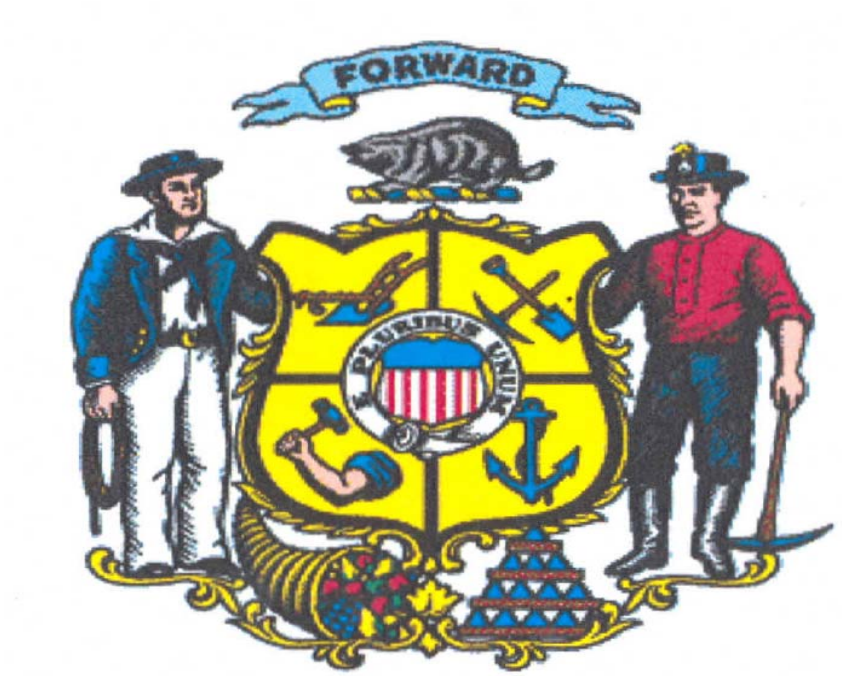
Wisconsin Department of Revenue

Provide **A**ssessment **D**ata Manual

PAD

http://www.revenue.wi.gov.



PROVIDE ASSESSMENT DATA SYSTEM (PAD)

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PROVIDE ASSESSMENT DATA SYSTEM (PAD)

I Introduction

The Department of Revenue (DOR) conducts an automated review of Real Estate Transfer Returns. The result is a list of Transfers that are potentially either arm's length or non-arm's length Transfers. The list is termed potential as the assessor is responsible for determining whether a Transfer is arm's length.

Transfers that are initially identified as arm's length require action by the assessor in PAD. However, assessors need to review those Transfers that are initially indentified as non-arm's length to confirm the rejection. These Transfers are viewable in the eRETR system and not PAD. If an assessor determines that a Transfer initially rejected by DOR is arm's length, contact the district office (http://www.revenue.wi.gov/contact/slfboe.html). DOR will place the Transfer into PAD for the assessor to complete the process.

PAD was created to streamline the gathering of assessments, property types and attribute data by DOR, and to give assessors the ability to submit assessment and sales information electronically. It also provides assessors with access to statewide sales data that indicates which sales have been determined to be usable as arm's-length market sales and valid sales for ratio purposes. DOR has established criteria to be used in analyzing sales. Analyzing a sale in the PAD system is a 5-step process:

1. The assessor must determine if the sale includes any property classified as manufacturing. If it does, the assessor must check the checkbox to indicate that a manufacturing property is involved in the sale. No further information will be provided by the assessor for this sale. The sale should then be submitted.
2. The assessor must determine if the sale is an arm's-length (market) transaction. If the sale is not an arm's–length transaction, it must be rejected by indicating the reason for rejecting the sale in the arm's-length field. The assessor completes this sale by clicking one of the submit buttons.
3. If the sale is usable as an arm's-length (market) transaction, the assessor must then determine if the sale is usable for ratio purposes. If the sale is usable for ratio purposes, then the assessor should complete the class and assessment sections. . *Note:* The sale and corresponding assessment must then be reviewed for possible use in a ratio comparison. If the January 1 assessment is not representative of the property that sold, the sale should be rejected for ratio purposes.
4. The assessor must provide the property type for the sale. (Property type descriptions and codes can be found at http://www.revenue.wi.gov/eretr/training/index.html.)
5. If any parcel in the sale includes improvements, then the assessor must provide the improvement attribute data for each parcel in the sale (vacant parcels can be marked as vacant and in that case no attribute data will be required).

These instructions are intended to explain how to enter assessment data and parcel level attribute data in PAD and briefly discuss how to determine if a sale should be considered usable for arm's-length and usable for ratio purposes. An in-depth analysis on how to determine if a sale should be considered an arm's-length sale and if it is usable for ratio purposes can be found in Section IV, Entering Data in PAD. Information regarding arms-length sales can be found in the Wisconsin Property Assessment Manual, Chapter 14: http://www.revenue.wi.gov/slf/wpam/wpam.pdf.

II Accessing the PAD System

The "Provide Assessment Data" system (PAD) is part of the *e*RETR – ***electronic Real Estate Transfer Return*** system and therefore, all users must have a WAMS ID and password to access the system. This is a permanent ID and password that is obtained from the Department of Administration and used to access many secured state web applications.

To register for a WAMS ID, click the following link: https://on.wisconsin.gov/WAMS/home

Once you have a WAMS ID, do the following to access the *e*RETR system:

From the eRETR Assessor's Home Page;

- Click the "Log-in to *e*RETR" link found on the DOR External web site: http://www.revenue.wi.gov/ust/retn2.html and proceed to log-in using your WAMS ID and password.
- Review the *e*RETR – electronic Real Estate Transfer Return confidentiality page and click "I agree".
- You are now at *e*RETR on the *Home page* for Assessors.
  Click on the "Provide Assessment Data" link shown below.

