



# 2022 Annual Assessor Meeting

WI Dept of Revenue | December 2022

# Agenda

- ▷ Equalization – Kathryn Soto Moreno
- ▷ Technical and Assessment Services – Mark Paulat and Sarina Wiesner
- ▷ Manufacturing – Dilin Fennell
- ▷ Telco and Utility – Zach McClelland
- ▷ DOR-SLF eLearning – Mark Paulat

# Getting Started



- ▷ PowerPoint and handouts are on the DOR website – Assessor web page
- ▷ Each learning session will have a quiz
- ▷ You will be able to retry the quiz questions to achieve 100% correct
- ▷ After taking the last session a final test achieving a 100% score is required
- ▷ To start this training, click on the forward arrow in the bottom-right corner, to go to the next slide, click on the back arrow to go back

# Equalization



# Topics

- ▷ Revaluations – sharing data with DOR
- ▷ Act 142 – New MAR reporting requirements
- ▷ Provide Assessment Data system – proper reporting

# Revaluations

- ▷ Contact DOR before issuing change of assessment notices
  - DOR can estimate \$70.05 compliance ratios
  - Consider holding Board of Review (BOR) in late summer/fall, especially if the municipality has received a non-compliance notice
- ▷ Assessed vs. equalized values – large differences by total class value
  - If the assessed value in any class is substantially different from the equalized value, contact DOR district office to discuss
    - Even if it is not a \$70.05 major class, DOR would like to review large value differences

# Stratification

- ▷ Reminder to provide stratification to DOR when available
  - DOR provides a simplified form for local assessor to use when they feel that the sales activity may not provide a valid indicator of the economic activity within any one class of property
  - It is helpful for the assessor to email the district office the file of sales being used in the stratification

# Stratification

- ▷ Reminder to provide stratification to DOR when available
  - Commercial examples
    - Apartments, hotels, motels
    - Office
    - Restaurants
    - Retail
  - Residential examples
    - On and off water (most common)
    - Condominiums vs. rest of residential
    - Older and newer vs. rest of residential





# Act 142 – TID Net New Construction

Act 142 requires municipalities to report new construction and demolition values for each TIF district as of January 1 each year

- ▷ 2023 Municipal Assessment Report (MAR) amended to capture new construction and demolition values for each Tax Incremental Finance District
- ▷ Update to the MAR PDF form
- ▷ Modification to the MAR schema used by CAMA systems to include new fields
  - New schema posted to website and provided to CAMA vendors in October 2022

# Act 142 – TID Net New Construction

TID 3 - New Construction / Demolition		
	Increase 	Decrease 
Land	\$ User entry field	\$ (User entry field)
Improvements	\$ User entry field	\$ (User entry field)
<b>Total</b>	\$ calculated field	\$ (Calculated field)
New Construction / Demolition Comments:		

# Provide Assessment Data (PAD)

- ▷ Review reminder emails sent by DOR
  - When PAD filing deadline approaches, DOR sends reminder emails with PAD status information
    - Status of complete/incomplete PAD data
    - Need to be aware of newly added sales – sales coded to the wrong municipality are found by assessors when completing PAD data and reassigned to the correct municipality
    - Over 900 2021 sales statewide missing PAD data
- ▷ PAD data can be submitted as soon as system opens in June
- ▷ Sales validation should occur throughout the year

# Provide Assessment Data (PAD)

- ▷ New PAD/XML reference document on DOR website – Assessor Online Services  
[revenue.wi.gov/Pages/Assessors/home.aspx](http://revenue.wi.gov/Pages/Assessors/home.aspx)
- ▷ Provides information for assessors and CAMA software vendors
- ▷ Identifies responsibilities for the XML filing process
  - Department of Revenue
  - Assessor
  - Assessor's software vendor

# PAD Issues

## Incorrect PAD data may impact Equalized Values and Tax Levy Apportionment

- ▷ Over 143,000 2021 sales in PAD system
- ▷ Approximately 92,000 sales reported as usable for ratio projection
- ▷ Approximately 51,000 sales rejected (36% of sales)
- ▷ DOR audits PAD data – determined thousands of the rejected sales were useable

# PAD Issues – Reject Codes

- ▷ Reject codes are separated into two categories
  - Non-arm's-length (codes 11-59)
  - Ratio reject (codes 71-79)
- ▷ Use the correct reject codes when rejecting a sale
  - Comment must provide correct reason for rejecting sale

# PAD Issues – Reject Codes

- ▶ 2021 Sales – DOR findings
  - Obvious over-use of reject codes to wrongly remove sales from DOR's analysis
  - Common themes/reasons repeatedly used incorrectly
    - Code 75 New construction/remodel after January 1
    - Code 79 Other
  - Overuse of codes ending in "9" – use only when no other reject code reason fits the criteria for rejecting the sale. In these cases, you must include a reject reason in the comment field.

# PAD Issues – Reject Codes

## Reject code 75 – New Construction after January 1

- ▷ Reject when new construction/remodel occurs after January 1 and before sale date
  - New construction
  - Remodeling
  - Demolition
  
- ▷ Verify the timing and improvement changes before rejecting a sale for reason 75



# PAD Issues – Reject Codes

## Issues with Reject code 75 – New Construction after January 1

1. Incorrectly rejecting a sale for improvement changes that occurred before January 1 of the assessment year
  - Do not reject a sale if the new construction occurred prior to January 1 *unless* the new construction is assessed as omitted property on the current year omitted roll
  - If the changes to the property do not impact the current year assessment or require an omitted assessment, the sale should not be rejected
  - Examples from 2021 PAD rejects: roughed-in plumbing in basement, fireplace on 20-year house, landscaping, etc.

# PAD Issues – Reject Codes

## Reject code 75 – New Construction after January 1

### ▷ Example 1

- Property sells on April 1, 2022
- Assessor reviews the sales details and discovers a fireplace that is not on the property record card
- The fireplace has been there for several years
- Code 75 is not appropriate to use because it is not "new construction"

# PAD Issues – Reject Codes

## Reject code 75 – New Construction after January 1

### ▷ Example 2

- Property sells on April 1, 2022
- Assessor reviews the sales details and discovers a new garage built in 2020 that is not on the property record card
- The assessor will add it to the roll as omitted property (sec. 70.44, Wis. Stats.)
- Code 75 is appropriate to use because it is "new construction" that was omitted and is being added to the assessment for the current year

# PAD Issues – Reject Codes

## Issue with Reject code 75 – New Construction after January 1

2. New construction between January 1 and the sale date
  - Do not reject a sale for normal maintenance (minor changes, etc.) that does not result in a change to the current year assessed value
  - Examples from 2021 PAD rejects: new carpeting, updated lighting, painting, window treatments, new countertops, etc.

