

**Guide to the Property Assessment Process  
for  
Wisconsin Municipal Officials**  
*(With Sample Assessment Work Contracts)*

---

**2011**

Wisconsin Department of Revenue  
Division of State & Local Finance  
Bureau of Assessment Practices  
P.O. Box 8971  
Madison, WI 53708-8971  
[bapdor@revenue.wi.gov](mailto:bapdor@revenue.wi.gov)



# Guide to the Property Assessment Process for Wisconsin Municipal Officials (With Sample Assessment Work Contracts)

## PREFACE

The purpose of this document is to help municipal officials with the property assessment process including *revaluations*, *reassessments*, and *assessment maintenance*.

The State of Wisconsin Department of Revenue is responsible for tax law *administration* while the local taxation jurisdiction is responsible for *valuation and tax collection*. This document provides information on how to contract for assessors' services.

This publication is intended to provide general information, not legal advice. Municipal officials should consult with the municipal attorney when contracting for services.

If you have comments, concerns, or suggestions, please let us know. You can contact us at:

**Wisconsin Department of Revenue  
Bureau of Assessment Practices  
Publications, Area 6-97  
P.O. Box 8971  
Madison, WI 53708-8971  
(608) 266-7750  
[bapdor@revenue.wi.us](mailto:bapdor@revenue.wi.us)**

Copies are available for download in Adobe Acrobat format at the following Internet address under Publications - Government heading:

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

*Publications → Government → Property Tax*

# Guide to the Property Assessment Process for Wisconsin Municipal Officials

## Table of Contents

### INTRODUCTION

What is an assessment and what is its purpose? .....	1
How are assessments made? .....	1
How are assessments made for agricultural properties? .....	1
What is meant by assessment classification? .....	1
Can property be assessed higher or lower than fair market value? .....	2

### METHODS FOR UPDATING ASSESSMENTS

#### Revaluation, reassessment, supervised assessment and assessment maintenance

What is a revaluation? .....	2
2009 Wisconsin Act 68 .....	4
What action is necessary to initiate a request for a revaluation? .....	5
What is reassessment? .....	5
What action is necessary to initiate a request for a reassessment? .....	5
What is a supervised assessment? .....	5
Revaluations are expensive. Are they really necessary? .....	5
Do taxes go up after a revaluation? .....	5
Will the tax rate remain the same per \$1,000 of assessed value after revaluation? .....	6
Is it possible to maintain the annual assessments at or near 100% of statutory value? .....	6
What is considered assessment maintenance? .....	6
Since there seems to be no statutory definition of assessment maintenance, some types of revaluation, or miscellaneous services, what are some practical guidelines? .....	7
Are there additional factors we should consider? .....	8
Who owns the data, the assessor or the municipality? .....	8
What duties comprise assessment work? .....	9
Assessment Cycle Timetable .....	10
What happens if we ask our assessor <b>not</b> to assess at fair market value every year? .....	12

### PROPERTY ASSESSMENT CONTRACTS

#### General

What is a contract? .....	12
What is the purpose of a standard assessment contract? .....	13
What are the similarities and differences between a municipal employee and an independent contractor? .....	13
Under what circumstances might an assessment contract be needed? .....	14
How do we find a new assessor? .....	15
We are considering hiring an individual who is certified for assessment work, but has no prior experience. Can this individual legally hold our assessor position? .....	15
We are considering hiring an individual who has prior experience as an assessor. Will the Department of Revenue provide a reference? .....	15
What are the components for an assessment contract? .....	15
What is the agreement? .....	16

What is the scope of the work or services? .....	16
What are the standards in the valuation section? .....	16
What is stated in the compensation section?.....	16
What are general agreements? .....	16
What is in the addenda? .....	16
<b>Assessment- Related</b>	
Is competitive bidding required for independent contracted assessors? .....	16
How should Compensation be handled? .....	17
What is the role of the municipality's legal counsel with regard to assessment contracts? ..	17
What is the typical term of an assessment contract?.....	17
How should the oath of office be handled? .....	17
How does the municipality ensure that the work is performed in compliance with the law? .	18
How should progress be reported? .....	18
How should the contract be administered? .....	18
<b>Selecting a vendor</b>	
What are the best practices for selecting a vendor? .....	18
What are the best practices for developing a contract? .....	19
What are the best practices for monitoring service delivery?.....	19
<b>STANDARD SPECIFICATIONS FOR ASSESSMENT WORK PERFORMED UNDER SECTIONS 70.055, 70.75(1) AND 70.75(3), WIS. STATS.....</b>	
	20
<b>REVALUATION CONTRACT FOR ASSESSMENT WORK PERFORMED UNDER SECTION 70.55 AND 70.75, WIS. STATS. ....</b>	
	29
<b>SAMPLE CONTRACT FOR ANNUAL "MAINTENANCE" ASSESSMENT WORK .....</b>	35
<b>TERMINOLOGY .....</b>	41
<b>STATUTORY REFERENCES .....</b>	48
<b>FULL VALUE LAW CHART .....</b>	49
<b>ACKNOWLEDGEMENTS AND OTHER AVAILABLE RESOURCES .....</b>	50
<b>EQUALIZATION OFFICES .....</b>	51

## INTRODUCTION

### What is an assessment and what is its purpose?

An assessment is the value placed upon taxable real and personal property by the assessor. This figure determines the portion of the local property tax levy that the property will bear.

### How are assessments made?

The assessment of properties in all classes except agricultural should bear a direct relationship to the amount that a typical purchaser would pay for the property under ordinary circumstances. Assessments should be uniform "at the full value which could ordinarily be obtained therefore at private sale" (Section 70.32, Wis. Stats.). This standard applies to residential, commercial, forest, other class property (farm buildings and farm sites) and the manufacturing class (state-assessed). The two new classes beginning in 2004 are undeveloped (formerly swamp & waste) and agricultural forest, which are assessed at 50% of their full value. Agricultural property is assessed at a use value. Personal Property is assessed at its true cash value.

The *Wisconsin Property Assessment Manual* specifies technical, procedural, and administrative practices. It also defines procedures, policies, legal decisions, and assessor performance expectations.

The authority for preparing the *Wisconsin Property Assessment Manual* comes from Section 73.03 of the Wisconsin Statutes. This statute requires that the Department of Revenue prepare a manual that "shall discuss and illustrate accepted assessment methods, techniques and practices with a view to more nearly uniform and more consistent assessments of property at the local level." It goes on to say "The manual shall be amended by the department from time to time to reflect advances in the science of assessment, court decisions concerning assessment practices, costs, and statistical and other information deemed valuable to local assessors by the department."

The 2010 *Wisconsin Property Assessment Manual* prescribed new standards to take effect in 2012. The new standards are:

1. Technical Standards from the International Association of Assessing Officers which deal with issues such as mass appraisal, public relations, and sales ratio studies.
2. *Uniform Standards of Professional Appraisal Practice* from the Appraisal Foundation. These standards focus on practices that promote public trust and on communicating in a manner that is meaningful and not misleading.

### How are assessments made for agricultural properties?

The Wisconsin legislature revised portions of section 70.32, Wis. Stats. in 1995 to change the way agricultural land is assessed. The assessed value is now based on the land's *use* in agriculture, rather than its fair market value. This process is referred to as *use-value assessment*. In 1998, the Department of Revenue began publishing Use-value Guidelines for agricultural land in Wisconsin. Assessors use the guideline to calculate assessments for agricultural land. "Agricultural land" is defined in section 70.32(2)(c)1., Wis. Stats., as "land, exclusive of buildings and improvements, that is devoted primarily to agricultural use." Buildings and improvements on a farm (such as houses, barns, and silos, along with the land necessary for their location and convenience) are classified "Other" and are assessed at fair market value.

### What is meant by assessment classification?

Wisconsin law requires the assessor to classify land on the basis of use. The eight statutory land classifications for real property are residential, commercial, manufacturing, agricultural, undeveloped, productive forest, agricultural forest and other. For all but manufacturing, agricultural, agricultural forest and undeveloped, land is first appraised, then classified. However, because agricultural land is assessed

under a use-value assessment process—and undeveloped and agricultural forest at a percentage of full value—classification is important to their valuation. The assessor must identify such lands to assess them according to law. In the case of manufacturing, the classification determines whether the local assessor or the Department of Revenue will set the assessed value.

### **Can property be assessed higher or lower than fair market value?**

Wisconsin law recognizes the difficulties in maintaining municipal assessments at 100% of their statutorily required value. Therefore section 70.05(5), Wis. Stats., requires each municipality to assess property within ten percent of *full* value at least once every five years. If the municipality does not comply with the law, the assessment staff is required to attend a Department of Revenue training session. After seven consecutive years of non-compliance the Department orders a state-supervised assessment. (For a further description of this process, please refer to page 48, the Full Value Law chart.)

Wisconsin law requires uniform assessments of and between each class of property. Each major class must be within ten percent of its full value during the same year at least once every five years. A major class is defined as having more than 5% of the full value of the taxation district. For purposes of this law, the only classes that are considered are residential, commercial, personal, and the sum of undeveloped, agricultural forest, productive forest, and “other.”

## **METHODS FOR UPDATING ASSESSMENTS**

### **REVALUATION, REASSESSMENT, SUPERVISED ASSESSMENT & ASSESSMENT "MAINTENANCE"**

#### **What is a revaluation?**

A revaluation is the determination of new values within a municipality for taxation purposes. A revaluation can vary in authority, frequency, form and the conditions under which it is performed.

**Authority**—A revaluation can be done by the statutory assessor, by hired help, or by a company that specializes in mass appraisal. A revaluation can be done at the discretion of municipal officials to ensure fairness or it can be done at the discretion of citizens who challenge the existing fairness and who successfully petition the Department of Revenue. Upon successful petition, the Department of Revenue would order a revaluation of the municipality and, typically, would hire a revaluation firm.

**Frequency**—A revaluation can be done annually, or periodically as deemed necessary.

**Form**—Because of the uniformity requirements of Wisconsin's constitution, many experts recommend that the revaluation include *all* of the property within the municipality. The assessor must take care if a portion of all properties is revalued in one year, or if only certain areas are revalued, to ensure equity to all properties in the taxation district. Refer to the discussion beginning on page 5, "Is it possible to maintain the annual assessments at or near 100% of statutory value?"

**Statutory Standards**—Under section 70.055, Wis. Stats., the governing body of a municipality could determine that it is in the public interest to employ expert help for making a new assessment. The local assessor would retain all of the responsibility of the office under this type of revaluation. The expert help and the assessor would act together as an assessment board in exercising the powers and duties of the assessor during the expert's employment.

To perform a revaluation, many municipalities hire expert help in the official capacity of assistant assessor under section 70.05(2), Wis. Stats. Although the expert help may perform much of the assessment work, under section 70.05(2), Wis. Stats., the statutory assessor still has the final responsibility for the assessment.