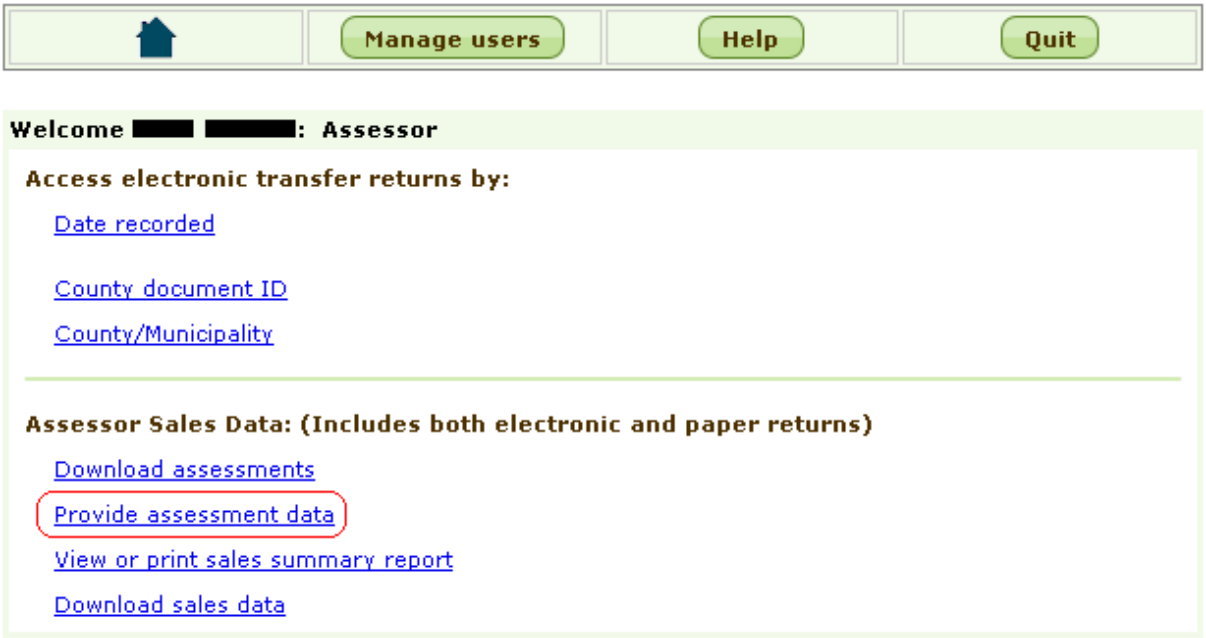


Figure 1: *e*RETR - The assessor's *Home page*:

III Important Notes about the PAD System:

Do not use the back arrow button on the internet browser – this may log the user out of the *e*RETR system. Instead, use the Menu bar to navigate the application. The Menu bar for the assessor's home page is shown below:

Figure 2: *e*RETR – assessor's *Home page* Menu bar

The Menu bar varies from page to page. Three things on the menu bar that will never change are: Home, Help and Quit. Return to the home page by clicking the Home icon, get help for the current page by clicking on the Help button, or quit the application at any time.

For security reasons, the user will automatically be logged out of the *e*RETR system after 30 minutes of inactivity.

- Assessment information that has been submitted is only available for editing in the same week it was submitted. Each Saturday, information submitted in the PAD system is loaded to the DOR's database, and will be removed from the PAD system.
- If any corrections are necessary after the assessment data has been uploaded to the DOR's database, contact the appropriate Equalization district office.
- If a transfer return has been deleted from the database and re-entered with corrected information (an amended transfer return), that sale may re-appear on the list of sales that need assessment data.
- Accessing sales in the PAD system is limited to an assessor's own municipalities. If at any time, you are able to access a municipality in which you are not the statutory assessor, or are unable to access a municipality in which you are the statutory assessor, please notify the appropriate district Equalization office.

IV Entering Data in the PAD System:

The title bar of the Browser will display the name of the current page. Each page has a unique name. For example, if your browser was Firefox you might see

Figure 3: Firefox's title bar indicating the current page name

Or, if your browser is Internet Explorer you might see

Figure 4: Internet Explorer's title bar indicating the current page name

In this manual, *page names* will be in italic. *Home Page* for example

Step 0: Select Provide assessment data, (Provide assessment data) from the *Home page*.

Step 1: Select a County (. Select county) from the *Provide Assessment Data-Select County* page.

Step 2: Select a Municipality (Select municipality) from the *Provide Assessment Data – Select Municipality* page. If there are sales in a municipality that need assessment data, the number of sales is indicated in the "Needs assessor response" column. Select the municipality by clicking on the municipality name.

Step 3: Select a sale from the list by clicking on the sale's conveyance date link. This page lists the sales in the selected municipality that need assessment data. Five items of information from the Real Estate Transfer Return are listed for each sale:

Conveyance Date
DLN # (DOR sale #)
Parcel number
Grantor name
Grantee name

Shown below is the *Provide Assessment Data Search Results* page that shows the list of usable sales for a given County and Municipality and the indicators in the "AD" column which are described below. The Browse history pane allows the user to reselect a county or municipality.

Browse history

Reselect county > Dane > Madison, City Of

Conveyance date	DLN	Parcel number	Grantor name	Grantee name	AD?
2009-01-05	200900059950406	251/070825105088,251 /070825105089,251 /070825105087,251 /070825105086,251 /070825105085	RICHARD D. DURBIN & CATHERINE R. DURBIN, TRUSTEES OF DUR,	DWL INVESTMENTS,LLC,	Y
2009-01-02	200900059950496	251/070814408055,251 /070814408056,251 /070814408057	MADISON CHRISTIAN COMMUNITY, INC.,	REHANI, RIYADH N. & REEM Z.	I
2007-12-31	200900069951062	251/071001302117	RESTON CORP.,	HOVDE REALTY, INC.,	N

Figure 5: *e*RETR –*Provide Assessment Data Search Results page*

1. **"I"** The assessment has been started but is incomplete. The prior work on this sale has been saved, but has not been submitted (perhaps because more information is needed).
2. **"N"** The assessment has not been started yet.
3. **"Y"** The assessment data has been submitted and can be reviewed and changed until Saturday, when the information is loaded to the DOR's database. After Saturday, the sale will no longer appear in the list of sales that need assessment data.
4. **"M"** This sale involves manufacturing and will be reviewed by DOR.

Each of the columns has a circle just to the right of the column heading. Clicking on this circle will sort the column entries by ascending ▲ or descending ▼ or back to original ⊖ order. A maximum 100 sales appear per page.

Note: If a sale is listed in the wrong municipality, please contact the Equalization District Office that handles that county. Please provide the DLN (document locator number or sales number), county, and municipality.

Step 4: The Provide Assessment Data page:

Figures 6 & 7 - Displays part of the Sale pane on the *Provide Assessment Data page*.

Sale 200900139959166 - Improved - Arm's Length: Usable - Ratio: Usable

Figure 6: *e*RETR –*Provide Assessment Data page* – the Sale pane

Here's an explanation of the information in this pane's heading:

- Sale: Clicking on this sale # will open the entire real estate transfer return which will allow the user to view or print the sale.
- Improved or Vacant: The vacant/improved indicator is based on information from the original real estate transfer return.
- Arm's Length usable/reject, and Ratio usable/reject: Both arm's length and ratio are defaulted to "Usable" and that will remain until a reject code is submitted and loaded to the DOR sales database.

The upper right half of the screen (the Sales Data pane) includes data from the Sales Analysis System and is for reference only. If conflicting data is entered in certain input fields on the left side of the screen, a warning or error message will be displayed.

Sales Data Dane County - WESTPORT, TOWN OF

Grantor:	CHEROKEE PARK, INC.,
Grantee:	CITY OF MADISON,
Sales price:	87100
Date of conveyance:	2009-01-26
Cnty doc ID:	4499236
Total acres:	48
Parcels:	066/080924387108, 066/080924390005, 066/080924390505, 066/080924390603, 066/080924395000
Parcel street address:	WHEELER RD
Short legal:	SUBDIVISION R764/110 SEC 248-8-9 NW 1/4, LOT 0, BLOCK

Figure 7: *e*RETR –*Provide Assessment Data page* – the Sale Data pane

Important Note: It is CRITICAL that the legal descriptions and parcel numbers be reviewed on the full real estate transfer return (click on "Sale" to view) to ensure that the complete assessment data is submitted. There may be additional parcel numbers listed on the full transfer return that are not displayed here.