# PAD Issues – Reject Codes

## Reject code 75 – New Construction after January 1

### ▷ Example 1

- May 1, 2022, property owner adds 400 SF addition to a 1200 SF home
- June 1, 2022, sells the property in an arms length transaction
- Code 75 reject is appropriate
  - The house that was assessed on January 1, 2022, was 1200 SF
  - The same house, sold on June 1, 2022, is 1600 SF

# PAD Issues – Reject Codes

## Reject code 75 – New Construction after January 1

### ▷ Example 2

- May 1, 2022, property owner adds new carpeting to a 1200 SF home
- June 1, 2022, sells the property in an arms length transaction
- Code 75 reject is NOT appropriate
  - New carpeting is normal maintenance and typically does not impact the current assessed value

# PAD Issues – Reject Codes

## Using Reject code 79 – Other, Assessment/sale ratio

- ▶ 2021 Sales PAD data included 3160 sales rejected using code 79
  - Comments should explain the reason for rejecting the sale
  - Represents 2% percent of the total sales in the State of Wisconsin
    - In some municipalities it was as much as 30% of the total sales in the municipality

# PAD Issues – Reject Codes

## Reject code 79 – Other, Assessment/sale ratio

- ▷ Repetitive use of comments found in both reject code 19 and 79
  - Sale price high, sale price too low
  - Updated data
  - Parcel under review
  - Data does not support the sale price
  - Sold above assessed value
  
- ▷ These are not reasons to reject a sale – comments need to provide sufficient explanation for rejecting sale



# PAD Issues – Reject Codes

## Reject code 79 – Other, Assessment/sale ratio

- ▷ A sale price "too high" or "too low"
  - If it is a market sale, then it is not too high or too low
  - If it is not a market sale, explain and use proper reject code
- ▷ Sale prices above the assessed value is common when market values are increasing and is not a reason to reject a sale
- ▷ After PAD data has been submitted, DOR reviews and removes sales with extreme ratios

# PAD Issues – Reject Codes

## Reject code 79 – Multiple parcel sales

- ▷ 660 of the 3,160 sales rejected using code 79 had a comment that indicated it was rejected for having "Multiple Parcels"
- ▷ Sales with multiple parcels in the same municipality are useable and should not be rejected for this reason
  - Combine assessments for all parcels sold
  - If the parcels are in multiple municipalities use reject code 72

# PAD Issues – Reject Codes

## Reject Code 53 – Partial Interest Sales

- ▷ Separate real estate transfer returns (transfer returns) with the same parcel number and legal description are usually partial interest sales
  - They will often have the same or similar conveyance date
- ▷ Unless there is another reason to reject the sale, multiple partial interest sales that, when combined, convey full interest are a valid/useable

# PAD Issues – Reject Codes

## Reject Code 53 – Partial Interest Sales

- ▷ Confirm the value listed on the transfer return is that grantor's portion of the sale price
  - Smith and Jones each sold their 50% for \$50,000 each or \$100,000 total sales value
- ▷ Make note of the DLN sale numbers involved
- ▷ Contact your Equalization Office, we can combine the sales on one DLN#
- ▷ Once combined with a total sale value, your PAD submission can be completed

# PAD Issues – Reject Codes

## Reject Code 53 – Partial Interest Sales

- ▷ Partial interest sales can equal total conveyance – compare the following
  - Example 1 – Smith and Jones each own 50% and each sell to Adams who now owns 100%
    - Full interest conveyed, sale can be combined and validated
  - Example 2 – Smith and Jones each own 50%, Smith sells her 50% to Adams who now owns 50%
    - Partial interest conveyed, and sale rejected using code 53

# PAD Issues – Reject Codes

## Reject Code 31 – Multiple Parcel Sales

- ▷ Code 31 Plottage/Assemblage
  - Plottage – two or more sites combined to produce greater utility
  - Assemblage – combining two or more parcels into one ownership or use
  
- ▷ Use reject code 31 only if the sale involves compulsion or created greater utility
  - Inquire about compulsion and greater utility when validating the sale
  - Without these elements, the sales may be combined into one useable sale

# PAD Issues – Reject Codes

## Example 1 – Plottage

- ▷ Convenience store chain buys six small, substandard commercial lots to build on
- ▷ They now have 1 large, useable lot to develop
- ▷ Your validation finds
  - Greater utility has been created
  - A premium was paid to accomplish these purchases – compulsion
- ▷ Code 31 use to reject is appropriate

# PAD Issues – Reject Codes

## Example 2 – Assemblage

- ▷ Buyer purchases two buildable lots in a residential subdivision
- ▷ Your validation reveals no increased utility impact
- ▷ Compulsion not a factor
  - Buyer paid no premium
  - Seller offered no volume discount on just two lots
- ▷ Short of another reason to reject – this would be a valid/useable sale
- ▷ Post the combined assessed value in PAD



# Assessor Sales Analysis

## Why is it important for Assessors to properly identify useable and reject sales?

- ▷ Assessor's use of sales data
  - Annual ratio study – determine level of assessment
  - Revaluations – basis for setting assessments at market value
  - Maintain sales database – sales used for defense of values at Board of Review and appeals to DOR
- ▷ Accurate reporting to DOR
  - Impacts a municipality's equalized value, apportionment of taxes, and individual taxes
  - Creates a standard for all assessors to help ensure uniformity

# Assessor Sales Analysis

Why is it important for Assessors to properly identify useable and reject sales?

