. If the assessor provides DOR with stratified commercial assessment data for their municipality, will DOR use this information? Or would it be a waste of our time? Many assessors would be able to stratify their commercial assessments into categories, such as multi-family, industrial, retail, office, etc.**
 - All stratification studies submitted to DOR by municipal assessors are reviewed by DOR staff, and if the analysis is supported by a sufficient number of sales, it is used to adjust the Equalized Value
 - Stratification information should be completed using DOR's [Sales Stratification Form](#), and submitted to the appropriate [Equalization Bureau District Office](#) by May 1, 2022
 - Contact the [Equalization Bureau District Office](#) in your area for assistance