The other features on this screen are explained later in these instructions.

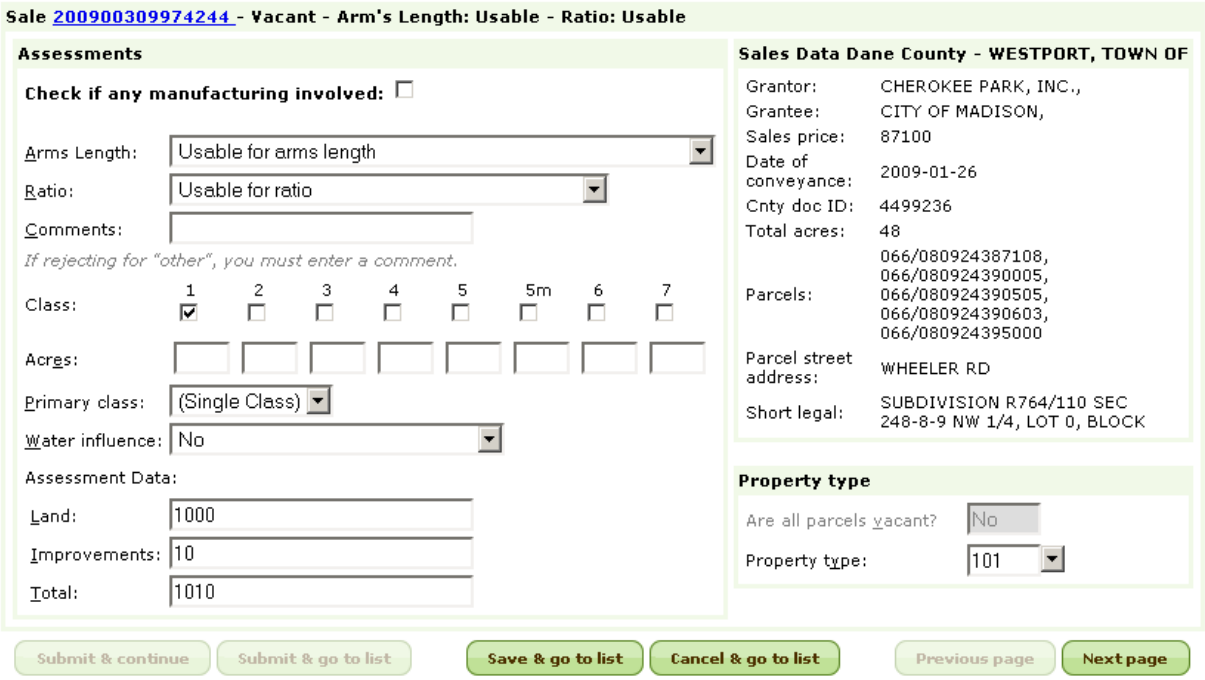


Figure 8: *e*RETR -*Provide Assessment Data page*

Helpful Hints for the *Provide Assessment Data* page:

- Clicking on the "Help" button provides general information about the screen and helpful tips to navigate the screen using the keyboard v. using the mouse.
- Different fields need to be completed depending on if the sale is determined to be usable or rejected for arm's length and ratio. The system will automatically block the fields that do not need to be completed once the use/reject determination is made. The blocked fields will turn gray.

Step 5: Determine if the sale includes any parcels that are classified as Manufacturing.

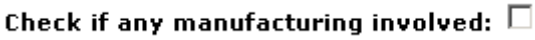


Figure 9: *e*RETR –*Provide Assessment Data page* – the Manufacturing check box

If Yes: Place a check mark in the box. No further action needs to be taken on this Sale. Click "Submit & continue" or "Submit & return to list".

If No: Proceed to the next step.

Step 6: Determine if the sale is an arm's-length transaction (see Figure 8).

If Yes: If the sale is deemed to be a good market sale, choose the option "Usable for arm's length" from the "Arm's Length:" drop down menu, then proceed to the "Ratio" field.

If No: If the sale is not an arm's-length sale, the corresponding reject code (11 through 59) must be selected. If the sale is rejected in the "Arm's length" field, the Ratio field will be grayed out and rejected for the same reason. No other information is required, with the exception that comments are mandatory if the reject code ends in a "9", which is an "other" reject code.

Step 7: Determine if the sale is usable for assessment/sale ratio comparison. See Figure 8 above.

If Yes: If the sale is usable for ratio comparison, the user must choose the option "Usable for ratio" from the drop down menu. The "Comments" field is optional except for select reject codes (those ending in 9).

If No: If the sale is rejected (not usable) for ratio comparison, the corresponding reason must be chosen from the "Ratio:" drop down menu. When the reject code is chosen,(except for code 76), most fields will be grayed out. The non-grayed fields must then be completed.

Step 8: Enter all assessment data from the post Board of Review Assessment Roll that corresponds to the year of the sale.

- **Class:** Place a check mark in the box to indicate the class of property for the parcel that has sold (left click on the box to place a check mark in the box).
  - If the assessment contains more than one class, check all classes included in the sale then select the Primary class. If classes 4, 5 or 5m, 6, or 7 have been selected, the sale will be rejected for ratio purposes (Reject code 73) and the fields for the assessed value entries will be grayed out.
  - Sales that are a combination of Classes 1 & 6 or 2 & 6 *and* total 19 acres or less are used by the DOR for ratio purposes. These sales should not be rejected for code 73, but may be rejected if another reject reason code applies.
  - If the sale is rejected for ratio, a class must be selected. In some cases (for example code 74 which may consist entirely of exempt land) there may not be any actual class in the assessment roll. Use the *most* applicable class (probably 6 if wooded land) and enter the number of acres.
- **Acres:** Enter the number of acres for each property class. Acres are mandatory for the following classes: 4 (Agricultural), 5 (Swamp & Waste), 5m (Ag Forest), 6 (Forest), 7 (Other). Number of acres is not required for Class 1 (Residential) and Class 2 (Commercial). Number of acres can be a whole number or a decimal notation.
- **Primary Class:** This field is defaulted to "single class". If more than one class has been selected, choose a Primary class using the drop down menu**.**

Note: Only Classes 1 or 2 may be selected as the Primary Class on a usable ratio sale with a combination of classes 1 and 6 or 2 and 6. (See reject code 76 Mixed Classes for further information). If a sale is determined to be a ratio reject using code 74 (MFL/PFC/Exempt), a primary class must be selected.

- **Water Influence:** This is a required field with the exception of a sale that is rejected for both arm's length and ratio.