When a revaluation is conducted under section 70.05(2), Wis. Stats., the municipality is not statutorily required to use the standard contract and specifications prescribed by the state for revaluations under section 70.055, Wis. Stats. However, the municipality should be sure that the contract meets its needs, clearly spelling out the scope of the work to be performed, and including services to be provided by all the parties — the assistant assessors, the statutory assessor, and the municipality. These duties and performance standards are explained throughout this guide.

**Contractual Standards**—The contract should specify the number and type of properties to be valued, the availability and condition of existing records, the correction of legal descriptions and whether mapping services are to be provided. Also included should be a description of the type of public relations work that the expert help or assistant assessor must provide, insurance and bonding requirements applicable, the begin and end dates expected, the return of records upon completion of the project, the completion of statutorily required reports, and how compensation will be handled. The municipality should include any other areas that it feels are important and will help to ensure a good revaluation. The state prescribed contract meets these criteria and its use is therefore recommended even though it is not always statutorily required.

When the specifications for a revaluation are clearly outlined in the contract, the proposals received will be based on the same criteria, allowing for comparison. In addition, when all parties understand exactly what work is to be performed and by whom, prior to beginning the project, numerous problems can be avoided.

Once the municipality has drawn up a contract, requests for proposals can be solicited from certified expert help. Based upon the proposals received, the municipality selects the assistant assessor to work with the local assessor in performing the revaluation. The same factors considered when hiring expert help under section 70.055, Wis. Stats., should be considered when hiring assessment help under section 70.05(2), Wis. Stats.

**Assessor Concerns**—While the contracted assessment staff may be performing much of the assessment work, under section 70.05(2), Wis. Stats., the assessor is the person with statutory liability for the assessments. As such, the assessor must keep informed of the work performed, procedures used, and whenever possible, be actively involved in the creation of the assessments. This way, when the revaluation is completed, the assessor will have enough confidence in the values to be able to sign the assessment roll in good conscience. If unable to work directly with expert assessment help in performing the revaluation, at a minimum, the assessor should review data collection, land classification, sales analyses, final values, computations, and documentation to understand the methods and decisions behind the assessments. Therefore, if the assessor is elected or under contract from the municipality, the assessor should receive his or her normal remuneration during the revaluation process.

**Assessor Affidavit**—Nevertheless, a circumstance might occur where the assessor and the expert assessment help will have different opinions regarding methods used in deriving the assessments and the assessments themselves, resulting in the assessor's refusal to sign the assessment roll. Should the assessor fail to sign the Assessor's Affidavit, the defense of the assessments becomes the responsibility of the municipality, as determined by the courts in the case of *Bass v. Fond du Lac County*, 60 Wis. 516. In this case the court found that absence of the assessor's signature on the assessment roll is evidence of the inequality or injustice of the assessment, and shifts the burden of proving it equitable and just to the municipality. This is a situation that the municipality needs to prevent, and it underscores the need to create a contract that clearly delineates what is expected from all the parties.

## Trespassing and Revaluation Notice

### 2009 Wisconsin Act 68

2009 Wisconsin Act 68, signed November 12, 2009 and published November 25, 2009, is an act to amend Section 70.05(5)(b) Wis. Stats. and to create Section 70.05 (4m), 895, 488, 943.13 (4m)(d) and 943.15(1m) Wis. Stats.; relating to: partially exempting an assessor and an assessor's staff from liability for trespassing, creating immunity from civil liability, and changing the notice requirements relating to the revaluation of property by an assessor.

The trespass law entitles the assessor to enter a property once during an assessment cycle unless the property owner authorizes additional visits. If the property owner denies the assessor access to the property, the assessor is must maintain a list of denied entries. Sections 943.13 and 943.15 pertain to the entry onto the property. Assessors and their staff should understand the conditions included in these statutes. The major conditions for entry are listed below:

- The reason for the entry must be to make an assessment on behalf of the state or a political subdivision.
- The entry must be on a weekday during daylight hours, or at another time as agreed upon with the property owner.
- The assessor's visit must not be more than one hour.
- The assessor must not open doors, enter through open doors, or look into windows of structures.
- If the property owner or occupant is not present, the assessor must leave a notice on the principal building providing the owner information on how to contact them.
- The assessor may not enter the premises if they have received a notice from the property owner or occupant denying them entry.
- The assessor must leave if the property owner or occupant asks them to leave.

2009 Wisconsin Act 68 addresses notification which must be published or posted prior to commencement of a revaluation by an assessor. The trespass bill states in part "Before a city, village, or town assessor conducts a revaluation of property under this paragraph [Section 70.05(5)(b) Wis. Stats.], the city, village or town **shall** publish a notice on its municipal website that a revaluation will occur and the approximate dates of the property revaluation. The notice **shall** also describe the authority of an assessor, under Section 943.13, Wis. Stats. and Section 943.15, Wis. Stats., to enter land. If a municipality does not have a website, it **shall** post the required information in at least 3 public places within the city, village or town." (Emphasis added)

It is recommended that you provide a link to the above noted statutory references so that persons visiting your website could click on those links and review the statutes. Model language regarding this notice is provided below.

#### SAMPLE REVALUATION NOTICE

A revaluation of property assessments in the (*municipality*) shall occur for the (*year*) assessment year. The approximate dates of the revaluation notices being sent to property owners is expected to be in (*month/year*). Please also notice that the Assessor has certain statutory authority to enter land as described in Sections 943.13 and 943.15, Wisconsin Statutes.

The ability to enter land is subject to several qualifications and limitations, as described within the foregoing statutes. Copies of the applicable statutes can be obtained at public depositories throughout the State of Wisconsin, and from the State of Wisconsin Legislative Reference Bureau website ([www.legis.state.wi.us/rsb/stats.html](http://www.legis.state.wi.us/rsb/stats.html)) or a copy may be obtained from the municipal clerk upon payment of applicable copying charges.

## **What action is necessary to initiate a request for a revaluation?**

Whenever the governing body of any town, village, or city believes that it would be in the public interest to employ expert help to aid in making an assessment, it should contact the nearest Equalization Office. A list of Offices is located at the end of this booklet. The Supervisor of Equalization will arrange to review the assessment situation and make recommendations to that municipality. These recommendations could range from minor adjustments, without expert help, to a complete revaluation of all taxable property by expert help. If, after this consultation, the governing body believes it would be in the public interest to have a complete revaluation, it can pass a resolution pursuant to section 70.055, Wis. Stats., to hire expert help.

## **What is a reassessment?**

The term "reassessment," as used in section 70.75, Wis. Stats., means to completely redo the assessment roll. After receiving a petition, the Department of Revenue may order a reassessment of all or any part of the taxable property in a municipality, if its investigation determines that the assessments are not in compliance with the law. One or more persons would be appointed by the Department to prepare a new assessment roll. The assessment roll, after completion by the appointed person(s), is substituted for the original assessment roll. The municipality pays all expenses connected with a reassessment.

## **What action is necessary to initiate a request for a reassessment?**

Under section 70.75, Wis. Stats., except in cities of the 1st class, the owners of at least 5% of the assessed value of all property in the taxation district may file a written complaint with the Department of Revenue. Petition forms for a reassessment are available from the Department of Revenue, Equalization Section. The basis of the complaint must be that the assessment of property in the taxation district is not in substantial compliance with the law and that the public interest will be promoted by a reassessment.

## **What is a supervised assessment?**

A "supervised assessment" is an alternative to a reassessment under section 70.75, Wis. Stats. When the Department determines it is appropriate, as provided in section 70.75(3), Wis. Stats., one or more persons are appointed by the Department of Revenue to assist the assessor in making the assessment for the following year. The Department supervises the assessment work. The municipality pays all costs involved in a supervised assessment. A supervised assessment is similar to a revaluation under section 70.055, Wis. Stats. in that new assessment records and assessed values are created. The previous year's assessment roll is not affected.

## **Revaluations are expensive. Are they really necessary?**

A complete revaluation of all taxable real and personal property within a municipality is periodically necessary. There may be several reasons for this: (1) the current assessment may not have been made in substantial compliance with the law; (2) inequities may exist *within* classes of property; (3) inequities may exist *between* classes of property; (4) the governing body may desire an updating of records to show the physical characteristics of all its taxable real and personal property; or (5) a governing body may desire an original inventory of all its taxable property.

When inequities happen some property owners are paying more than their fair share of the property taxes and some are paying less. A complete reassessment or revaluation may be the only remedy. Most property owners are willing to pay the expenses of a revaluation to be assured that all are paying their fair share of property taxes.

## **Do taxes go up after a revaluation?**

If the total levy remains the same, only those properties that are not presently paying their fair share of the tax burden will pay more taxes after a revaluation. Properties presently paying more than their fair share will pay less.

The purpose of any annual assessment is to distribute the tax burden fairly and equitably among the taxable properties in the municipality in accordance with the law. The purpose is *not* to increase taxes. Tax increases are directly related to the budgetary needs of the taxing jurisdictions.

**Will the tax rate remain the same per \$1,000 of assessed value after revaluation?**

Not necessarily. If the assessed values established by a revaluation are greater than they were before and the tax levy is the same, then the tax rate will be less. For example, if the tax levy remains unchanged and the total assessed value of the taxation district is doubled, the tax rate will be cut in half.

**Before Revaluation**

$$\frac{\text{Levy}}{\text{Total Assessed Value}} = \frac{\$200,000}{\$4,000,000} = .05 \text{ or } 5\%$$

**After Revaluation**

$$\frac{\text{Levy}}{\text{Total Assessed Value}} = \frac{\$200,000}{\$8,000,000} = .025 \text{ or } 2.5\%$$

**Is it possible to maintain the annual assessments at or near 100% of statutory value?**

Yes. It is possible to maintain property assessments at or near 100% of statutory value. In fact, assessments should conform to the valuation standards of section 70.32, Wis. Stats. (section 70.34, Wis. Stats. for personal property), so that the property tax burden will be equitably distributed across property classes and among individual property owners according to the law. By analyzing recent sales and performing statistical studies, the assessor can readily determine whether the assessments represent 100% of the statutory value and are equitable among property owners and property types. If assessment inequities exist, it may be necessary for the assessor to review the assessments and make adjustments as needed to maintain equity.

When performing annual assessments based on fair market value, for example, assessments can not merely be carried over from year to year without regard to market influences. Property values are continually changing, and the values do not change at the same rate for all properties. Without changes in the assessments, inequities will soon develop.

However, assessors must also be mindful of the need for uniformity guaranteed by Article 8, §1 of the Wisconsin Constitution. Therefore great care must be exercised whenever the assessor is planning to adjust the assessments of a group of properties. Properties must be stratified, or broken down, into somewhat homogenous groups. Similar property groups will tend to appreciate or depreciate at roughly the same rate. It is *not* sufficient for the assessor to merely stratify properties and sales according to their statutory classification and develop one trending factor for the entire class of property. Properties, even properties within the same assessment classification, may vary considerably in quality, style, age, location and amenities, and cannot be expected to change in value at the same rate. The requirement for comparability between sales and the properties to be revalued based upon trending was reaffirmed in the case of the *State of Wisconsin ex rel. Kaskin v. Kenosha County Board of Review*, 91 Wis. 2d 272. (1979)

**What is considered assessment maintenance?**

Wisconsin law provides no specific reference to, or explicit definition of, the commonly used term "maintenance" assessment.