- ▷ Provide accurate sales data to DOR via PAD system
- ▷ Sales Verification is required by WPAM (Chapters 4, 14, 19)
- ▷ Required by IAAO, Standard of Verification of Sales
- ▷ Required by WI Courts – WI is a "sales driven" state for assessment purposes (Markarian hierarchy, 3 tiers)

# DOR Sales Analysis

**Do not reject a sale solely because of an extreme ratio**

- ▷ All useable sales should be provided to DOR to properly analyze the market
- ▷ Useable sales with an extreme impact on the ratio statistics are removed from the sales analysis by DOR
- ▷ Only reject a sale if there is a VALID reason

# Summary

Assessor's role in sale validation and providing accurate PAD data is critical to both assessment process and DOR economic calculations

- ▷ Results in more equitable assessments during a revaluation, and a more accurate equalized value
- ▷ Provides uniformity between individual properties and between municipalities
- ▷ Equalized values are used to apportion taxes among the taxing jurisdictions
  - Accurate PAD data is important to DOR, municipalities, and taxpayers

# Summary

- ▷ Do not reject sales to influence the municipality's equalized value and aggregate ratio
- ▷ Use reject codes in the 'Other' category infrequently
- ▷ DOR compares average reject rates for municipalities and contacts those that are significantly above or below average

# Summary

- ▷ 2023 Review of the 2022 sales
- ▷ Accurate PAD data

# Technical and Assessment Services



# Instructors

- ▶ **Mark Paulat**  
Property Assessment Chief Training Officer
  
- ▶ **Sarina Wiesner**  
Property Assessment Specialist



# Discussion Topics

- ▷ General updates
- ▷ Law changes and court case
- ▷ 2023 Property Assessment Manual and forms
- ▷ Annual assessment requirements
- ▷ Public relations

# General Updates



# Technical and Assessment Services

- ▷ Assessor certification and education
- ▷ Tax incremental finance
- ▷ Technology and application support



# Technical and Assessment Services

- ▷ Assessor certification and education
  - Mark Paulat and Sarina Wiesner
  - Contact – [bapdor@wisconsin.gov](mailto:bapdor@wisconsin.gov)
  - Publish Property Assessment Manual, five guides, 34 forms
  - Assessor certification, education, exams and review practices
  - Board of Review training, affidavit and calendar
  - Farmland Advisory Council – agricultural use-value assessment
  - Customer service – DOR, assessors, property owners, local officials, Boards of Review

# Technical and Assessment Services

- ▷ Tax Incremental Finance (TIF)
  - Kristin Filipiak and vacancy
  - Contact – [tif@wisconsin.gov](mailto:tif@wisconsin.gov)
  - Process Tax Incremental District (TID) creations, boundary changes, project plan changes, terminations
  - Impose fees – annual, creation and boundary modification
  - Collect and post TID annual reports
  - Customer service – DOR, municipalities, consultants and general public with TID-specific questions

# Tax Incremental Finance

- ▶ TIF website – [revenue.wi.gov/Pages/SLF/tif.aspx](http://revenue.wi.gov/Pages/SLF/tif.aspx)
  - Reports
  - Forms and documents
  - Common questions and answers
  - Manuals/resources
- ▶ Videos – on "Govt" tab – [revenue.wi.gov/Pages/VideoCenter/videos-home.aspx](http://revenue.wi.gov/Pages/VideoCenter/videos-home.aspx)
  - Video 1 – TIF Basics (5 minutes)
  - Video 2 – Roles and Responsibilities (4 minutes)
  - Video 3 – Creating a Tax Incremental District (TID) (7 minutes)
  - Video 4 – Web Resources (5 minutes)



# Technical and Assessment Services

## ▷ Technology and applications

- Lauren Franklin (Supervisor), Carrie Cusick, Stacy Leitner, Valerie Thompson, James Walker
- Contact – [otas@wisconsin.gov](mailto:otas@wisconsin.gov)
- Support to complete processes by MFG, LGS and EQ
- Maintain systems, test and implement upgrades
- Maintain documentation (system manuals, process trackers)
- Distribute emails to customer groups, maintain SLF website
- Customer service – DOR, software vendors, MyDORGov use and access

# Legal Update

Law changes and court case





# 2021 WI Act 142

## ▷ TID new construction

- Sec. 66.1105, Wis. Stats. – effective January 1, 2023
- Requires municipalities to annually report for each TID to DOR the value of new construction less the value of improvements destroyed or removed, as well as an analysis of the impact on property taxes and levy limits.
- For each TID, it also requires DOR to annually post the equalized value due to new construction less the value of improvements destroyed or removed.

# 2021 WI Act 142

- ▷ In 2023, Municipal Assessment Report (MAR) will include:
  - New construction and demolition values for each TID
  - In the fall, DOR will publish a TID Net New Construction Values Report
  
- ▷ In 2024, the 2023 TID Annual Report (Form PE-300) will include:
  - Net new construction values for each year beginning with 2023
  - New construction percentage
  - TID new construction impact on municipal levy

# 2021 WI Act 151

## ▷ Property tax exemption

- Sec. 70.11(2), Wis. Stats. – effective January 1, 2022
- Exemption from property tax for regional planning commissions created under sec. 66.0309
- The exemption applies to property owned by a commission prior to October 1, 2021
- Additional restrictions apply to property subsequently sold and/or purchased by a commission

# 2021 WI Act 230

- ▷ Managed forest land (MFL) program
  - Secs. 77.82, 77.83 and 77.88, Wis. Stats.
  - Retains the 20-acre minimum acreage requirement but allows the 20-acre parcel to be composed of two 10 contiguous acre portions, that are not contiguous to each other, if they are on a tract of land under the same ownership. This change applies to land designated as MFL by an order issued or renewed on or after April 16, 2016.
  - Removes “accessory building” from the list of prohibited improvements. For orders issued or renewed on or after April 16, 2016, Act 230 creates an exception to that general prohibition for buildings used exclusively for storage.

# 2021 WI Act 230

- ▷ Managed forest land (MFL) program
  - Removes the minimum three-acre requirement and allows a parcel of any size to be added if it is contiguous to MFL land under the same ownership. If the additional parcel is not contiguous, it must be at least 10 acres, and must meet the eligibility criteria from the original enrollment order.
  - Contact – [dnr.wisconsin.gov/topic/forestlandowners/helpcenter](https://dnr.wisconsin.gov/topic/forestlandowners/helpcenter)

# Nudo Holdings LLC v. City of Kenosha

- ▷ April 2022 Wisconsin Supreme Court Decision
- ▷ [wicourts.gov/sc/opinion/DisplayDocument.pdf?content=pdf&seqNo=508936](https://wicourts.gov/sc/opinion/DisplayDocument.pdf?content=pdf&seqNo=508936)
- ▷ Reviews assessor's 2018 residential classification
  - Nudo objected – stating the property had trails to reach the walnut groves and was registered as a livestock premises and he had the permits and licenses to cut timber and keep up to 25 chickens on the property
  - Assessor did not see any effort, any action, any plan in terms of agricultural
  - Assessor asked Nudo for evidence of harvesting, furrows, crops, or fencing – Nudo did not provide the information

# Nudo Holdings LLC v. City of Kenosha

▷ The court held:

- (1) board acted according to law when it understood that the land should be classified as agricultural only if it is devoted primarily to agricultural use— meaning the property is chiefly given to agricultural purposes. "Here, the Board correctly understood that whether the property was "devoted primarily to agricultural use". Just because the sole productive activities, however small, could be described as "agricultural " does not mean the land's main use was agricultural. The Board's determination in this regard was according to law."