If the sale property has no water frontage or water influence, select "No" from the drop down menu. If water frontage or water influence does exist, select the appropriate entry from the following choices:

  - **Lake Frontage-Primary:** Parcel has direct frontage on a lake.
  - **Lake Frontage-Secondary:** Parcel has frontage providing access to a lake which is not direct or is very undesirable. Indirect frontage may include frontage to a channel, canal, or creek providing access to a lake. Very undesirable access may include frontage which provides minimal access due poor shore (reeds, minimal water depth etc).
  - **Lake View:** Parcel which has no lake frontage or access, but benefits from a view of a lake.
  - **Lake Access:** Parcel which has no direct frontage on the water however has a deeded right to access or a boat dock/slip over and above typical public access points.
  - **River Frontage-Primary:** Parcel has direct frontage on a river.
  - **River Frontage-Secondary:** Parcel has frontage providing access to a river which is not direct or is very undesirable. Indirect frontage may include frontage to a channel, canal, or creek providing access to a river. Very undesirable access may include frontage which provides minimal access due to poor shore (reeds, minimal water depth. etc.) This also includes smaller rivers or creeks which are not typically developed for recreational purposes (though may have canoeing, etc.).
  - **River View:** Parcel which has no river frontage nor access but the benefits from a view.
  - **River Access:** Parcel which has no direct frontage on the water however has a deeded right to access or a boat dock/slip over and above typical public access points.
  - **Other:** Parcel which has a water feature which does not fit the above definitions. This may include ponds or lagoons with no access to larger rivers or lakes.

- **Assessment Data:**

  - **Land:** Enter the land assessment from the appropriate assessment roll. If there is more than one parcel, add the land assessments together and enter the total land assessment in this field.

- **Improvements**: Enter in the improvement assessment from the appropriate assessment roll. If there is more than one parcel, add the improved assessments together and enter the total improved assessment in this field. If it is a vacant sale, and there is no improvement assessment, enter zero (0) in the improvement assessment field.
- **Total:** Enter in the total assessment. If the sale is vacant, the total equals the land assessment; if the sale is improved, the total equals the land assessment plus improvement assessment.

- **Indicate if all parcels are vacant and choose the property type code:**

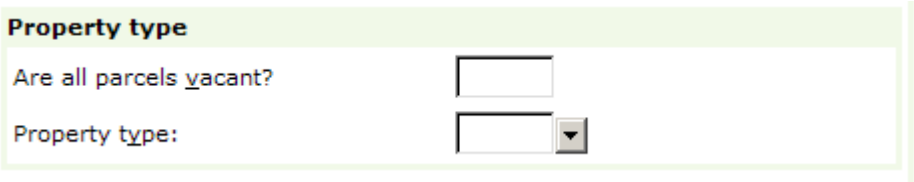


Figure 10: *e*RETR – The *Provide Assessment Data page* – All parcels vacant field

These are required fields. To get a "yes/no" answer to automatically appear in the "Are all parcels vacant" box, there must be a value of 0 or greater in the improvements assessment box. If the improvements assessment box is grayed, click inside this box and choose Yes or No from the dialog window. If a number greater than zero has been entered in the improvement assessment field, the system assumes this is an improved sale and will automatically fill in this field with a "yes". If a zero has been entered in the improvement assessment field, the system assumes this is a vacant sale and will automatically fill in this field with a "no".

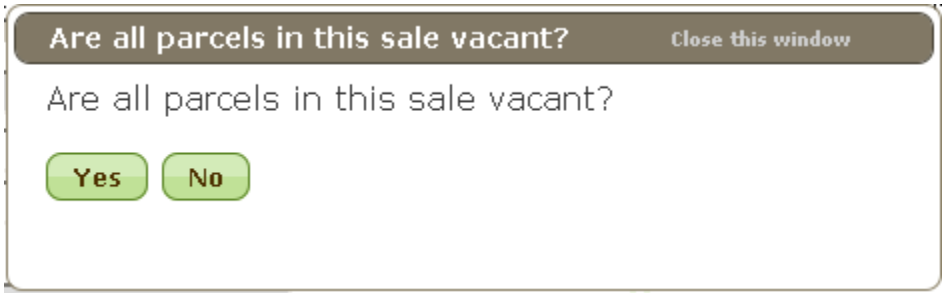


Figure 11: *e*RETR – The *Provide Assessment Data page* – All parcels vacant dialog

If Yes: If all parcels are vacant, click on the type of vacant land from the property type menu:

Figure 12: *e*RETR – The *Provide Assessment Data page* – Vacant Land dialog

Click one of these options to submit the assessment data

The **assessment** data can be saved without submitting it. This option will allow the user to save what has already been entered and return to the sale at a later time for completion. To save the assessment data choose this option:

To permanently remove assessment data that has been entered and return to the list of sales:

If No: All parcels are not vacant (i.e. the sale includes an improvement), first click on the property type category at the top of the window, then click on the specific property type from the Property type menu for the first parcel.

Figure 13: *e*RETR – The *Provide Assessment Data page* – Property type dialog for an improved property

Click one of the 3 options listed below:

Figure 14: Buttons to click after selecting a Property type code

Step 9: If it is an improved sale, the attribute data must be completed for the improved parcels.

For each parcel in the sale, the user will be presented with the *Choose Parcel Categories* page shown below.

Figure 15: *e*RETR – The *Choose Parcel Categories page* – a vacant parcel

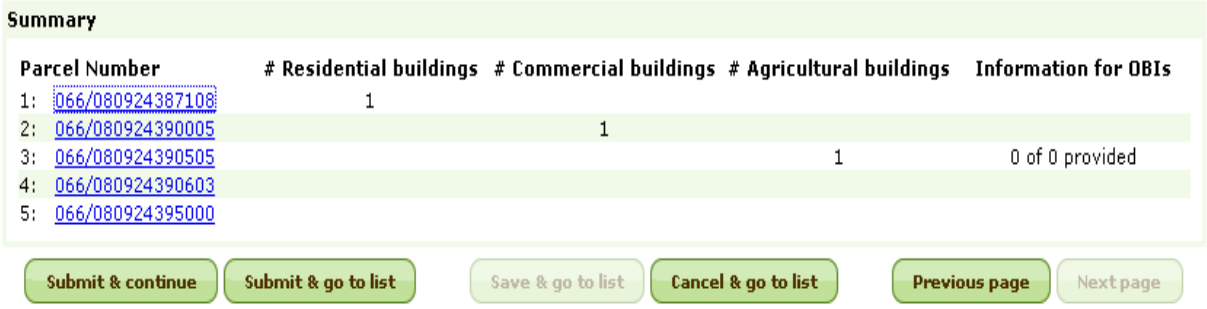
For example, if the sale includes five parcels and parcel 251/070825105088 is vacant, check Vacant then click Next page. The *Choose Parcel Categories* page will be displayed for the next parcel (2 of 5 parcels).

Figure 16: *e*RETR – The *Choose Parcel Categories page* – a house and a farm

If parcel 251/070825105089 has both a house and agricultural buildings on it, check Residential Building and Agricultural Building. Click Next page to proceed to the property attributes page to provide attribute data about the residence (the *Residential Attributes* page). When the residential attribute page is complete, click Next page again to provide attribute data for the agricultural buildings (the *Agricultural Attributes* page). **NOTE:** If the sale includes both residential OBI's and agriculture OBI's, all of the OBI value should be reported on the agriculture page. If there are no agriculture buildings involved in the sale, any OBI value related to a residence should be listed on the Residential page.