In general, a maintenance assessment could be any annual assessment in which a revaluation or reassessment is not being performed.

It is important that the assessments and the assessment records be properly maintained on an annual basis to reflect current conditions. The degree to which your municipality decides to maintain the assessments in the years following a thorough revaluation or reassessment will constitute the assessment "maintenance" in your municipality.

After one or more "maintenance" assessment years, it is likely that most market-based assessments will have diverged from their statutorily required standard. The "maintenance" assessor, nevertheless, should continue to perform all other duties necessary to assess property in the district fairly as of the January 1 assessment date and should continue to comply with all other procedural requirements. An assessment contract might separate these duties into the categories of maintenance and miscellaneous services.

**Since there seems to be no statutory definition of assessment maintenance, some types of revaluation, or miscellaneous services, what are some practical guidelines?**

Industry professionals familiar with Wisconsin's property tax system offer the following definitions for your consideration:

**Revaluation**

*Full revaluation* connotes that present records are outdated or confidence in their accuracy is lost.

*External review revaluation* is sometimes sought when there is not total confidence in the property record cards, but questions can be verified without interior inspection.

*Market update revaluation* connotes that there is confidence in the property record system and all that is needed is professionally performed valuation updating.

**Maintenance**

Includes listing and inspection of new legal descriptions or recorded plats.

Includes listing and physical inspection of new buildings and additions.

Includes preparation of assessment roll to include any and all changes to reflect fair and equitable assessments of both new and older construction.

Includes the annual discovery and assessment of personal property.

Includes performance of all other legal requirements such as mailing of notices, attendance at open book and board of review, etc.

Includes application of the current year's agriculture use values, where applicable, and identifying appropriate use value conversion fees.

May include classification review of agricultural lands.

May include additional standards as stated in the contract.

**Miscellaneous Services**

If under mobile home provisions of section 66.0434, Wis. Stats., includes valuation of mobile homes according to that statute.

Includes answering questions from property owners and other interested parties such as real estate appraisers and brokers according to the contract specifications.

Includes providing the county treasurer with decisions of use value assessment conversion fees due for conversion of agricultural land according to section 74.485, Wis. Stats.

The state contract and specifications for a full revaluation as well as a sample contract for a maintenance assessment are located near the end of this booklet. Care must be exercised so that the specified standards are applied and maintained in accordance with state law and accepted appraisal practice. Prior to entering into an agreement, we strongly recommend that your municipal attorney review your contract's language.

## **Are there additional factors we should consider?**

When detailed market studies and the corresponding updating of assessments are not incorporated into the assessor's work plan, municipal assessments will gradually diverge over time from the market value standards dictated by section 70.32, Wis. Stats.

### **Cost**

Key questions to consider include the cost to the municipality over the long term versus the short term. Would contracting now at lowest possible cost for minimal assessment "maintenance" be a fair trade-off for the probable high cost of a complete revaluation several years down the road? Conversely, would contracting now for a higher level of service, significantly reduce the cost associated with future revaluation and ensure fairness for taxpayers in the interim?

### **Property data - Real**

Assessments can only be as accurate as the data on which they are based. It is not possible to arrive at equitable assessments using inaccurate and incomplete data. Therefore, maintaining property records is essential to maintaining assessments. Because property characteristics are continually changing, record cards must be updated on an annual basis to account for new construction, remodeling, land splits, and demolitions. If the record cards are not properly maintained, they will no longer aid the assessor in making defensible assessments, and the benefits of the revaluation will soon be lost.

To help maintain property records, the assessor is furnished with data from all real estate transfer returns. Real estate transfer returns are confidential documents. Market data from the transfer returns should be analyzed and posted on the property record cards. The assessor should also be notified of all building permits, which alert the assessor to changes in property characteristics. In addition, it will be necessary for the assessor to periodically inspect all properties and update the property record cards to reflect current conditions.

### **Property data - Personal**

The assessor must also maintain personal property records for all taxable personal property. Most assessors will send out a Statement of Personal Property form each December or January to owners of taxable personal property. The completed form is to be returned to the assessor on or before March 1 each year. The assessor analyzes the data on the form and uses it as an aid in arriving at the assessed value. Some property may require an actual on site inspection by the assessor. The assessor must exercise care so that assessed values of personal property as a class bears the same relation to statutory value as real estate as a class. Decisions regarding the taxability of items of personal property as well as its proper classification as real or personal are among the many tasks associated with personal property assessment and administration.

### **Other requirements**

Maintenance also includes the assessor's annual duties in regard to statutory duties such as sending Notices of Changed Assessment, preparation of Municipal Assessment Reports, computer exemption reports and attendance at open book and board of review. At open book, for example, municipalities are required to provide instructional material that explains the assessment, taxation and appeal processes. If fulfillment of this duty is to fall to the assessor, then clarification may be required in the contract. The need for miscellaneous services, such as those mentioned earlier, must also be considered.

## **Who owns the data, the assessor or the municipality?**

Municipal assessment data is the property of the municipality. Should the municipality change assessors, the assessment data remains with the municipality.

One question that arises frequently pertains to the ownership of computerized or electronic data, particularly when the departing assessor holds the software license. If your assessment record system is computerized, the contract should, at a minimum, provide that the software be able to create an exportable text file of the data. This text file could then be left with the municipality, along with a field definition file to describe the various data fields in the text file. Proprietary information, such as the program, would not be required to be left with the municipality under this scenario, merely the data

collected on each real estate parcel and personal property account, in a format that the municipality will be able to utilize for subsequent assessment years.

Information for real property parcels must include, but is not limited to, parcel number, owner's last name, owner's first name, owner's address, city, state, and zip code, property address, legal description, total acres, assessment data by property class to include class, acres in that class, land assessment, improvement assessment. Similar information will be required for Managed Forest, Private Forest Crop and exempt parcels (excluding value information on exempt parcels). Fields containing descriptive data for improvements would also be required. The intent is that the data provided will be sufficient for the municipality to create a complete property record card for each parcel. Personal property data would include owner's last name, first name, mailing address, property location, class of personal property, and value.

Professional practice further implies the inclusion of all neighborhood descriptions, as well as mathematical models, table look-ups, algorithms and transformations developed for the municipality *by the assessor*, which were used to convert the data into the assessed values.

### **What duties comprise assessment work?**

Professional assessment practice includes a variety of duties and resources. Under Wisconsin law, many duties are required annually. Law will require some duties, professionalism will demand others. The thoroughness with which some tasks are approached can vary, depending on the available resources. Therefore, you must decide what is desired for your municipality and spell it out in the contract. You must understand what is needed, and what level of service is acceptable. Each duty and a definition of each associated task should be detailed in the contract with the assessor/assessment firm. Following are some examples of tasks that will require clear identification in the contract, and the resources required to carry them out:

- Office space, furniture, phone lines, copies and supplies
- Insurance and bonding
- Forms and photographs
- Travel reimbursement
- Training of assessment staff
- Public relations
- Clerical, mail and reception duties
- Improvement sketching and parcel identification
- Mapping (new legal descriptions and parcel combinations)
- Building permit listing and other discovery
- Data collection and format
- Inspection cycle and project timeline
- *Wisconsin Property Assessment Manual*, Vol. 1
- Other manuals to be used
- Sales Analyses
- Assessment Notices
- Personal Property and mobile homes
- Agricultural Use value

- Use value conversion fee administration
- Appeals involvement
- Final assessment data and format
- Storage
- Computers
- Data conversion and transfer (e.g., to and from county)
- Reports to the Department of Revenue (e.g., TIF/TID reporting, Municipal Assessment Report, Computer Exemption).

In each instance, the contract should spell out what is expected. A good contract will also leave no question as to who furnishes it, who pays for it, who performs it, and when the task will be done. Examples of contracts are included near the end of this booklet.

### ASSESSMENT CYCLE TIMETABLE

Period or Date	Activities or Comment
January 1 <sup>st</sup> *	Statutory Assessment Date
December/January	Statement of Personal Property forms mailed Occupational tax forms mailed Prior year's sales reviewed
February 1	Non-filer notice mailed to occupational tax accounts
February – End of	Assessments for sales to be included on preliminary Ratio Report entered. All assessments are submitted on-line through the Provide Assessment Data (PAD) system at <a href="http://www.revenue.wi.gov/ust/retn2.html">http://www.revenue.wi.gov/ust/retn2.html</a>
February 15 <sup>th</sup>	Locally assessed parcels that are going to be assessed by the Department of Revenue, Manufacturing section, should be transferred before this date.
January 1 thru March 1	As returned forms are received, date, and office audit all forms. Note any address and/or owner changes.
March 1	Due date of Statement of Personal Property and Exemption forms Non-filer notice should be mailed to Personal Property non-filers. Filers of unacceptable reports should be contacted for additional information.
March – Middle of	Department of Revenue mails Ratio Report. Assessor reviews for unusable sales, incorrectly posted assessments, and typos.
March – End of	Last date to submit assessment information for prior year sales in PAD to be included in final Ratio Report. Assessor should contact Equalization District Office with changes to previously submitted PAD assessment information.
March-April	Agricultural classifications are reviewed for any changes. Finalize value and enter into the roll. Mail notice of assessment to the following: <ol style="list-style-type: none"> <li>1. Doomages</li> <li>2. New accounts</li> </ol>

3. All accounts with changed assessments

April 1 <sup>st</sup>	Electronic Municipal and Tax Incremental District (TID) computer exemption forms which are available this date.
May 1 <sup>st*</sup>	Municipal and TID computer exemption reports should be filed on or before this date. Failure to file the electronic form by midnight, May 1 will result in taxation districts forfeiting the opportunity to receive a municipal or TID computer exemption reimbursement.
May—on or before 1st Monday	Assessment roll should be completed and submitted to the Municipal Clerk. Assessment roll open for public inspection.
May 2 <sup>nd</sup>	Stratified assessment data is due to Equalization District Offices (feedback on economic changes in district). Form is available at <a href="http://www.revenue.wi.gov/training/assess/stratfrm.pdf">http://www.revenue.wi.gov/training/assess/stratfrm.pdf</a>
May – Second Monday**	Assessor signs affidavit in assessment roll and attends board of review. **Board of Review shall meet during the 30-day period beginning the second Monday of May. If initial Municipal Assessment Report was estimated, a final version must be filed within 10 days of the completion of the Board of Review.
June – Second Monday	Due date for Municipal Assessment Report (MAR). (Previously known as Assessor's Final Report (AFR).)  Information is used for the August 15 <sup>th</sup> equalized values and current year's net new construction for levy limits.  Due date for TID Assessment Report. If no report is filed, there will be no change to increment (non-manufacturing).
August 1	Due date for any amended electronic Computer Exemption Report, provided the original report was timely filed by May 1. The final information determines the current year's computer aid payment.
August 15 <sup>th*</sup>	Equalized values released.
September-October	For next year's assessment cycle, obtain personal property forms from County Clerk. Or refer property owners to the online form available on DOR's website at <a href="http://www.revenue.wi.gov/forms/govasr/spflist.html">http://www.revenue.wi.gov/forms/govasr/spflist.html</a> .
September-December	For next year's roll, check occupancy, prepare names and addresses of personal property accounts. Add new accounts, do address changes, and remove accounts that moved out of district or went out of business. Make note of vacant business locations.  For next year's assessment cycle, compile building permits, maps, real estate transfer returns, analyze sales data, obtain market, cost and income data, formulate a plan for viewing properties.
November 1 <sup>st*</sup>	Non-compliance notices sent to municipalities after Department of Revenue checks Major Class Comparison status.
December 1 <sup>st</sup>	Letter sent to municipal clerk if final version of MAR has not been filed. A final Municipal Assessment Report should be submitted, if not done previously.