# Nudo Holdings LLC v. City of Kenosha

▷ The court held:

- (2) board did not err when it considered the prospective residential use. " Accordingly, when the law says property must be classified "on the basis of use" on January 1 of the assessment year, land has a current residential "use" not only if human dwellings are present, but also if they are reasonably likely or planned. The Board therefore acted according to law when it considered the prospective residential use of Nudo's property."



# Nudo Holdings LLC v. City of Kenosha

- ▷ The court held:
  - (3) board's determination to sustain the residential classification was supported by sufficient evidence. "The evidence here comfortably meets this standard. The Board heard evidence from both Mr. Nudo and the assessor. Combined, this testimony established that the 8.9-acre property consisted mostly of underbrush. It was essentially vacant and raw with several walnut and pine trees scattered throughout. Nudo purchased the property to develop it into residential lots. And the property was in a neighborhood plan for future development in the City of Kenosha. The evidence reflects that any agricultural uses were minor and isolated, not the primary use of the land."

# Nudo Holdings LLC v. City of Kenosha

▷ View of the property:



# 2023 Updates

Property Assessment Manual and Forms



# Summary of 2023 WPAM Updates

## ▷ Chapter 2 – Assessor Certification

- Pages 3-4: Remove historical certification levels
- Pages 8-12: Add 2024 certification levels for municipalities requiring an Assessor 2 and an Assessor 3

## ▷ Chapter 6 – Statutory Revaluation and Reassessment

- Page 2: Update reference to Standard Contract and Standard Specifications

# Summary of 2023 WPAM Updates

## ▷ Chapter 7 – Parcel and Information Systems

- Page 34: Update MAR filing process information
- Page 38: Property record requirements-add consent or denial for requests to view property from Chapter 5

## ▷ Chapter 14

- Appendix B Calculating Use-Value Guidelines for Agricultural Land Assessment: pages 2-7 update use-value calculations
- Tax 18 Conservation Programs: pages 3-4 annual updates; pages 7 and 10 update DNR programs and links

# Summary of 2023 WPAM Updates

- ▷ Chapter 18 – Manufacturing and Utility Assessment
  - Page 25: Remove bullet point in definition of used directly
  
- ▷ 22 – Legal Decisions and Attorney General Opinions by Subject
  - Page 22: Add summary for Nudo v. City of Kenosha court case
  
- ▷ Glossary
  - Page 38: Add term Inextricably and definition
  - Page 38: Add term Intertwine and definition

# Summary of 2023 Form Updates

- ▷ Annual updates
  - Statement of Personal Property (PA-003)
  - Fixed Asset Schedule (PE-106)
  - Annual Assessment Report (PR-800)
  
- ▷ Format, reference updates
  - Objection forms (PA-115)
  - Open Book Notice of Amended Assessment (PR-297)
  - Notice of Board of Review Determination (PR-302)
  - Request for Exemption of Renewable Energy (PR-303)

# State Prescribed Forms

- ▷ DOR form updates announced November 1 – email to local government lists
- ▷ Changes to state prescribed forms based on changes to state law, annual updates, user feedback
- ▷ Sec. 70.09(3), Wis. Stats. – requires approval by DOR if using a version other than the state-prescribed version
  - Send to [bapdor@wisconsin.gov](mailto:bapdor@wisconsin.gov)
- ▷ Requesting notices or rolls from the county?
  - Submit to the county 10 business days in advance



# Annual Assessor Requirements



# Review Before Becoming the Assessor

- ▷ Review records
  - Compare to WPAM requirements
  - Determine impact for contract with municipality
  - Assessor who signs assessment roll responsible for assessment process and records compliance with state law and WPAM
- ▷ Request prior year roll, Open Book, Board of Review
- ▷ Determine last revaluation – assessment compliance issues?
- ▷ Experience with property types – commercial, waterfront, downtown, recreational, etc.

# Annual Assessment Requirements

- ▶ Real property valuation and inspections
  - New construction, demolitions, remodeling, annexations, exemptions
  - State laws – secs. 70.10, 70.12, 70.32
  - WPAM – chapters 4, 7, 9, 20

# Annual Assessment Requirements

- ▶ 70.32 requires assessments based on actual view or the best information available
  - Interior and exterior view provides the most accurate information
  - Requesting interior view of a property
    - State law requires Request to View Property Notice (PR-300); DOR recommends regular mail, allow 14 calendar days for a response
    - If no response – DOR recommends certified letter (PR-300) with 14 calendar days to respond
    - Maintain list of denials-update property record
  - If inspections cannot be completed, consider other data sources: view from a public area; request data form property owner, obtain sales listing, building permits, etc.
  - WPAM – chapters 5, 9

# Annual Assessment Requirements

- ▷ Real property classification
  - Physically inspect each year
  - Collect additional information if necessary: questionnaire, interview property owner
  - Determine eligibility – agricultural, agricultural forest, undeveloped, drainage ditch
  - State law – sec. 70.32
  - WPAM – chapters 4, 7, 14, 14 Appendix D, Tax 18 Conservation Programs, 15

# Annual Assessment Requirements

- ▷ Sales – review each real estate transfer return
  - Inspect each property that sold – review characteristics at time of sale
  - Collect additional information – ex: questionnaires, interviews
  - Report to DOR – validate usability of sales, verify sales attributes
  - State laws – secs. 70.32, 70.57, 73.03
  - WPAM – chapters 4, 7, 9, 10