The selections on the *Choose Parcel Categories* page will determine the pages that will follow. For a given parcel, any combination of Residential, Commercial or Agricultural is allowed. If Vacant is checked no other selection can be made on this page, for that parcel.

Step 10: After providing the attribute data for all of the improved parcels, the *Summary page* can be viewed. From the *Summary* page, select one of the 5 buttons on the bottom of the screen:



Summary

	Parcel Number	# Residential buildings	# Commercial buildings	# Agricultural buildings	Information for OBIs
1:	066/080924387108	1			
2:	066/080924390005		1		
3:	066/080924390505			1	0 of 0 provided
4:	066/080924390603				
5:	066/080924395000				

Submit & continue | Submit & go to list | Save & go to list | Cancel & go to list | Previous page | Next page

Figure 17: *e*RETR – The *Summary page*

The attribute data for any parcel can be reviewed by clicking the parcel number links. Once the review is complete click on one of the following buttons:

- "**Submit & continue**" will submit the data and load the next sale from the list on the previous page. (When the last sale from the list has been submitted, this button will return to the list.)
- "**Submit & go to list**" will submit the data and return to the list on the previous page to allow the user to choose another sale. Note: the "AD" column will indicate that the data has been submitted by replacing the N with a Y.
- "**Cancel & go to list**" will return to the usable sales list. This option will not save any data entered for the current sale.
- "**Previous**" will step backward through the pages that have already been completed.
- "**Save & go to list**" is not available if the information for all parcels in the sale has been completed.
- "**Next**" is not available as there is no additional information needed for the sale.

V Entering Assessment Attribute Data

The selections made on the *Choose Parcel Categories* page will determine which building attribute screens are presented to the user:

Using the figure above as an example, all three types of building attribute pages will need to be completed. While it is not common for a single parcel to have residential buildings, commercial buildings and agricultural buildings, this is a good example for explaining subsequent pages that will be presented to the user when the Next page button is clicked.

After selecting the parcel categories, the building attribute data screens will appear starting with Residential Buildings, then the Commercial Buildings, and finally the Agricultural Buildings.

A Residential Building

Complete the *Residential Attributes* page then click "Next page". If there is another residence, check the "Yes" box for another *Residential Attributes* page. In this case, there is only one residence. **Note:** If the sale also includes agriculture buildings, the residential OBI value should be included with the agriculture OBI value on the agriculture page.

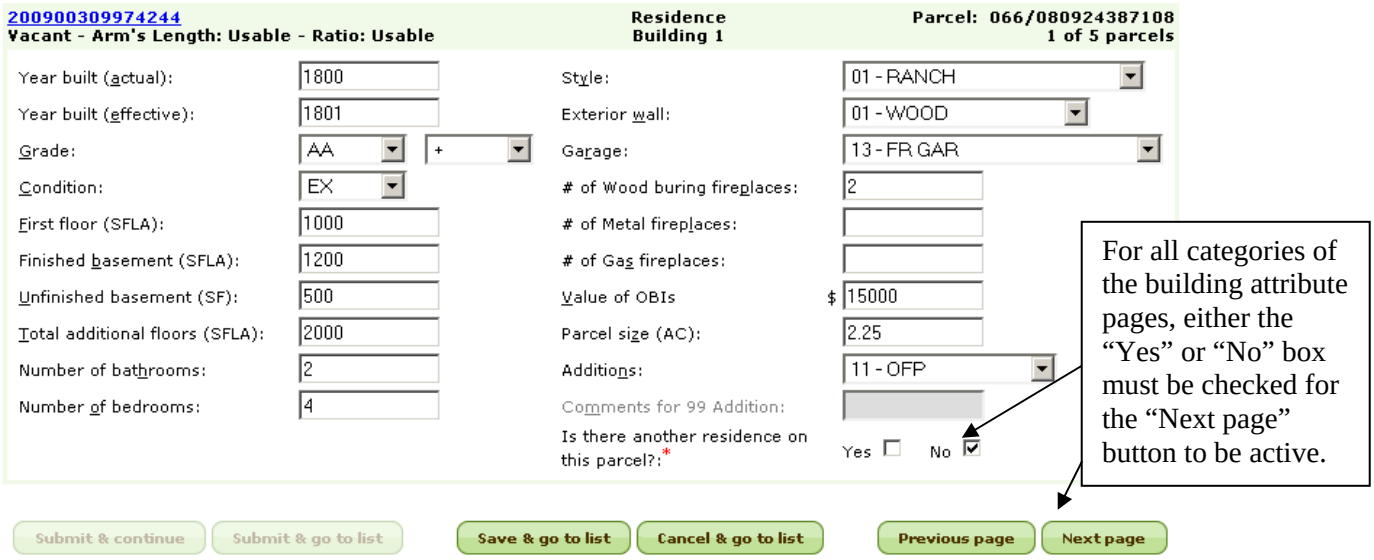


Figure 18: *e*RETR – The *Residential Attributes page*

B Commercial Building

Complete the *Commercial Attributes page* then click "Next page". If there is another commercial building, checkmark the "Yes" box for another *Commercial Attributes* page.

Figure 19: *e*RETR – The *Commercial Attributes page*

C Agricultural Building

Complete the *Agricultural Attributes* page then click "Next page". Note that <u>only the five most valuable buildings are requested.</u> In this case, since the total number of out buildings indicated is 1, only the first OBI field is completed, and the remaining fields are grayed out. **Note:** If the sale includes a residence with an OBI value, include the residential OBI value with the agricultural OBI value on the Agriculture page.

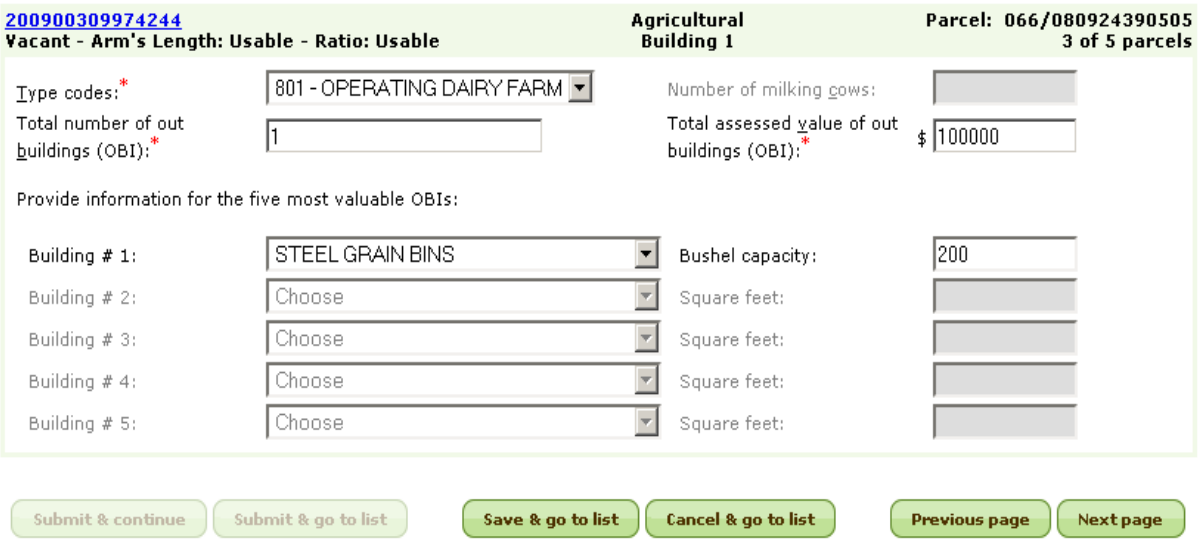


Figure 20: *e*RETR – The *Agricultural Attributes* page

Reject Codes Used in the PAD (Provide Assessment Data) System.