\* Statutory Requirement

## What happens if we ask our assessor *not* to assess at fair market value every year?

Wisconsin law traditionally has recognized the difficulty in maintaining the full value standards set by section 70.32, Wis. Stats., for non-agricultural property classes. The compliance requirements [section 70.05(5), Wis. Stats.] mentioned on page three require monitoring by the Department of Revenue and require that your municipality meet specific assessment levels among major property classes at least once every five years.

The Wisconsin Constitution requires that assessments of real property (non-agricultural and non-undeveloped) as a class and personal property as a class must be uniform. Therefore, if your assessment contract does not require subsequent annual assessments at the full value standards set by section 70.32, Wis. Stats. new assessments based on recent sales or new construction costs, for example, may need to be equated to the municipal level of assessment.

It is worth noting, therefore, that assessment level and assessment quality can be related directly to the contractual agreements made between the municipality and the assessor.

## PROPERTY ASSESSMENT CONTRACTS

### GENERAL

#### What is a contract?

A *contract* is an agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law; the writing that sets forth such an agreement. A promise or set of promises by a party to a transaction, enforceable or otherwise recognizable at law; the writing expressing that promise or set of promises. Loosely, an enforceable agreement between two or more parties to do or not to do a thing or a set of things; a compact.<sup>1</sup>

For the parties to come to an agreement, it is necessary that there be a meeting of the minds of the parties upon the essential terms and conditions of the subject about which they are agreeing; that is, they must be in accord upon the essential terms and conditions. There must be a mutual assent.

The language used and the conduct of the parties must be such as to disclose sufficiently the fact that the minds of the parties have met, or have been in accord, on all terms of the agreement, or, in other words, disclose the fact that there has been a mutual assent. One party cannot make an agreement; both parties must, by their words or actions assent to the agreement.<sup>2</sup>

A vague or indefinite agreement is not enforceable as a contract.<sup>3</sup> The subject of the agreement, the object to be accomplished, and the requirements as to performance must be clear.

For a contract to be binding, three things must occur; first, the *offer*, second, the *acceptance*, third, the *consideration*.<sup>4</sup>

- *Offer* — Usually the form of an agreement is that one party makes an offer and the other party accepts the offer. The person making an offer is called the offeror; the person to whom the offer is made is called the offeree. An offer is a communication by an offeror of what he or she will give or do in return for some act or promise of the offeree. An offer may be addressed to a particular individual or to the public, but must look to the future and be promissory in nature.

A mere expression of intention, opinion or prophecy is not an offer. A communication intended merely as a preliminary negotiation or willingness to negotiate is not an offer.

While no particular form of words or mode of communication is necessary to create an offer, it must reasonably appear that the alleged offeror has agreed to do the thing in question for something in

<sup>1</sup> Black's Law Dictionary, 8<sup>th</sup> edition

<sup>2</sup> WIS J.I.-Civil 3010 (1998)

<sup>3</sup> WIS J.I.-Civil 3022 (1998)

<sup>4</sup> Ibid. 3010-3020

return. An offer must be so definite in its terms, or require such definite terms in acceptance, that the promises and performances to be rendered by each party are reasonably certain.

- *Acceptance* — To create a contract, an offer must be accepted by one having the right to accept, while the offer is still open. Acceptance of an offer is an assent by the offeree to its terms without qualification; acceptance may be made by a communication to the offeror, either in writing or orally; acceptance may also be implied from the conduct of the parties.
- *Consideration* — Consideration is an essential element of a contract; it is necessary to the validity and enforceability of a contract. Consideration is the price bargained and paid for a promise — that is, something intended by the parties to be given in exchange for the promise.

Questions about contract specifications should be directed to your municipal attorney.

### **What is the purpose of a standard assessment contract?**

Municipalities without an elected assessor or a permanently employed municipal assessment staff need to contract with an independent contractor to perform assessment maintenance, revaluations, or other property assessment services.

### **What are the similarities and differences between a municipal employee and an independent contractor?**

The municipally employed assessor and the independently contracted assessor and their staffs (except clerical help) must possess current assessor certification at the appropriate level. There are five levels of assessor certification: Assessment Technician, Property Appraiser, Assessor 1, Assessor 2, and Assessor 3. Certification is granted upon successful completion of an examination administered by the Department of Revenue. This requirement ensures that individuals working in the assessment field possess the minimum knowledge necessary to perform the assessment function.

Prior to beginning work, assessors must file an oath of office with the municipal clerk, as provided by section 19.01, Wis. Stats.

The differences between the municipal employee and the independent contractor primarily reside in the nature of their business relationship:

#### **Municipal Employees:**

1. Compensation by Municipality
  - State & Federal income taxes are withheld.
  - The Municipality & employee pay FICA tax.
  - The Employee receives a W-2 from the Municipality.
  - The Employee may be eligible for unemployment if terminated.
2. Costs
  - The Municipality will typically be responsible for expenses and equipment costs.
3. Insurance
  - Provided by the Municipality to assessment staff.

#### **Independent Contractors:**

1. Compensation by Municipality
  - There are no State, Federal, or FICA taxes paid.
  - The Independent Contractor receives a 1099 from the Municipality, unless a corporation.
  - The Independent Contractor is not eligible for unemployment.

- 2. Costs
  - Should be stated in a detailed contract between municipality and contractor.
  - Should include responsibility for incidental costs like mileage, materials and equipment, or additional costs such as certified letters, and may include maximums on such expenses.
  - The contract may include a penalty provision for late completion of the work.
- 3. Insurance
  - The Independent Contractor / Assessor shall be responsible to show proof of necessary insurance coverage by a Certificate of Insurance from an insurer eligible to do business in Wisconsin. Typical coverages protect against claims, demands, actions and causes of action, arising from any act or omission of the assessors, their agents and employees. Limits of liability typically will not be less than:

<b>Worker's Compensation</b>	Statutory
Bodily Injury:	
Per Person	\$ 100,000
Per Occurrence	\$ 300,000
Property Damage:	
Each Occurrence	\$ 50,000
<b>Comprehensive Auto Liability Including: Non-Ownership Coverage</b>	
Each Person	\$ 100,000
Each Occurrence	\$ 300,000
Property Damage	
Each Occurrence	\$ 50,000

- Other Types of Insurance may include:
- Public Official - Errors and Omissions
  - Valuable Paper - Records

**Under what circumstances might an assessment contract be needed?**

- 1. *Revaluation* - A complete revaluation of all taxable real and personal property within a municipality is periodically necessary.
  - the current assessment may not have been made in substantial compliance with the law.
  - inequities may exist within classes of property.
  - inequities may exist between classes of property.
  - the governing body may desire an updating of records to show the physical characteristics of all its taxable real and personal property.
  - a governing body may desire an original inventory of all its taxable property.
- 2. *Maintenance* - Following a revaluation or a reassessment, it is important that the assessments and the assessment records be properly maintained on an annual basis to reflect current conditions.
  - analyzing recent sales and performing assessment/sales ratio studies.
  - annually reviewing assessments and performing sales analyses to determine if specific classes or types of property need to be adjusted to maintain equity in the assessments.
  - maintaining the property records.
  - reviewing all building permits, which alert the assessor to changes in property characteristics.
  - periodically inspecting all properties and updating the property record cards to reflect current conditions.
  - completing required reports and attending required meetings.
- 3. *Other Services* - A municipality can contract with an expert for specific services.
  - valuation of a specific type of property - mobile homes, for example.
  - valuation of a specific class of property - commercial.
  - other property tax services - use-value conversion fee administration.

## **How do we find a new assessor?**

You may find that an advertisement in the local classifieds does not attract enough potential candidates for the position. Consider advertising with a professional assessor association. The Wisconsin Association of Assessing Officers and the International Association of Assessing Officers maintain web sites and newsletters where municipalities can advertise for assessment help. The Wisconsin League of Municipalities and the Wisconsin Towns Association publish periodicals or maintain web sites that contain advertising directed toward municipal government. Another municipality or the County Real Property Lister may be willing to provide a recommendation. Direct mail can be utilized by obtaining assessor addresses from the Department of Revenue web site and others.

## **We are considering hiring an individual who is certified for assessment work, but has no prior experience. Can this individual legally hold our assessor position?**

Yes. An individual who is appropriately certified may occupy the office of assessor.

It is important to understand, however, that certification is not a guarantee that assessors are immediately proficient in all aspects of assessment-related work. Certification does ensure – through written examination – that an individual has attained the minimum knowledge and preparation necessary in accordance with Wisconsin law.

The Department of Revenue recommends that new assessors, who are in the first year of performing assessments, limit themselves to placing new construction on the roll, deleting buildings removed, performing the personal property assessments, and completing the assessment roll and other required reports. Entering new construction on the assessment roll includes collecting data on each building constructed or remodeled since the previous January 1, completing a property record card, and estimating the value of the building using the same methods and procedures used by the previous assessor, if feasible. Adjustments may be required on those properties which the assessor feels are radically out of line; however, it should be recognized that attempts to make extensive changes in one's first year of assessing may not be the most practical policy.

If a new assessor, after evaluating the existing assessment situation in a municipality, feels that there are extensive inequities in the assessments, this fact should be brought to the attention of the local governing body. The Supervisor of Equalization for the district should also be contacted to help determine the best way to remedy the situation. In some cases, a complete revaluation of the municipality may be the only alternative. Chapter 19 of the *Wisconsin Property Assessment Manual, Volume 1* also discusses revaluation and the various alternatives available to a first-time assessor or a municipality considering revaluation.

## **We are considering hiring an individual who has prior experience as an assessor. Will the Department of Revenue provide a reference?**

The Department limits its responses to factual comments such as verifying that the assessor is certified or whether required reports have been filed on time.

Therefore, you may wish to ask the prospective candidate to provide you a complete list of past clients or to provide references from other municipalities for which the assessor has worked. Then verify the information to your satisfaction.