# Annual Assessment Requirements

- ▷ Personal property valuation
  - Distribute Statements of Personal Property (PA-003) – due March 1
  - Distribute Notices (PR-299) as appropriate
  - State laws – secs. 70.13, 70.18, 70.34, 70.35
  - WPAM – chapters 17, 19

# Annual Assessment Requirements

- ▷ Notices of Residential Property Interior Inspection – sec. 70.05
- ▷ Notices of Changed Assessment, Conversion Charge – secs. 70.365 and 74.485
  - Maintenance type assessment notices: distribute 15 days before BOR
  - Revaluation type assessment notices: distribute 30 days before BOR
- ▷ Add omitted property – sec. 70.44
- ▷ Correct errors – sec. 70.43
- ▷ Hold Open Book, complete PR-130 – sec. 70.45



# Annual Assessment Requirements

- ▷ Complete Assessment Roll – sec. 70.50
- ▷ Sign affidavit – sec. 70.49
- ▷ Attend Board of Review – secs. 70.47 and 70.48
  - BOR required to meet during the 45-day period beginning on 4th Monday of April, but no sooner than 7 days after Open Book (sec. 70.45)
- ▷ Complete and finalize reports
  - Municipal Assessment Report to DOR – secs. 73.03, 66.1105(6)
  - Agricultural Conversion Report to county treasurer – sec. 74.485

# Property Record-Requirements

## ▷ Parcel

- Parcel number, legal description, owner name and address, acres by class (dimensions if <1), total acres, land value by class, total land value, imp value by class, total imp value, total value, value determination, land sketch or parcel identified on map

## ▷ Major buildings

- Height, type, exterior wall, age, basement, heating/air, condition, other features, quality of construction, attachments, sq ft, sketch with dimensions, interior view date/who, exterior view date/who

## ▷ See WPAM, chapters 4, 7, 8

# Communication

Best Practices



# General

- ▷ Communications with variety of customers
  - Property owners, attorneys, real estate appraisers and brokers, lending institutions, government officials and agencies, tax representatives
  
- ▷ Questions and requests will vary
  - Property owner – information specific to a property
  - Appraiser – information on multiple properties
  
- ▷ Knowledge of assessments and assessment process will vary
  - Offer DOR's Guide for Property Owners [revenue.wi.gov/DOR%20Publications/pb060.pdf](https://revenue.wi.gov/DOR%20Publications/pb060.pdf)

# General

## ▷ Availability

- Regular office hours for phone calls, answering emails, etc.
- Consider presentation during municipality meeting at start of year, in advance of Open Book, during revaluation
- Extend office hours during Open Book period
- Publish on municipality(s) website

# General

## ▷ Responsiveness

- Respond promptly – maintain good customer service
- Record requests – "as soon as practicable and without delay" (sec. 19.35(4)(a), Wis. Stats.) – DOR: 10 working days is a reasonable amount of time
- Do not have the answer right away – acknowledge inquiry, then provide response date
- Multiple questions – reply point by point to keep the response organized
- Avoid replies to a previous email and with entirely new topic

# Standard Information

- ▷ Standard cover letter/handout
  - Assessor name, contact information
  - Assessment type – revaluation, maintenance
  - Timeline/process – field work, data analysis, classification and value determinations, notice distribution, open book, board of review
  - Where/how to obtain property specific information – municipal website?
  - Resources – DOR guides

# Standard Information

- ▷ Property record (PA-500)
  - Property characteristics
  - Prior year classification, land value, improvement value, total value, etc.
  - Current year classification, land value, improvement value, total value, etc.
- ▷ Assessment determination
  - Reasons for change – new construction, change in classification
  - Approach to value – sales comparison chart



# Public Relations – Property Visits

- ▷ Inform the property owner of the following:
  - Usually takes 10-20 minutes
  - In time, if we haven't heard from you, a Property Appraiser will stop by in-person requesting to view your property
  - In-person visits ensure we have the best data available to accurately and uniformly value your property
  - We are not establishing values during the visit, nor do we typically have value information with us

# Public Relations – Property Visits

- ▷ During the visit, verify with the owner:
  - We introduce ourselves and show employee photo ID badge
  - We ask you to allow us to briefly enter your property to verify our information is accurate
  - We walk through all rooms, including the attic (if accessible), the basement and the garage
  - We verify the number of bathrooms, additional plumbing fixtures and other features

# Public Relations – Property Visits

- ▷ During the visit, verify with the owner:
  - We walk around the exterior of the building(s) to verify the condition and presence of other site improvements
  - We measure and confirm the quality and condition of structural improvements such as building additions and decks
  - We do not note or comment on decorations or furnishings of a home or business

# Public Relations – Property Visits

- ▷ Public appearance best practices
  - Match appearance with inspection type
  - Complete appearance with proper identification

# Public Relations – Property Visits

- ▷ Best practices on site visit
  - Secure or control pets
  - Do not open gates
  - Do not look into buildings

# Online Payments



# Online Payments – Coming in 2023

- ▶ Options available will be credit card, debit card, Apple Pay and PayPal
- ▶ Mailing a check will also be available

The screenshot displays the 'Revenue MY tax ACCOUNT' interface. The main heading is 'Assessor Recertification Fee'. Below this, a progress bar indicates the current step is 'Contact Information'. The form is divided into two columns: 'Contact Information' and 'Address Information'. The 'Contact Information' section includes fields for Name (ANY NAME YOU WANT), Phone Number ((608) 121-1234), Email Address (mark.paulat@wisconsin.gov), and Confirm Email Address (mark.paulat@wisconsin.gov). The 'Address Information' section includes fields for Street (123 E MAIN ST), Unit Type, Unit, City (MADISON), State (WISCONSIN), and Zip (53703-3315). A checkmark icon and the text 'Address has been verified' are visible below the address fields. At the bottom of the form, there are 'Cancel', 'Previous', and 'Next' buttons.