The following chart contains the reject codes and a brief explanation of each code. The chart is followed by an in-depth explanation of the codes. The codes are grouped by the 5 characteristics that determine whether or not a transaction is a “market value” sale.
In the table below, the first column contains the reject code number; the second and third columns contain a short title and explanation.

These reject codes are appropriate for use when the sale is not an Arms-length (Market Value) Sale.

10 Insufficient Market Exposure		
11	Fulfillment of Land Contract	Original land contract was established in a prior year.
12	Gift	Transfer of title made without compensation whether total or partial.
13	To an Exempt Organization or Government (i.e. churches, town, village, city, state, federal)	The Department of Revenue considers sales from an exempt organization or government to be a market sale.
14	Exempt from Fee	See Sec. 77.25 Wis. Stats. for specifics
15	Family, Inheritance, Will Sales for nominal or no consideration.	May be valid Arm's length, need to investigate.
16	Inter-corporate/Shareholder	Sale is transferring title to another party under the same company umbrella.
17	Convenience, Join Tenancy or Trust	Sale is transfer of property to change or create title. No consideration involved.
19	Other	Use of this code requires an explanation in the “Comments” area.
20 Insufficient Knowledge of Buyer/Seller		
21	About Real Estate in General	Buyer or seller is un-informed of the Real Estate Market.
22	About the specific Property	Buyer or seller is uninformed of property defects.
29	Knowledge – Other	Use of this code requires an explanation in the “Comments” area.
30 Compulsion		
31	Plottage/Assemblage	Plottage is two or more sites combined to produce greater utility and assemblage is combining two or more parcels, usually but not necessarily contiguous, into one ownership

		or use.
32	Tax, Sheriff or Judicial	Implies transfer of title involuntarily of the owner. Would include foreclosures.
33	To a Relocation Company	Indicates grantor is under duress to sell to move to a new location.
39	Other	Use of this code requires an explanation in the "Comments" area.
40 Non-Typical Financing		
41	Exchange	Trading of property, no money involved.
42	Excess Liens	Selling price may include value of liens such as delinquent taxes or special assessments.
49	Other	Use of this code requires an explanation in the "Comments" area.
50 Incomplete Bundle of Rights		
51	Correction Deed	Correct error of a prior deed
52	Life Estate	A life estate in the property is retained by someone other than the grantee.
53	Partial Interests	Divided or undivided rights that represent less than the whole parcel.
54	Time Share	Limited ownership interests in, or the rights of use and occupancy of property.
55	Business Value	An enhancement from intangible personal property such as marketing, management skill, trade names, etc.
56	Personal Property	Identifiable portable and tangible objects that are "personal" and not part of the real estate, but are included in the sale.
59	Other	Use of this code requires an explanation in the "Comments" area.
These reject codes are appropriate for use when the sale is a Market Value Sale but not Usable for Ratio Purposes.		
71	Split Parcels	There is no separate assessment on the current assessment roll for the parcel that sold.
72	Multiple Districts	Sale includes properties in

		more than one county/municipality.
73	Classes 4, 5, 5m, 6 or 7	Assessment includes lands assessed as classes 4, 5,5m, 6 or 7
74	Exempt Classes: MFL, PFC	The sale includes lands enrolled in the Managed Forest Land or Private Forest Crop programs.
75	New Construction/Remodel or demolition after Jan 1	The sale property was changed between the January 1 assessment date and the date of sale.
76	Mixed Classes	See detailed explanation and chart at the end of this document for use/reject rules if more than one class of property assessed.
77	Present Value of Subdivision Lots	Assessments were established using discounted cash flow analysis and not reflective of sale price of individual lots.
78	Prior Year's Sale	A sale that was conveyed prior to the current year.
79	Other	Use of this code requires an explanation in the "Comments" area.

Reject Code Descriptions for Market and Ratio Sales Analysis

Not all real estate transactions are arms-length sales and useable as comparable sales. Not all real estate transactions that are useable arms-length sales are also useable for ratio analysis. Therefore, the Department of Revenue has established criteria for analyzing sales. These guidelines will assist the assessor in determining which sales are arms-length (useable market sales) and which sales are useable for ratio purposes.

Analyzing a sale involves determining if the sale price represents market value. Market value is defined as "The most probable sale price of a property in terms of money in a competitive and open market, assuming that the buyer and seller are acting prudently and knowledgeably, allowing sufficient time for the sale, and assuming that the transaction is not affected by undue pressures."

Sales may be rejected for use as an arms-length sale and for ratio purposes if a component of the "bundle of rights" is not present or the circumstances of the transaction produce a "sale price" which is not indicative of the full market value of the property.

Analyzing a sale in the "Provide Assessment Data" system is a 2-step process:

1. The assessor must determine if the sale is an arms-length (market) transaction.

2. The assessor must determine if the sale us usable for ratio purposes.

If the sale is rejected as an arms-length sale, it is always rejected for ratio purposes.

If the sale is usable as an arms-length sale, the sale and corresponding assessment must then be reviewed for ratio comparison. If the January 1 assessment is not representative of the property that sold, the sale should be rejected for ratio purposes.

The following description of reject codes reflects categories of real estate transfers which are typically non-market sales (i.e. rejected for arms-length). These descriptions are not rigid rules used to always reject sales. The assessor, during the sale verification process, needs to determine whether the specific sale is, in fact, a market or non-market transaction. If the assessor determines the sale is non-market, the most appropriate reject code should be used. If a sale has initially been rejected, but upon further verification is determined to meet reasonable market criteria, the assessor should notify the appropriate Equalization district office of their change in opinion, along with the basis for that change.

Additional information on sales analysis and reject criteria can be found in the Wisconsin Property Assessment Manual, Chapters 7 & 14.

REJECT CODES

10 – Insufficient Market Exposure

Reject Code 11 Fulfillment of Land Contract
If the original land contract was established in a prior year, the sale resulting from the deed in satisfaction of the original land contract should be rejected. If the original land contract and the deed in satisfaction are occurring in the same year, the original land contract sale should be used if it is an arms-length sale and the deed in satisfaction rejected to eliminate duplication of sales.