The prospective assessor can also be asked, for example, to show work samples, to demonstrate the assessment software, to respond to questions relevant to the contract, or to discuss how he or she would handle certain public relation situations.

## **What are the components for an assessment contract?**

A contract by a municipality for property assessment work should cover the following types of agreements:

1. The Agreement
2. Scope of Work
3. Valuation

4. Compensation
5. General Agreements
6. Addenda

### **What is the Agreement?**

A contract for municipal assessment services will contain an agreement between the municipality and the individual(s) or firm performing the work i.e. maintenance, revaluation, or other miscellaneous services.

### **What is the Scope of the Work or Services?**

The section of the contract entitled "Scope of Work or Services," for example, will contain a detailed description of municipal assessment work to be done by the contracted individual(s) or firm.

### **What are the standards in the Valuation Section?**

A detailed description of performance requirements, including but not limited to:

- Time of contract (commencement & expiration),
- Expected delivery date(s) of completed material,
- Scope of services,
- Statutory compliance,
- *Wisconsin Property Assessment Manual* compliance.

### **What is stated in the Compensation Section?**

This section of the contract contains a description of how the individual(s) or firm will be compensated for their services. This section should detail if compensation is fixed or variable and what if any expenses are paid by the municipality.

### **What are General Agreements?**

Provisions typically contained in the general agreements section can include the following:

- Time frame for proposals,
- Performance bond requirements,
- Rights reserved by the Municipality.

### **What is in the Addenda?**

The Addenda may contain specifications to items identified in the scope of work section. An Addendum example would be the number of hours or days the contracted individual(s) or firm shall hold open book, if not explicitly stated in the scope of work.

## **ASSESSMENT-RELATED**

### **Is competitive bidding required for independently contracted assessors?**

No. Assessment services are a service contract and do not fall within the competitive bid requirements of sections 60.47, 61.54, 61.55, and 62.15, Wis. Stats. However, we strongly encourage that best practices be followed, as described later in this chapter. This includes seeking vendors through a Request for Proposal coupled with a strict evaluation process that is weighted on all relevant topics, not solely on lowest price.

## How should compensation be handled?

Compensation can be handled by one or a combination of methods:

- Fixed, including or excluding additional expenses.
- Variable based on hours worked with set minimum and maximum.
- Combination, such as fixed for required services and variable for additional miscellaneous services.
- Compensation may be based upon parcel count, condition of existing records, amount of fieldwork required due to new construction, etc.
- Compensation should not be based on assessed value, equalized value or any subsequent or previous change in value.
- Compensation of a specified amount may be withheld until contract terms have been satisfactorily complied with.

## What is the role of the municipality's legal counsel with regard to assessment contracts?

The municipal attorney provides advice on legal questions affecting the municipality, when requested. Prior to entering into any contract, municipal officials should request that the municipal attorney review the contract.

## What is the typical term of an assessment contract?

As a service contract, state statutes regarding maximum length of contract do not apply to property assessment. Caution must be exercised, however, so that the municipality complies with the law, and is protected in the event termination is desired. Conversely, the assessment company will want to protect itself should conditions (law changes, new construction, etc.) change substantially over the contract term.

### *Term of Office*

Contract language regarding renewal of some agreements may need to be harmonious with your assessor's statutory term of office. Following are laws regarding the assessor's term:

**Towns.** Section 60.307, Wis. Stats., provides that if authorized by the Town meeting, the Town may select assessors by appointment. If the Town has a civil service system, the assessor and any assistants may be appointed under that method. If the town does not have or adopt a civil service system, the town board appoints assessors on the basis of merit, experience and general qualifications for a term not to exceed three years.

**Villages.** Section 61.19, Wis. Stats., provides for the appointment and election of Village assessors. If election of the assessor is not provided for, then the assessor is appointed annually by the Village Board at their first meeting after the first Tuesday in April unless the board otherwise provides.

**Cities.** Section 62.09 (1)(c), Wis. Stats. allows for the appointment of a corporation or independent contractor as city assessor. Since the term of office for city assessors is not specified in state law, it is necessary to consult the city's ordinances.

## How should the Oath of Office be handled?

The oath of office should be required as a condition of contract and performed in a manner consistent with state laws. The oath should conform to section 19.01, Wis. Stats., and be filed with the municipal clerk prior to undertaking the duties associated with the office.

The oath must be taken within five days after appointment within towns and villages or within ten days of appointment within cities. Elected assessors in towns, villages and cities must take and file the oath within five days of June 1. The clerk of the taxation district is empowered to administer the oath.

## **How does the municipality ensure that the work is performed in compliance with the law?**

The municipality needs to protect the public interest. Therefore, performance bonds, non-performance penalties and procedures and specifications for terminating the contract must be delineated in the contract.

## **How should progress be reported?**

As with any contract, there should be provisions for monitoring the progress of the work. Periodic communications with or status reports received from the vendor, as well as routine inspection of the work product by a qualified individual will be necessary to ensure compliance.

## **How should the contract be administered?**

Simply, follow the best practices possible.

In December 1996, the Wisconsin Legislative Audit Bureau issued a "best practices review"<sup>5</sup>, which identified the following issues to be considered when contracting for a public service with a private vendor.

## **SELECTING A VENDOR**

### **What are the best practices for selecting a vendor?<sup>6</sup>**

#### **Develop Service Specifications**

Develop detailed written descriptions of:

- service tasks to be performed and the tangible products to be delivered;
- responsibility for maintaining equipment or facilities; and
- the standards by which performance will be measured.

#### **Recruit Vendors**

Design a request for proposals or bid request that provides potential vendors the information necessary to develop realistic proposals and identifies the information vendors must provide, such as:

- a description of how the vendor intends to perform the required services as specified;
- an estimate of the cost of providing the required services in the format requested;
- an inventory of equipment that will be used to provide the service, if applicable;
- evidence of financial viability; and
- evidence of professional qualifications and experience, including references from entities for which the vendor has supplied similar services.

#### **Evaluate Potential Vendors**

Objectively evaluate vendor proposals based on established criteria, ensuring:

- that the persons charged with evaluating proposals have a clear understanding of service needs and policy objectives;

---

<sup>5</sup> <http://www.legis.state.wi.us/lab/reports/96-1bestSummary.htm>

<sup>6</sup> Ibid.

- that cost objectives are balanced with the need to meet minimum levels of service and quality; and
- that final approval from elected officials or a designated government manager is required.

## **What are the best practices for developing a contract?<sup>7</sup>**

### **Describe Service Expectations**

Include detailed descriptions of the service a vendor is expected to provide, as well as the standards against which quality will be measured.

### **Describe Administrative Requirements**

Include a detailed description of administrative expectations and responsibilities, such as:

- the contract period and the conditions under which the contract may be extended;
- the procedures for calculating and making compensation, including limits on total compensation and the services to be delivered before compensation is received;
- insurance requirements;
- requirements for collecting and reporting information on service quality, as well as provisions specifying access to service-related records and service sites; and
- procedures for the resumption of government-delivered services or the delivery of service by another provider.

### **Enforcement Provisions**

Develop provisions that will protect the public interest if services do not meet expectations or if disputes arise between the vendor and public officials, such as:

- requirements for performance bonds;
- penalties for non-performance, including a description of the conditions under which penalties will be enforced and how penalties will be applied; and
- procedures authorizing contract termination and specifying the conditions under which a contract may be terminated.

## **What are the best practices for monitoring service delivery?<sup>8</sup>**

### **Methods for Monitoring**

Establish a system for monitoring contract activities and performance on an ongoing basis, including identifying the tools that will be used to measure and assess contract compliance and the process for collecting information, such as routine communication with the vendor and constituents.

### **Responsibility for Oversight**

Assign responsibility for oversight to a specific individual or entity and ensure that those charged with contract oversight have the necessary expertise and authority to assess service quality and enforce contract provisions.

---

<sup>7</sup> <http://www.legis.state.wi.us/lab/reports/96-1bestSummary.htm>

<sup>8</sup> <http://www.legis.state.wi.us/lab/reports/96-1bestSummary.htm>.

## STANDARD SPECIFICATIONS

The following specification and contract examples are a guide for municipalities.

In situations where use of the following specifications or contract language is not statutorily mandated, the municipality may choose to adjust contract terms to conform to local conditions and technology. The municipal attorney should always be consulted when contracting for services.

### **What are the standard specifications for a state mandated revaluation or resolution under 70.055?**

These standard specifications shall be used for assessment work performed under sections 70.055, 70.75(1) and 70.75(3), Wis. Stats.

### DEFINITIONS

1. "Appraiser" shall mean either an individual, a partnership or a corporate firm responsible for the overall reappraisal function.
2. "Manual" shall mean the *Wisconsin Property Assessment Manual*, Volumes I and II, prepared and issued by the Wisconsin Department of Revenue for the State of Wisconsin together with all material designated by the Department as being part of or supplemental to the *Property Assessment Manual*.
3. "Parcel" means an individual legal description for a tract of land and shall include not only the land itself but all buildings and improvements thereon.
4. "Real Estate Parcel Count" shall mean the total number of individual real estate descriptions assessed locally on the municipality's real estate assessment roll for the assessment year specified in Article II, Section I of the contract.
5. "Personal Property Count" shall mean the total number of completed personal property lines or accounts listed in the municipality's personal property assessment roll for the assessment year specified in Article II, Section I of the contract.
6. "Major Building" shall mean any and all houses on residential parcels, the buildings representing the major use of commercial parcels, and any and all houses on agricultural land.
7. "Property Record Cards" shall mean the current versions of the residential, agricultural and other, and commercial property record cards or equivalents, approved by the Department of Revenue and used for the purpose of making a record to support and substantiate the value conclusion for each parcel. A state-approved property record card should be maintained on every parcel of property in the district.
8. "Local Modifier" shall mean that mathematical factor necessary to convert the basic cost estimate derived from the *Wisconsin Property Assessment Manual* or other cost manual to current cost in the municipality.
9. "Municipality" shall mean a taxation district, either the town, village or city, in which general property taxes are levied and collected.
10. "Department" shall mean Department of Revenue, Bureau of Property Tax, 2135 Rimrock Rd., PO Box 8971, Madison, Wisconsin 53708-8971.

11. "Assessment Board" shall refer to the appointed expert help and the local assessor, acting together in exercising the powers and duties of the assessor, and shall be composed as set forth in section 70.055(4), Wis. Stats. When the Department is supervising the Assessment, the Department shall name an employee to serve on the Board.
12. "Computer-Assisted" – using a computer program or programs to analyze, calculate and display data used in the development of the assessments.