# Resources





# Email Updates

- ▷ Stay informed!
- ▷ Receive email updates about law changes, filing reminders, updated reports and notifications
- ▷ To subscribe
  - Open lists – [revenue.wi.gov/pages/html/lists.aspx](http://revenue.wi.gov/pages/html/lists.aspx)
  - Restricted lists – email: [otas@wisconsin.gov](mailto:otas@wisconsin.gov)
- ▷ DOR SLF e-Learning – [DORSLFeLearning@wisconsin.gov](mailto:DORSLFeLearning@wisconsin.gov)



# Website

- ▷ DOR – [revenue.wi.gov](https://revenue.wi.gov)
- ▷ Online videos – see DOR Video Center [revenue.wi.gov/Pages/VideoCenter/videos-home.aspx](https://revenue.wi.gov/Pages/VideoCenter/videos-home.aspx)
  - Select the "Govt" tab (Ex: My Tax Account, eRETR, assessment topics, tax incremental finance)
- ▷ Annual calendar – [revenue.wi.gov/DORReports/tvccal.pdf](https://revenue.wi.gov/DORReports/tvccal.pdf)
- ▷ Publications – [revenue.wi.gov/Pages/HTML/govpub.aspx](https://revenue.wi.gov/Pages/HTML/govpub.aspx)
  - Wisconsin Property Assessment Manual
  - Manufacturing Property Assessment
  - Property owner guides

# Website

- ▷ Reports – [revenue.wi.gov/Pages/Report/Home.aspx](https://revenue.wi.gov/Pages/Report/Home.aspx)
- ▷ Forms – [revenue.wi.gov/Pages/HTML/formpub.aspx](https://revenue.wi.gov/Pages/HTML/formpub.aspx)
- ▷ Common questions – [revenue.wi.gov/Pages/FAQS/home-pt.aspx](https://revenue.wi.gov/Pages/FAQS/home-pt.aspx)
  - Board of Review
  - Property tax credits
  - Tax incremental finance
  - Agricultural assessment
- ▷ SLF newsletters – [revenue.wi.gov/Pages/SLF/SLF-Newsletters.aspx](https://revenue.wi.gov/Pages/SLF/SLF-Newsletters.aspx)

# Manufacturing



# Topics

- ▷ Contact list and district map – provided in handouts
- ▷ WI manufacturing & agriculture (M&A) credit
- ▷ Information sharing
- ▷ Website – manufacturing

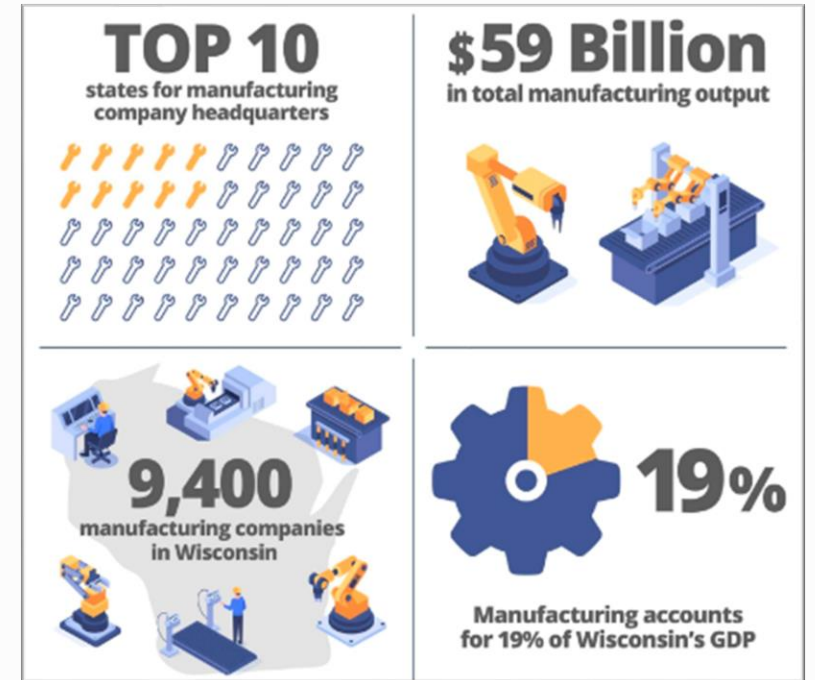


# Manufacturing & Ag Credit – Definition

- ▷ Manufacturing & Ag Credit (M&A)
  - An income/franchise tax credit, which applies against taxes on income from manufacturing and agricultural activity in Wisconsin
  - Available to claimants that derive qualified production activities income from property located in Wisconsin that is assessed as either manufacturing or agricultural

# Manufacturing & Ag Credit – History

- ▷ Created by 2011 Act [32](#) – 2011-13 Budget
- ▷ Originally known as qualified production activities credit
- ▷ 2011 Act [232](#) repealed and recreated the credit
- ▷ 2013 Acts [20](#) and [54](#) made technical changes
  - Limited credit to tax resulting from business operations
  - Created valuation criteria for rental property and for determining the average value of property



# Manufacturing & Ag Credit – History

- ▷ 2015 Act [55](#) – credit may be claimed in the year DOR approves a business to be classified as a manufacturer
- ▷ 2017 Act [59](#) – qualified production activities income must be reduced by the amount used to claim the credit for net tax paid to other states
- ▷ 2019 Act [167](#) – allowed crop insurance proceeds to be considered production gross receipts



# Manufacturing & Ag Credit – Summary

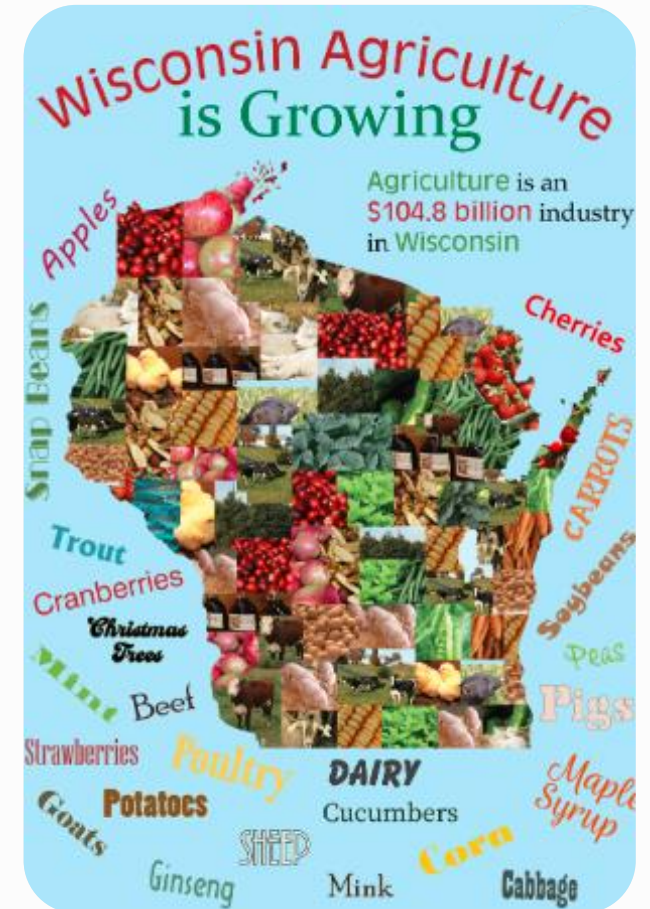
- ▷ Credit applies against taxes on income from manufacturing and agriculture activity in Wisconsin
- ▷ Credit rate is 7.5%
- ▷ Offsets top tax rates of 7.9% (corporate income tax) and 7.65% (individual income tax)