Reject Code 12 Gift
A transfer of this type implies that this is not a sale, but rather a transfer of title made with little or no monetary compensation. It may be a total or partial gift, but if the transfer is made without full consideration, the sale should be rejected.

Reject Code 13 to an Exempt Organization or Government
This type of transfer is more likely to be a reject sale if the exempt (charitable/non-profit) organization or government body is purchasing the property rather than selling the property. Many times the “sale” to such an organization is part gift due to a donated value. Transfers to a government agency may be forced sales, such as condemnation or tax deeds. If the government is acquiring the property for specific purposes the sale price may include other compensation such as damages

Reject Code 14 Exempt from fee
Transfers that are exempt from the Real Estate Transfer Fee are by definition not arms-length transactions. The exemptions are found in Chapter 77.25 of the Wisconsin State Statutes. Some transfers that are exempt from the payment of fee (those in 77.25(1), (2r), (4) or (11)) are not required to even file a Real Estate Transfer Return. Several of the fee exemptions are more clearly defined in other reject codes on this list (such as

correction deeds, foreclosure, etc.). Those types of transactions should be coded to the reject code which more clearly defines the reason for rejection.

Reject Code 15 Family, Inheritance, Will

Transfers between family members must be verified to determine whether they should be rejected or whether they are acceptable as an arms-length sale. Transfers between family members for nominal or no consideration are exempt from the transfer fee (reject code 14, Chapter 77.25(8) and (8m)) and should be identified with this reject code. Transfers in which the grantor is an estate must be verified to determine whether the transfer of title is due to the will/inheritance or if there is duress involved to satisfy the debts of the deceased. If the grantee is an executor or trustee, and the sale price is not representative of market value, the transfer is likely not an arms-length sale.

Note that conveyances "By will, descent or survivorship" are exempt from the real estate transfer fee (77.25(11) and are also exempt from filing the Real Estate Transfer Return so the change in ownership may not be readily evident.

Reject Code 16 Inter-corporate/Shareholder

Inter-corporate indicates that the sale is transferring title to another party under the same company umbrella. Sales to shareholders are not arms-length sales. Both of the types of transfers listed here are usually made at prices favorable to the buyer or may indicate a value assigned for accounting purposes. The presence of corporate names as grantors and grantees does not by itself indicate rejection as an arms-length sale, but indicates that further investigation by the assessor may be necessary.

Reject Code 17 Convenience, Joint Tenancy or Trust

Transfers of property that occur to change the legally titled ownership such as joint tenancy for marital property or trust for estate planning do not reflect a transfer of ownership of the property. There is usually an indication on the deed or real estate transfer return when a transaction occurs to create joint tenancy. A transfer from an individual to a trust they created may be easy to identify if the trust name includes the names of the individuals. If a trust is the grantee and it is not evident that the grantor(s) are trustees, some investigation is necessary to determine if it is simply a transfer of title or if it is truly an arms-length sale. If the trust existed prior to the sale, any property purchased by the trustees could be titled to the trust rather than the trustees individually.

Reject Code 19 Insufficient Market Exposure – Other

If a sale is not an arms-length transaction because of insufficient market exposure and that reason is not identified by codes 11 thru 17, use reject code 19 and explain the reason for rejection.

20 – INSUFFICIENT KNOWLEDGE OF BUYER/SELLER

Reject Code 21 About Real Estate in General

While it may be rare to find a grantor or grantee so ill informed about the value of real estate that the sale is deemed to be a reject, it is a possibility. Verification of the knowledge of the buyer or seller will only be discovered by questioning the parties involved and most likely both the buyer and seller need to be questioned in this situation. In the event of a low selling price, the grantee may not admit that the seller was uninformed and the grantee "got a good deal".

Reject Code 22 About the Specific Property

This situation may arise if there are conditions that affect the value of the sale property whether the conditions are physically located on the property or not. The conditions would not normally be readily evident, for example, contamination, hidden defects, economic factors, etc. For a sale to be rejected as a non-market sale, either the buyer or seller needs to be unaware of the condition and therefore, unaware of its effect on the value of the property.

Reject Code 29 Insufficient Knowledge – Other
If a sale is not an arms-length transaction because of an uninformed buyer or seller and that reason is not identified by codes 21 or 22, use reject code 29 and explain the reason for rejection.

30 – COMPULSION

Reject Code 31 Plottage/Assemblage Plottage is the combining of two or more sites under a single ownership in order to develop one site having greater utility and unit value in the aggregate than when each is separately considered. Assemblage is simply the merging of adjacent properties into one common ownership or use.

Reject Code 32 Tax, Sheriff or Judicial Tax deeds, sheriffs' sales or judicial sales all imply transfer of title without the consent of the owner.

The tax deed referenced here is the transfer of property to the county because of delinquent property taxes. This transfer is exempt from the real estate transfer fee and also exempt from filing the transfer (Chapter 77.25(4). Counties selling the property may convey the title with a quit claim deed issued to the highest bidder on sealed bids.

Sheriff or judicial sales usually result from a foreclosure action by the party who holds the mortgage to the property. If the property was used as security for a debt, foreclosure is the creditor's means of recouping an investment when the financial obligations have not been met. The consideration for this type of sale may have no relationship to the value of the property itself and more likely indicates the financial interest of the mortgager.

Post foreclosure sales are not automatically rejected. These sales should be verified by the assessor to determine whether the sale is a market or non-market transaction.

Reject Code 33 To a Relocation Company
A relocation company facilitates the relocation of individuals and families for employment-related moves. The relocation company handles the sale of the employee's home and purchase of a new home. Some companies buy the employees' property directly without the relocation company.

Reject Code 39 Compulsion – Other
If a sale is not an arms-length transaction due to compulsion by either the buyer or the seller and that reason is not identified by codes 31-33, use reject code 39 and explain the reason for rejection.

40 – NON-TYPICAL FINANCING

Reject Code 41 Exchange

“Exchange” on the Real Estate Transfer Return may be indicated for various types of property transfers or sales. One could be the simple swap of properties with or without additional consideration. It is important to verify the type of exchange that took place and the total value of the real estate involved. If the consideration shown on the Real Estate Transfer Return is only the additional consideration above and beyond the value of the property involved in the exchange, the sale should be rejected.

Another type of exchange is the Deferred Like-Kind Exchange described in Section 1031 of the Internal Revenue Code. This exchange is essentially the sale of one investment property and the purchase of another within certain time periods. The transactions must follow the strict rules contained in Section 1031 including the types of property and allowable time frames. The advantage of this “exchange” is that the payment of the capital gains tax due is postponed. Generally, both the sale of the relinquished property and the purchase of the replacement property are separately negotiated transactions. These transactions should not be rejected.

Reject Code 42 Excess Liens
A lien is a claim against a property where the property itself is security for payment of the debt. It is an encumbrance on the title. It may be voluntary (with the consent of the owner) as with a mortgage, or involuntary, such as a mechanic’s lien.
A lien may entitle the creditor to have the property sold to satisfy the debt. In this situation the sale should be rejected as a non-arms-length sale.