## **AGREEMENTS – APPRAISER**

### **Scope of Service Appraiser to Provide**

13. **CONFORMANCE TO STATUTES.** All work shall be accomplished in accordance with the provisions of the laws of the State of Wisconsin and in full compliance with all the rules and regulations officially adopted and promulgated by the Wisconsin Department of Revenue.
14. **OATH OF OFFICE.** The appraiser shall be required to take and subscribe to an oath or affirmation supporting the Constitution of the United States and of the State of Wisconsin and to faithfully perform the duties of assessor. If the appraiser is a corporation or partnership, the person(s) designated as responsible for the assessment shall comply with the above. The oath shall conform to Section 19.01, Wis. Stats. and be filed with the municipal clerk prior to undertaking any of said duties.
15. **PERSONNEL** (a) All personnel providing services shall be currently certified in compliance with sections 70.055 and 73.09, Wis. Stats. and the administrative rules prescribed by the Department.  
(b) The appraiser shall review any complaint relative to the conduct of his employee(s). If the municipality deems the performance of any of the appraiser's employees to be unsatisfactory, the appraiser shall, for good cause, remove such employee(s) from work upon written request from the municipality, such request stating reasons for removal.  
(c) Prior to commencing the revaluation, the appraiser shall file with the municipal clerk names of all employees to be performing work and the type of work to be performed by each, excepting non-appraisal office clerical help. A corporation or partnership shall indicate the person(s) designated as responsible for the assessment. All persons on file are to carry an up-to-date identification card and a letter of introduction from the municipality or the Department when the Department is supervising the assessment.
16. **ASSESSMENT MANUAL.** The appraiser shall make all assessments in accordance with the property assessment manual as specified in sections 70.32 and 70.34, Wis. Stats.
17. **ACCURATE PARCEL IDENTIFICATION.** The appraiser shall review all legal descriptions as listed in the assessment roll for imperfections to include, but not restricted to errors, incorrect acreages, omissions, overlap, or failure to close. In the event that such discrepancies exist, the appraiser shall correct or cause the same to be corrected. Additional compensation, if any, shall be as specified in Article II, Section III of the standard contract.
18. **PREPARATION OF RECORD CARDS.** (a) The appraiser shall prepare individual record cards or computer-generated data sheets for each parcel to be revalued on forms currently approved by the Department. If the appraiser and/or municipality shall have reason to use forms not currently approved, such use shall be contingent upon Department approval.  
(b) Record cards shall be completed for each parcel, labels with the property owners name and address as provided in Section 70.17, Wis. Stats., and the following information as listed in the assessment roll: legal description of the property, parcel number and size of land parcel when available.

- (c) Appropriate record cards shall be used in the evaluation and collection of data for residential improvements, commercial improvements, and other improvements. All information relating to improvements shall be obtained and shown as provided on the respective forms.

19. **APPROACHES TO VALUE.** (a) The appraiser shall consider the cost, market, and income approaches in the valuation of all vacant and improved parcels of property by computer-assisted means.

(b) The appraiser shall collect and analyze all available sales data for the municipality in order to become familiar with prevailing market conditions, market activity, and specific transactions which may be utilized in determining the market value of properties throughout the municipality. Data gathered shall either be noted on the property record cards, or contained within supplements to the records (e.g. copies of real estate transfer returns, leases, computer-generated data sheets, etc.). All data so gathered shall become and remain the property of the municipality.

(c) Sales analysis shall include sales identified on an appropriate map (section, subdivision, etc.), analysis and verification for time adjustments, neighborhood boundaries and descriptions and other (agricultural) improvements. It may be necessary, as part of the analysis, to field a sale and measure and list the improvements of the properties that have sold using computer-assisted means.

d) In valuing income producing properties, where appropriate, the appraiser shall collect information from owners, tenants, realtors, financial institutions, and any other necessary sources, for use in the valuation process. Data to be analyzed shall include economic rents for each type of property, typical vacancy rates, and typical operation expense ratios. All data shall be properly documented and adequate records shall be prepared for each parcel showing the determination of value by the income approach. For improved parcels this shall include a reconstruction of income and expenses, an estimate of remaining economic life, and the capitalization rate applied. Capitalization rates shall be accurately documented by information obtained from the market.

20. **IMPROVEMENTS – DATA COLLECTION.** (a) The appraiser shall accurately measure to the nearest foot all improvements and prepare a complete outline sketch to scale (top view) of the major buildings showing all additions, porches, and appendages with dimensions and necessary identifications on the property record cards.

(b) The appraiser shall photograph all residences, and all major commercial improvements and all major buildings on agricultural land classified as other.

(c) The appraiser shall inspect the interior of a **minimum** of 90% of the major buildings of each class of improvements, noting both the interior and exterior features on the proper record card to provide an accurate and complete listing for each improvement. The actual number of improvements to be inspected for each class shall be determined by applying the above percentage to the final improvement count for each respective class.

(d) In those instances where a minimum inspection of 90% is unattainable due to the nature of the properties to be valued and the time of the year, an alternate minimum shall be so specified in the addenda of the standard contract, such minimum to be established by the municipality/Department.

(e) In those instances where a minimum inspection of 90% of the major buildings of each class of improvements is not considered adequate, an alternate minimum shall be specified in the addenda of the standard contract.

(f) The date of inspection or listing of all major buildings shall be indicated on the record cards.

(g) Upon failure to gain entrance to a major building after reasonable attempt, the appraiser shall attempt to contact the property owner or occupant by ordinary mail to arrange an appointment for the purpose of viewing and listing the interior.

(h) If the appraiser's request to list a major building is refused by the owner or occupant, the appraiser shall make a request by registered mail to inspect the building; such written request shall state the

purpose of the inspection, the desired time of inspection and shall advise the owner or occupant that their refusal shall constitute a loss of appeal of the assessment to the local board of review and further appeal avenues; should the requests to inspect major buildings be denied, the appraiser shall list and value the improvements according to the best information practicably obtainable.

21. **IMPROVEMENT VALUATION – COST APPROACH.** (a) The appraiser shall value improvements in accordance with *Wisconsin Property Assessment Manual*, using generally acceptable appraisal practices and cost manuals and computer-generated costs.

(b) In using the cost approach for residential improvements, the prescribed form or computer generated data sheet, or its equivalent as approved by the Department, shall be used in determining replacement costs. The property record card shall be completed as recommended for use with Volume 2 or other cost manual, with proper base costs selected as appropriate for each improvement and adjusted base building costs.

(c) In using the cost approach for other (agricultural) outbuildings, the current replacement costs should be determined for all buildings. Buildings in poor condition having little or no value shall be physically described and listed as having “no value” or given an appropriate sound physical value.

(d) In using the cost approach for commercial improvements, or a computer-generated calculator, proper base costs shall be selected as appropriate and adjusted to adequately reflect variations from base building costs.

(e) Current local modifiers and costs appearing in the approved cost calculator shall be adjusted where necessary and documented by an analysis of local construction costs and market sales data.

(f) All accrued depreciation, including physical deterioration, functional obsolescence, and economic obsolescence, must be accurately documented by the market and deducted from current replacement costs.

(g) All improvements shall be valued at market value as of January 1.

(h) The statutory assessor shall be responsible for collecting all other required information in regard to personal property, determining values on assessable personal property not used for production of income, and completing all necessary forms in relation thereto. In the case where the assessor fails to perform, the appraiser shall collect all the required information.

22. **DATA COLLECTION – LAND.** (a) The appraiser shall gather and note on the property record card or computer-generated data sheet for each parcel information including, but not limited to size, area, frontage, width, depth, shape, topography, productivity, site improvements, utilities, access, zoning and location. This information shall include a land sketch.

(b) The appraiser shall collect data concerning sales of land and sales of improved parcels which may indicate the residual value of land. From these and other sources the appraiser shall become familiar with land values throughout the municipality.

23. **VALUATION – LAND.** (a) Unit value ranges per acre for each grade of fallow agricultural land, agricultural forest land, undeveloped and productive forest land shall be determined from an analysis of sales and other available market data. Agricultural forest land and undeveloped land values shall be adjusted to 50% of full market value, per section 70.32(4), Wis. Stats. Soil surveys, where available, shall be used in the classification of land. Agricultural land shall be valued according to use, per section 70.32, Wis. Stats. In the analysis of sales, work forms shall be prepared for recording data on each sale analyzed and for correlating price data from the sales for the various classes of land and noting if land qualifies for use value or is fallow. Such forms shall be left with the municipality.

(b) Aerial photographs shall also be used in the evaluation and classification of agricultural, swamp and forest lands. GIS layers, where available, should be provided, showing ownership lines and acreage. The minimum acceptable product under this specification shall be the most recent aerial

photographs available from the county, along with soil classification and grading lists and a listing of the unit values used (use-value units for class 4 lands, market value units for fallow tillable and idle pasture, class 5, class 6 and class 7 lands). Aerial photographs shall be supplied, where necessary, by the appraiser and shall be left with the municipality, along with classification and unit values documentation.

(c) Basic unit values shall be determined for residential and commercial lands from an analysis of sales, rents, leases, and other available market data. In the analysis of market data, adequate records shall be prepared showing data collected and unit value determinations. Such records shall be left with the municipality.

(d) Having determined basic unit values the appraiser shall apply such to each parcel, making adjustments to account for the particular characteristics of the parcel. Land computations shall be properly shown for each parcel on the property record cards, or computer-generated data sheets.

(e) For residential and commercial lands, maps and schedules shall be prepared indicating unit values used: e.g. by neighborhoods, and locations thereof to be left with the municipality.

(f) A copy of all charts, schedules and tables, not previously referred to, including depth factor tables used in the valuation of land shall be left with the municipality.

**24. VALUATION, ASSESSMENT OF TAXABLE PERSONAL PROPERTY.** (a) Taxable personal property shall be valued and assessed by the statutory assessor in compliance with Chapter 70, Wisconsin Statutes and with recommended procedures in Volume 1 of the *Wisconsin Property Assessment Manual*.

(b) The assessor shall compile an updated list of all personal property accounts in the municipality. Such list shall be reviewed by the assessment board to ensure that all accounts have been discovered.

(c) To aid in determining the amount and value of personal property used in the production of income, the assessor shall require such property owners to furnish information on personal property forms as to the value of personal property owned by them or in their possession as provided in section 70.35, Wis. Stats. Such forms shall be mailed or delivered to property owners by the assessor. Completed forms received by the assessor shall be verified for accuracy in content and checked for arithmetic and procedural errors. In the absence of a completed form, the assessor shall field check the account, along with any other questionable accounts.

(d) The assessor shall be responsible for collecting all other required information in regard to personal property, determining values on assessable personal property not used for production of income, including the value of exempt computers and completing all necessary forms in relation thereto. In the case where the assessor fails to perform, the appraiser shall collect the required information.

(e) All forms used in the valuation of personal property shall be approved by the Department and shall be left with the municipality.

**25. FINAL FIELD REVIEW.** Prior to the open book conference, the appraiser shall make a final field review. Each parcel shall be reviewed at the property location. In the final review process, the indicated value of the structure and the indicated value of the land shall be compared against sales information concerning the same parcel or comparable parcels. For income producing properties where a determination of value has been made via the income approach, this value shall also be reviewed to make the proper correlation of values between the cost, market and income approaches. The review shall cover each parcel so as to eliminate errors in computations that may have occurred, to insure uniformity in record card and form completion by various personnel, to verify building classification and depreciation estimates regarding physical, functional and economic obsolescence, and to be sure that all lands and improvements are properly accounted for.