Wisconsin Manufacturing & Agriculture Credit

# Who Calculates the Credit?

- ▷ Individuals
- ▷ Corporations
- ▷ Estates or trusts\*
- ▷ Partnerships\*
- ▷ Limited liability company\*
- ▷ Tax-option (S) corporations\*

*\*These entities cannot claim the credit but the eligibility for and the computation of the credit are based on the entity's business operations. The beneficiaries, partners, shareholders and members can claim the credit.*



# Who Cannot Claim the Credit?

- ▷ Insurance companies
- ▷ Estates or trusts\*
- ▷ Partnerships\*
- ▷ Limited liability companies treated as partnerships\*
- ▷ Tax-option (S) corporations\*



*\* These entities cannot claim the credit but the eligibility for and the computation of the credit are based on the entity's business operations. The beneficiaries, partners, shareholders and members can claim the credit.*

# Requirements to Claim Credit

- ▷ Property must be assessed as manufacturing or agricultural
- ▷ Must produce qualified production activities and income from that property
- ▷ Property must be located in Wisconsin



# Manufacturing Assessments

- ▷ Performed by DOR's Manufacturing Bureau
- ▷ Application to verify assessment – [revenue.wi.gov/RETRWebRolls/application](https://revenue.wi.gov/RETRWebRolls/application)
- ▷ Regional office contacts – [revenue.wi.gov/Documents/mfgcla.pdf](https://revenue.wi.gov/Documents/mfgcla.pdf)
- ▷ General questions – email [mfgtelco@wisconsin.gov](mailto:mfgtelco@wisconsin.gov)

# Agricultural Assessments

- ▷ Performed by local assessors
- ▷ Local assessor contact list – [revenue.wi.gov/training/assess/assrlist.pdf](http://revenue.wi.gov/training/assess/assrlist.pdf)
- ▷ Both manufacturing and agricultural property assessments must be reviewed each year for eligibility



# Calculation of Credit

Production gross receipts

Less: Cost of goods sold

Direct costs

Indirect costs multiplied by production gross receipts factor

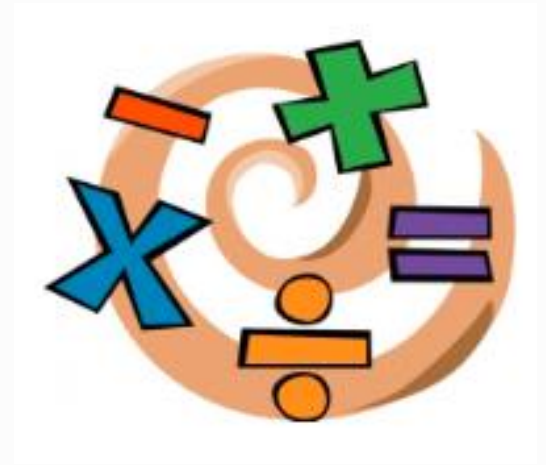
= Qualified production activities income

Multiplied by manufacturing property factor or agriculture property factor

= Eligible qualified production activities income

Multiplied by 7.5%

= Total credit



# ABC Example – Tax Return

\$175,000	Taxable income ( <b>only mfg. income</b> )
X	7.9% Corporate tax rate
<hr/>	
\$ 13,825	Gross tax
– 13,125	Manufacturing & Agriculture Credit
<hr/>	
\$ 700	Net tax



# Manufacturing & Ag Credit – Resources

- ▷ Fact Sheet #1107 – [revenue.wi.gov/taxpro/fact/manufandagr.pdf](http://revenue.wi.gov/taxpro/fact/manufandagr.pdf)
- ▷ Common Questions – [revenue.wi.gov/faqs/ise/manufagr.html](http://revenue.wi.gov/faqs/ise/manufagr.html)
- ▷ Wisconsin Tax Bulletins #172, 175, 179, 180, 183, 184, 196, 197, 202, 209, 212, 213, 216, and 217 – [revenue.wi.gov/Pages/ISE/wtb-Home.aspx](http://revenue.wi.gov/Pages/ISE/wtb-Home.aspx)
- ▷ Forms and Instructions – [revenue.wi.gov/Pages/HTML/formpub.aspx](http://revenue.wi.gov/Pages/HTML/formpub.aspx)
- ▷ Secs. 71.07(5n) and 71.28(5n), Wis. Stats. – [docs.legis.wisconsin.gov/statutes/statutes/71](http://docs.legis.wisconsin.gov/statutes/statutes/71)
- ▷ Questions? (608) 266-2772 or [revenue.wi.gov/Pages/ContactUs/dorhelp.aspx](http://revenue.wi.gov/Pages/ContactUs/dorhelp.aspx)

# Information Sharing

## ▷ From DOR Manufacturing

- Letters shifting assessment responsibility to or from manufacturing are mailed to the municipal assessor and clerk, and real property lister
- Board of Assessor appeal acknowledgements and determinations are mailed to the municipal clerk
- Tax Appeals Commission appeal final adjudication or settlement documents are sent to the municipal clerk and cc'd to the RPL and/or county treasurer

## ▷ Real Property Lister

- Share splits and combinations with manufacturing
- Review notification, full value and equated rolls for accuracy

# Information Sharing

- ▷ Municipal Assessor – share the following:
  - Splits and combinations with manufacturing
  - Building permits
  - Information about the sale or expansion of manufacturing parcels
  - Information about the sale of large agricultural parcels that may be used in manufacturing (frac or mining)
  - Industry information, economic influences, zoning changes, TID creations or closings