Reject Code 49 Non-typical Financing – Other
Any other factors related to the financing of sale property that render the sale non-arms-length should be rejected with code 49 and the reason must be explained.

50 – INCOMPLETE BUNDLE OF RIGHTS

Reject Code 51 Correction Deed
Correction deeds are used to correct errors in a prior deed. The correction may be in the legal description, names, consideration or other areas of the original document. It is important to check the original sale, if possible, and determine whether the original sale’s use or reject status has changed with the corrected information. If the original sale is a current year’s sale and has not yet been processed in the PAD (Provide Assessment Data), the corrections should be noted in the Comments section as the sale is processed. If the sale has already been processed, the Department of Revenue should be notified of the correction and any change in the assessment and the use/reject status of the sale. The correction deed should be rejected.

Reject Code 52 Life Estate
A life estate is defined as the total rights of use, occupancy, and control, limited to the lifetime of a designated party (The Appraisal of Real Estate, Eleventh Edition, page 137). This type of partial interest is usually, but certainly not always, indicated on the Real Estate Transfer Return.

Reject Code 53 Partial Interest
A partial interest sale is the conveyance of a fractional share of a property by the named grantor. It may be all of the interest of the named grantor such as a one-half interest or a conveyance of some specific ownership interest such as timber, mineral or air rights.

This does not include an original land contract which sometimes indicates “land contract interest” because a warranty deed in satisfaction has not yet been filed.
Transferable Development Right (TDR) is a development right that is separated from a landowner’s bundle of rights and transferred to another landowner. (The Appraisal of Real Estate, Eleventh Edition, page 137). Perhaps the most common current use of TDRs is for preservation of agricultural production or open space.

The sale of the TDR itself would be rejected as a partial interest sale. The existence or absence of the TDR on any particular piece of property is not a reason to reject the sale of that property for partial interest.

A *conservation easement* is a voluntary, legally binding agreement that limits certain types of uses or prevents development from taking place on a piece of property now and in the future, while protecting the property’s ecological or open-space values. The grantee of the easement conveyance is typically a conservation group or trust or a government agency. The “sale” of the easement may be a partial or complete gift with income tax benefits for the grantor. The conveyance of the easement itself should be rejected under code 53 (partial interest). Sales of property with existing easements are likely arms-length transactions and should not be rejected simply because of the existing easement.

Reject Code 54 Time Share
Timesharing involves the sale of either limited ownership interests in, or rights to use and occupy residential apartments or hotel rooms. Any time share transfer should be rejected with this reject code.

Reject Code 55 Business Value
Business value is sometimes referred to as business enterprise value, going-concern value, blue sky or goodwill. It is a value enhancement that results from items of intangibles such as marketing and management skill, an assembled work force, working capital, trade names, non-realty related contracts or leases, and some operating agreements. In summary, it is the value created by an established operation.

It is important to note that this value may or may not be included in the total value of the real estate listed on the Real Estate Transfer Return. For the purpose of determining whether the sale is a usable, arms-length sale for real estate valuation, it is important to separate any non-real estate components of the sale, such as the “business value” which may be included in the sale price.
If this “business value” is included in the consideration on the Real Estate Transfer Return and cannot be determined and separated from the value of the real estate the sale should be rejected.

Reject Code 56 Personal Property
Personal property as defined by 70.04 of the Wisconsin State Statutes includes all goods, wares, merchandise, chattels, and effects, of any nature or description, having any real or marketable value, and not included in the term “real property”. For the purpose of determining whether the sale is a usable, arms-length sale for real estate valuation, it is important to separate any non-real estate components of the sale, including any personal property or inventory which may be included in the sale price.

If the value of these items is included in the consideration on the Real Estate Transfer Return and cannot be determined and separated from the value of the real estate the sale should be rejected. The sale may be useable if the actual value of the personal property can be verified.

Reject Code 59 Incomplete Bundle of Rights – Other
If there is a component of the bundle of rights that is not present in the sale and is not addressed in reject codes 51 through 56 the sale should be rejected using code 59. The reason for the rejection must be explained.

70 – ASSESSMENT / SALE RATIO REJECTION CODES

Reject Code 71 Parcel Split
A sale that involves a parcel that is not separately described in the assessment roll should be rejected with code 71. This would be a sale of a portion of a parcel described in the assessment roll. The legal description should be reviewed to be sure of a valid comparison rather than relying simply on the parcel number supplied on the Real Estate Transfer. The assessment should NOT be prorated to use for comparison in the assessment/sales ratio. This would include a condominium sale that does not have a separate land assessment.

Reject Code 72 Multiple Districts
If the sale contains property in two or more municipalities, there is not a usable assessment/sales ratio and the sale must be rejected using reject code 72.

Reject Code 73 Non-Market Class of 4 or 5 or 5m
The law dictates that classes 4, 5 and 5m are not assessed at market value. Therefore, there is no valid assessment/sales ratio of these classes and the sale of properties that contain Class 4, 5 or 5m property should be rejected using reject code 73.

Reject Code 74 Exempt Classes: MFL, PFC, or Other Exempt
A sale that includes any land taxed under the Forest Crop Law (entered into the program prior to January 1, 1986) or Managed Forest Law has no assessment to compare for ratio purposes. Even though a value is listed in the assessment roll the assessment is not valid for ratio purposes.
Any other property that is exempt from general property tax (Federal, State, County or Other) does not have an assessed value and code 74 should be used to reject these sales for ratio purposes.

Reject Code 75 New Construction/Remodel after January 1
If the improvements on the sale property have been changed between January 1 and the sale date, the sale should be rejected for ratio purposes. This reject code is for sales which include changes to the improvements after January 1 of the
20 current year. This includes new construction, remodeling, or demolition. Verification of the change in the improvement status is necessary before rejecting a sale for reason 75.
Changes to the property prior to January 1 of the year of sale are not a basis for rejecting a sale.

Reject Code 76 Mixed Classes

Sales of property with more than one property class are usually rejected. Any sale containing classes 4, 5 and 5m should be rejected (see Reject Code 73.)
There is an exception to this rule. Improved sales totaling less than 20 acres that are a combination of either Classes 1 and 6, or Classes 2 and 6 should not be rejected as a mixed class sale. Please refer to the follow chart for specific examples.

# of Acres	Vac/Imp	Property Classes	Use/Reject
Any	Vacant	All combinations	Reject
0-19	Improved	1 & 6 or 2 & 6	Predominant Class must be 1 or 2
0-19	Improved	All other combinations	Reject
20+	Improved	All	Reject

Reject Code 77 Present Value of Subdivision Lots
The sale of subdivision lots valued using a discounted cash flow analysis should be rejected for ratio purposes.

Reject Code 78 Prior Year Sale
Includes sales that were conveyed prior to the current year.

Reject Code 79 Other
Includes any other reason not identified in codes 71 through 78 that an assessment does not correspond to the property sold in a Market Value sale.
Comments must be made when using this reject code.

This code should not be used solely because the ratio is out of line with other ratios in the municipality.