26. **ASSESSMENT BOARD TO REVIEW ASSESSMENTS.** At least 2 weeks prior to sending notices of the assessments and the open book conferences, the assessment board shall review all assessed values on real estate and personal property; such review will include property record cards, personal property forms and all other material prepared for the revaluation.
27. **OPEN BOOK CONFERENCE.** (a) Upon completion of the assessment board's review of assessments and prior to the completion of the assessment rolls, the appraiser shall hold open book conferences for the purpose of enabling property owners or their agents to review and compare the assessed values.
- (b) The municipality shall designate the place for open book conferences with both the municipality and appraiser mutually agreeing upon the date(s) and hours. Hearing time shall include a Saturday and evening hours.
- (c) The appraiser shall send a notice by first class mail to each property owner at the last known mailing address. The notice form used shall be the same form prescribed by the Department of Revenue for notice required under section 70.365, Wis. Stats. The appraiser shall also indicate on the notice, or attach to the notice, the time, date, and place the open book conference will be held. Mailing shall be fifteen (15) days prior to the first day of the conferences for the convenience of the property owners. Expenses related to the notices, excluding form supply, but including preparation of the forms and postage, shall be paid by the appraiser.
- (d) The minimum number of days for open book conferences shall be set by the municipality, the number of days being specified in the addenda.
- (e) Open book conferences shall be held within the completion date specified in the contract. In the event the municipality requests that the open book conferences be held at a date beyond the contracted completion date, and provided the appraiser agrees to such, the contract shall be extended commensurate with the lapse of days between the originally contracted completion date, and the revised date for open book conferences. Such extension shall be in writing and signed by both the municipality and the appraiser.
28. **COMPLETION OF ASSESSMENT ROLL.** The Assessment Board shall be responsible for the proper completion of assessment rolls according to current statutes. The appraiser shall where necessary enter into said rolls all newly established assessments, both real and personal, and the names of those to whom personal property is assessable; each roll shall also be totaled to exact balance by the appraiser. For computer prepared assessment rolls, it shall be sufficient for the appraiser to provide a list of all assessments at market value in the format required for data entry.
29. **BOARD OF REVIEW: SUBSEQUENT APPEARANCES.** (a) The appraiser and/or responsible member(s) of the appraiser's staff shall attend all meetings of the Board of Review to explain and defend the assessed values and be prepared to testify under oath in regard to such values. Compensation shall be as specified in the contract.
- (b) In the event of appeal to the Department or to the courts, it is agreed that the appraiser and/or qualified representative(s) shall be available upon written request from the municipality to furnish testimony in defense of the values established by the revaluation in all cases which might arise within one (1) year of the completion date specified for the revaluation. Compensation shall be as specified in the contract.
- (c) No appeal may be made to the Department under section 70.85, Wis. Stats. when the Department is supervising the assessment, or reassessment.

**GENERAL AGREEMENTS**

**30. INSURANCE – LIABILITY, WORKER’S COMPENSATION.** (a) The appraiser shall maintain insurance coverage to protect against claims, demands, actions and causes of action, arising from any act or omission of the appraiser, his agents and employees in the execution of work. Certificates of insurance by a company authorized to transact business in the State of Wisconsin shall be supplied to the municipality. Limits of liability shall not be less than:

<b>Worker’s Compensation</b>	<b>Statutory</b>
Bodily Injury	
Per Person .....	\$ 100,000
Per Occurrence .....	\$ 300,000
Property Damage	
Per Occurrence .....	\$ 50,000
<b>Comprehensive Auto Liability Including Non-Ownership Coverage</b>	
Per Person .....	\$ 100,000
Per Occurrence .....	\$ 300,000
Property Damage	
Each Occurrence .....	\$ 50,000

**31. INSURANCE – VALUABLE PAPER.** (a) Appraiser agrees to carry proper and sufficient insurance to cover loss of municipality’s records withdrawn from municipality for appraiser’s use as well as appraiser’s records in process under this agreement which are in possession of the appraiser.

(b) The appraiser shall not be responsible for loss of records destroyed by fire, theft, or Act of God while kept in office space supplied by municipality.

**32. PUBLIC RELATIONS.** (a) During the course of the revaluation the appraiser shall carry on a suitable program of public information in a manner dictated by experience to be the most effective and productive and of such a nature in which to allow the municipality to actively participate.

(b) The appraiser agrees to meet monthly or upon request, with the governing body of the municipality to discuss areas of work such as, but not limited to progress, procedures, valuations, and problems.

(c) If a DOR-ordered assessment or reassessment, the appraiser agrees to meet with the Department upon request.

**33. ASSESSOR TO BE INFORMED.** Appraiser shall make a reasonable explanation to the assessor throughout the revaluation in the use of procedures, standards, and records used for making property appraisals.

**34. INFORMATION TO THE DEPARTMENT.** The appraiser shall complete and submit to the Supervisor of Equalization: (a) the Municipal Assessment Report when the revaluation is completed or upon completion of the assessment roll(s). If work is in progress on the second Monday in May, a tentative report shall be submitted on the status of the real estate and personal property existing as of January 1. The tentative report shall be submitted by the second Monday in May. The report shall provide the following information relating to real estate: increases in valuation due to annexations, new construction, property formerly exempt and now assessed, losses in value due to annexation, demolitions, and property becoming exempt and shifts in class. For personal property the report shall provide information on estimated values of all personal property by class. A completed final Municipal Assessment Report shall be filed at the end of the revaluation in addition to this tentative report.

(b) A list showing the value of any buildings on leased land and whether they are assessed as real estate or personal property, as well as the use and occupancy of each. Such list shall be submitted upon completion of the assessment roll(s).

35. **MISCELLANEOUS GENERAL AGREEMENTS.** (a) The appraiser shall ensure that employees maintain strict confidence regarding all privileged information received by reason of this agreement.

(b) The appraiser shall supply all necessary office machines such as, but not limited to, typewriters, adding machines and calculators and computers, and computer hardware and software.

### **OBLIGATIONS OF THE MUNICIPALITY**

36. **OFFICE SPACE.** The municipality shall furnish adequate office space at no cost to appraiser in or near the municipal hall. Office space shall include desks, tables, chairs, file cabinets, heating, lighting, and janitorial services but shall not include office machinery and equipment.

37. **ACCESS TO RECORDS.** The municipality shall allow access and make available to the appraiser municipal records such as, but not limited to, previous assessment rolls and records, sewer and water layouts, building permits, tax records, records of special assessments, plats, and any other maps currently in the possession of the municipality, at no cost.

38. **PROPERTY IDENTIFICATIONS.** To furnish the name and address of the owner and the block and lot number, size or other identifying description of each parcel to be appraised; such information to be placed on property record cards or on adhesive backed labels by the municipality.

39. **PROVISION OF FORMS.** Municipality shall provide approved forms, binders, record cards, adhesive backed labels, assessment notice forms prescribed by the Department as required under section 70.365, Wis. Stats., and other materials as necessary for the completion of the revaluation.

40. **MAPS.** The municipality shall furnish two (2) sets of all plat maps, section maps, and any other maps currently in the possession of the municipality, to the appraiser, at no cost.

41. **NOTICES FOR NEW ASSESSMENTS.** To furnish the name and correct address if known, to the appraiser for notices to be sent on the assessed values.

42. **ASSESSOR'S DUTIES.** The municipal assessor shall: (a) Value mobile homes subject to the monthly mobile home parking permit fee and other duties specified in section 66.0435, Wis. Stats. where necessary.

(b) Collect all other required information in regard to personal property, determining values on assessable personal property not used for the production of income, including the value of exempt computers and completing all necessary forms in relation thereto, and providing personal property totals by class to the appraiser for inclusion in the Municipal Assessment Report.

43. **MISCELLANEOUS GENERAL AGREEMENTS.** (a) That the necessary funds are available and will be provided by the municipality as agreed herein and in the standard contract.

(b) The municipal governing body shall refrain from interfering with, or influencing any value estimate by the assessment board.

(c) The municipality shall aid the appraiser in a reasonable promotion of public information concerning the work under this agreement.

### **GENERAL TERMS**

44. **COMPLETION OF WORK.** (a) The appraiser shall have completed all work under this agreement, except for appearing at the Board of Review and any necessary subsequent appearances as per this agreement, on or before the completion date referred to in the contract. This date of completion may be extended, if necessary, and by mutual consent.

(b) That in the event the revaluation cannot for any reason be completed within the time originally specified, the appraiser shall provide written notification to the municipality, stating the reasons for not completing the revaluation by the contracted completion date, so that the situation may be timely remedied and the revaluation completed in substantial compliance with law.

45. **ASSIGNMENT OF CONTRACT.** The appraiser is not permitted to assign, subcontract or transfer this agreement or any part of this agreement without written approval from the municipality.

46. **COMPENSATION UPON EFFORT.** The compensation is based upon effort required to complete the work under this agreement in an acceptable manner, and not upon the whole value or any part of the value of the municipality.

47. **FAMILIARIZATION WITH LOCAL CONDITIONS.** The appraiser is generally familiar with access throughout the municipality, maps and other pertinent records available and the degree of difficulty of the work under this agreement within the municipality.

48. **AWARD OF CONTRACT.** (a) The awarding of this agreement is contingent upon the proper filing of a 100% performance bond by the appraiser. Such bond shall be filed with the municipal clerk within thirty (30) days after the award of the contract and no work shall be performed under this agreement prior to the filing of said bond. In lieu of a performance bond, a bank letter of credit is acceptable.

(b) That if for any reason the appraiser named herein is unable or unwilling to file a 100% performance bond or bank letter of credit as provided in paragraph (a) above, this contract is to be held by both parties as null and void and without any legal or moral obligations required of either party with respect to the other party.

49. **METHOD AND TERMS OF PAYMENT.** (a) Payment for services rendered under Article II, Sections I and II of the Contract shall be on a monthly basis. The monthly statements shall reflect the percentage of work completed less ten percent (10%) retainage by the municipality/Department. Said retainage and additional compensation provided under Section III (except item No. 2) shall be paid upon final adjournment of the Board of Review on detailed statements. Item No. 2 shall be payable by statement and in full upon completion of services.

(b) All statements shall be submitted to the municipal clerk/Department on the first day of each month for services performed the preceding month. After review and procuring any needed corrections therein, the municipality/Department shall endorse their approval and promptly pay such statements.

(c) All compensation paid to the appraiser shall be by check mailed to the address indicated in the Contract.