# Manufacturers Web Page

- ▷ [revenue.wi.gov/Pages/Manufacturing/home.aspx](https://revenue.wi.gov/Pages/Manufacturing/home.aspx)
  - Online services – taxpayers and preparers
  - Assessment rolls
  - Reports
  - Appeals and objection forms
  - Guides
  - Resources
  - Common questions
  - Common forms

The screenshot shows the 'Manufacturers' section of the State of Wisconsin Department of Revenue website. The header includes the state logo, the department name, a search bar, and navigation tabs for 'ONLINE SERVICES', 'BUSINESSES', 'INDIVIDUALS', 'TAX PROFESSIONALS', 'GOVERNMENTS', and 'UNCLAIMED PROPERTY'. The main content area is titled 'Manufacturers' and features several informational boxes:

- Recent News:** A list of news items including a customer satisfaction survey, utility annual reports, and various newsletters.
- Online Services:** Sections for 'Access your account' (e-file/amend M-Form, request authorization), 'New e-filers' (getting started instructions, register for User ID), 'Assessment Rolls', and 'Notification' (personal property, real estate, manufacturing assessment rolls application).
- M-Form Information:** Links for e-filing information, forms, attaching files, extensions, and late filing fees.
- Guides:** Links to guides for reporting leased manufacturing equipment, manufacturing board of assessor appeals, manufacturing classification for property tax purposes, and Wisconsin Manufacturing Property.
- Common Questions:** A list of frequently asked questions about account access, e-filing, WAMS User ID, and waste treatment exemptions, with a search bar and 'Search Common Questions' button.
- Common Forms:** A section for common forms, currently empty.

# Utility and Telco



# Topics

- ▷ Solar and Wind Updates
- ▷ Form UT-149
- ▷ Tower Assessment



# Solar/Wind Assessment Responsibility

- ▷ Qualify as a Light, Heat, Power Company
- ▷ Does the project have 50+Megawatt generating capacity and a Wholesale Electric Company?
  - Yes = typically assessed by the State
  - No = possible local assessment
- ▷ Is the project and all other projects of the owning entity located in a single municipality?
  - Yes = local assessment
  - No = state assessment



# Solar/Wind Reminders

- ▷ Parcels in a project CAN be partially exempt, and partially leased
- ▷ Once the UT-149 is received. DOR makes decision if utility qualifies





# UT-149

- ▷ DOR requires the utility to report operating property on state prescribed forms

Important -- to ensure this form works properly, save it to your computer before completing the form. Save Print Clear

Form **UT-149** | **Utility/Telco Real Property – Operating** | WI Dept of Revenue  
Due date: Feb 15

**General Information**  
Property owned or leased by a public utility and used in its operations is subject to state assessment under Chapter 76, Wis. Stats. This form is particularly important in controlling the assessment of property subject to either Ch. 70 or Ch. 76 jurisdiction.

**Note: Assessors – this property is state assessed**

**Authority – sec. 76.23 and 76.28(9), Wis. Stats.**  
If a general structure is used and useful in part in the operation of the business of those companies in this state and in part for nonoperating purposes, the taxes or license fees imposed under Chapter 76 are in place of the percentage of all other taxes on the property that fairly measures and represents the extent of the use and usefulness in the operation of the business of those companies in this state, and the balance is subject to local assessment and taxation, except that the entire general structure is subject to special assessments for local improvements.

**Section 1: Utility Information**

Name (airline, pipeline, railroad, telco, utility)

Address Phone ( ) -  
City State Zip Email

**Section 2: Property Information**

This real property is:  Leased  Owned Taxation district (Check one)  Town  Village  City County  
Property is: (check one)  Land only  Land and improvements Enter municipality -->

Land – square footage/or percentage of total area Improvements – square footage/or percentage of total structure  
Acres sq ft percent (%) Acres sq ft percent (%)

Leased property street address Tax parcel no.

**Section 3: Lease Information**

Property lessor name Business type  
Address Phone ( ) - Fax ( ) -  
City State Zip Email  
Annual rent paid Lease date (mm-dd-yyyy) Term

**Section 4: Preparer Information**

Name Phone ( ) -  
Email Fax ( ) - Date (mm-dd-yyyy)

Completed copy sent to:  Lessor/Utility  Local Assessor  Manufacturing & Utility Bureau

UT-149 (R, 9-10) To Instructions

# UT-149 Reminders

- ▷ Utility company files UT-149 (Operating Utility, Owned/Leased Real Property) form by February 15 deadline
- ▷ Property recorded on this form should NOT be assessed locally
- ▷ The assessor should also monitor lease expiration dates on form UT-149 to ensure land should not be assessed locally

# Manufacturing, Telco and Utilities

- ▷ Form PR-303 Energy System Exemption Request (*p. 8-23*)
- ▷ Solar and wind (*Ch 12*)
- ▷ Towers and ISPs (*p. 13-70*)
- ▷ Manufacturing assessments (*Ch 18*)
- ▷ Internet service providers (*p. 18-36*)



# Tower Data

- ▷ Tower Information List is located on our website
- ▷ Towers were reported to DOR as personal property and valued on a schedule with a 25-year useful life
- ▷ Original cost of all towers were reported by municipality, not by individual location
- ▷ Multiple locations for each tower company may exist in any municipality listed



# Tower Data

- ▷ Contact Tower Companies directly
  - Americantower.com
  - Abasite.com
  - Arowncastle.com
  - Other resources for tower information:
    - Federal Communications Commission (FCC) – Antenna Structure Registration
    - Antenna Search
    - Cell Reception – Towers



# Tower Reminders

- ▷ Ownership is the deciding criteria
- ▷ If companies are building towers, they must get building permits
- ▷ Local assessors (should) have access to that permit information or know who and where to find it
- ▷ They can also get registration/federal permit information from the FCC and other data sources which we provided to local assessors in 2018

# Local Tower Example

- ▷ Tower company pulls permit as OWNER
- ▷ City creates personal property account
- ▷ Discovery of property continued to establish ownership





# State Assessed Tower Example

- ▷ Tower company has construction permit however...
- ▷ Assessor contacted American Tower
  - Sold to Verizon
  - Verizon is now the tower owner
  - Assessed as TELCO property
  - Personal Property Roll Changed
  - PA-5/661 Corrections of Error filed by Assessor





Thank You!