50. **TURN OVER OF RECORDS.** Within 14 days of the final adjournment of the board of review, the appraiser shall turn over to the municipality; (a) all records prepared for the revaluation including, but not limited to property record cards, personal property forms, maps and any other schedules or forms, (b) all records and materials obtained from the municipality and not previously returned to include maps and assessor's records, (c) materials specifically obtained and/or used for the performance of assessment work for the municipality under contract to include aerial photos, maps, depth factor tables, copies of leases and copies of real estate transfer returns, and (d) if your assessment system is computerized, at a minimum, provide that the software be able to create an exportable text file of the data. This text file shall then be left with the municipality, along with a field definition file to describe the various data fields in the text file.

## REVALUATION CONTRACT

for assessment work performed under Sections 70.055, 70.75(1) and 70.75(3), Wis. Stats.

THIS AGREEMENT by and between

hereinafter called the "Appraiser," and the

of

County, Wisconsin, hereinafter called the "Municipality."

WITNESSETH: The Appraiser and Municipality for the consideration stated herein agree as follows:

### ARTICLE I

#### Section I

SCOPE OF WORK: The appraiser, having become familiar with the local conditions affecting the cost of the work, and the Standard Specifications and Addenda for Revaluation of General Property in the State of Wisconsin pursuant to Chapter 70, Wisconsin Statutes, hereby agrees to perform everything required to be performed and to complete in a professional manner all of the work required to revalue the real and personal property of the Municipality as of January 1, 20\_\_\_\_ in accordance with applicable Wisconsin Statutes and this contract, and other documents constituting a part hereof.

#### Section II

VALUATION: For the valuation of residential and agricultural properties, the appraiser shall use a Computer Assisted Appraisal System (NAME).

For the valuation of commercial properties, the appraiser shall use a Computer Assisted Appraisal System (NAME).

For the valuation of personal property, the appraiser shall follow procedures outlined in Volume 1 of the *Wisconsin Property Assessment Manual*.

### ARTICLE II

COMPENSATION: The Municipality shall pay to the Appraiser for the performance of this contract the following compensation:

**Section I**

For the revaluation of real estate and personal property as per Standard Specifications the base compensation of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), such amount based on the following counts obtained from the last Assessment Roll(s).

Totals From Assessment Roll(s)

Residential Improvements .....

Commercial Improvements .....

Other Improvements .....

Total Improvements .....

REAL ESTATE PARCEL COUNT (includes Private Forest Crop and Managed Forest Land Parcels)

.....

Personal Property Count.....

**Section II**

For the providing of additional services required by the Supplemental Specifications described in the Addenda, total compensation shall be \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), such amount based on the following breakdown:

ADDENDA NO.	SUPPLEMENTAL SPECIFICATIONS (Brief Description)	COMPENSATION \$
----------------	--	--------------------

Total Base Compensation summarized as follows:

Article II, Section I .....	\$
Article II, Section II .....	
Total .....	\$

**SECTION III**

For the providing of services described below the following compensation:

1. For furnishing testimony in defense of the value established by the revaluation on appeals to the Department of Revenue or the courts as required in the Standard Specifications, Par 29. (The Appraiser shall be paid a four-hour minimum per day.)

\$ Per hour

2. For the correction of legal descriptions as provided in the Standard Specifications, Par. 17.

\$ Per parcel

3. For additional real estate parcels in excess of those stated in Article II, Section I of the Contract, due to annexations, omitted property, new plats, and land splits and for additional improvements due to annexations, omitted property, and new construction.

Compensation shall be \$ per additional parcel plus the following for additional improvements.

Residential	\$	Per Improvement
Commercial	\$	Per Improvement
Other	\$	Per Improvement

Improvement shall mean for annexation and omitted property:

- (a) Residential – any and all houses classified residential on a parcel.
- (b) Commercial – any and all major buildings classified commercial on a parcel.
- (c) Other – any and all buildings including farmhouses classified Other on a parcel of agricultural land.

Improvement shall mean for new construction:

For each of the aforementioned classes any and all buildings constructed between January 1, 20 and January 1, 20 , first valued by the revaluation, and being the only building(s) on a parcel.

4. For additional personal property accounts in excess of those stated in Section 1.

\$ Per Personal Property Account.

### ARTICLE III

#### GENERAL AGREEMENTS:

1. The proposal may not be withdrawn for a period of thirty (30) days after , 20 , the date and time set for opening of proposals. Any appraiser may withdraw a proposal at anytime prior to the date and time set for the opening thereof.
2. If appraiser's contract is accepted, a 100% performance bond must be furnished in an amount equal to the sum of Section I and II, Article II of the contract from a Surety licensed to do business in the State of Wisconsin. Such bond shall be filed within thirty (30) days after the award of the contract and no work shall be performed prior to the filing of said bond. In lieu of a performance bond, a bank letter of credit is acceptable. Such performance bond or letter of credit must cover the entire length of the contract, including any approved extensions.
3. Work will start within calendar days after the performance bond has been filed with the municipality and shall be completed on or before , 20 .
4. The municipality reserves the right to reject any or all proposals.



## CONTRACT ADDENDA

ADDENDA to the Standard Specifications for Revaluation of General Property in the State of Wisconsin pursuant to Chapter 70, Wisconsin Statutes.

### **ADDENDA NO.**

### **SUPPLEMENTAL SPECIFICATIONS**

1. The minimum number of days for open book conferences referred to in the Standard Specifications, Par 27 shall be \_\_\_\_\_ days, and \_\_\_\_\_ shall include a Saturday and evening hours, considered as the standard specification for which the appraiser shall receive no additional compensation.

In the event any of the provisions of this Addenda conflict with any of the provisions of the Standard Specifications, the provisions of this Addenda shall govern or control.

**MAINTENANCE ASSESSMENT CONTRACT EXAMPLE  
FOR ASSESSMENT SERVICES BETWEEN**

\_\_\_\_\_ and  
\_\_\_\_\_

IT IS AGREED BY AND BETWEEN \_\_\_\_\_, a municipal corporation  
(hereafter "Municipality") and \_\_\_\_\_ (hereafter "Assessor") as  
follows:

**1. SCOPE OF SERVICES**

A. Inspections. The following inspection cycle is to be completed by Assessor annually,  
namely:

- 1) New construction, annexed properties, and exempt status changes shall be physically inspected, and the property record card prepared or updated as needed.
- 2) Properties affected by building removal, fire, significant remodeling (those requiring a building permit), or other major condition changes shall be physically inspected.
- 3) Improved properties under construction over a period of years shall be re-inspected.
- 4) All sales properties, legal description changes, and zoning changes shall be reviewed and inspected if deemed necessary to ensure a fair assessment.
- 5) Requests for review by property owners, made after the close of the municipal Board of Review, and prior to signing the affidavit for the next assessment roll, shall be physically inspected during the current assessment cycle.
- 6) Mobile home statement of monthly parking fee calculations shall be completed, if Municipality has an ordinance.
- 7) A classification review shall be conducted annually to determine eligibility for agricultural use value assessment and the assessment of agricultural forest land and undeveloped land.
- 8) The assessor shall physically inspect at least     % of the improved properties annually to maintain the accuracy of the assessment records. *(Parties to complete the percentage to be inspected or strike entire option upon mutual agreement.)*

B. Parcel Identification. The legal description, drawing and measurements of each land parcel and improvements shall be contained in the existing property record cards. Drawings shall be made for all new records. In the event if a discrepancy exists, the Assessor shall investigate and correct the record.

C. Preparation of Record Cards. Appropriate record cards shall be used in the evaluation and collection of data for residential improvements, commercial improvements, and agricultural improvements. All information relating to the improvements shall be obtained and shown as provided on the respective forms. The Assessor shall supply to the Municipality, a complete set of property records either on computer readable format compatible with the Municipality's computer system if a computer valuation program is used, or a hardcopy if a manual system is used, and update the records within fourteen (14) days of final adjournment of the Board of Review. The records shall be updated prior to the open book and again to reflect any changes made at the Board of Review.

- D. Open Book Conference. Upon completion of the Assessor's review of assessments and prior to completion of the assessment rolls, the Assessor shall hold open book conferences for the purpose of enabling property owners or their agents to review and compare the assessed values. The Assessor shall send notice to each property owner of any change in assessment. The notice form used shall be that prescribed by the Department of Revenue, and include the time and place the open book conference(s) will be held. Mailing shall not be less than fifteen (15) days prior to the first day of the conferences for the convenience of property owners. The assessor shall be present at the open book conference for a time sufficient to meet with the property owners or their agents and shall be present at least two hours. The assessor shall verify that statutorily required instructional materials are available at the open book conference.
- E. Completion of Assessment Roll and Reports. The Assessor shall be responsible for the proper completion of the assessment roll in accordance with current statutes and the *Wisconsin Property Assessment Manual*. Final assessment figures for each property shall be provided by the Assessor to the Municipality, and the roll shall be totaled to exact balance. The Assessor shall prepare and submit the Municipal Assessment Report, all TID Reports and Computer Exemption Reports to the appropriate Department of Revenue district office.
- F. Board of Review Attendance. The Assessor shall be present at the first meeting of the Municipal Board of Review according to section 70.47(3)(ag), Wis. Stats. The Assessor or his/her authorized representative shall attend all hearings of the Municipal Board of Review to explain and defend the assessed value and be prepared to testify under oath in regard to the values determined. The Assessor shall attend other meetings of the Board of Review, only if specifically requested to do so by the Municipality. In the event of appeal to the Department of Revenue or the Courts, the Assessor shall be available upon request of the Municipality to furnish testimony in defense of the values determined.
- G. Personal Property Assessments. The Assessor shall distribute annual personal property statements to all businesses, and by May first each year, review statements and follow up with unfiled or incorrect statements. The Assessor shall determine the appropriate assessment. The assessor shall exercise particular care so that personal property as a class on the assessment roll bears the same relation to statutory value as real property as a class.
- H. Public Requests and Availability. The Assessor shall timely respond to all open records requests received by the assessor. In so doing, the assessor shall comply with the confidentiality provisions of the law, including section 70.35(3), Wis. Stats., regarding the personal property return; section 70.47(7)(af), Wis. Stats., regarding income and expense information provided to the assessor and board of review; and section 77.265, Wis. Stats., the real estate transfer return. The Assessor shall maintain a local or toll free telephone service with at least a 24-hour answering machine to receive calls from the Municipality or property owners. The Assessor shall timely respond to all telephone inquiries within four working days. The Assessor shall copy the municipal clerk on those issues that have been raised to the clerk or board and subsequently passed on to the Assessor.

The Municipality shall allow access and make available to the assessor municipal records such as, but not limited to, previous assessment rolls and records, sewer and water layouts, permits, tax records, records of special assessments, plats, and any other maps currently in the possession of the municipality at no cost.

- I. Internet Access. The Assessor shall develop the needed format and make available assessment records for display on Municipality's, or if already available, Assessor's free access Web Site. *(Parties may strike this option upon mutual agreement.)*

## 2. GENERAL REQUIREMENTS

- A. Conformance to Statutes. All work of Assessor shall be accomplished in accordance with the provisions of the laws of the State of Wisconsin and with all the rules and regulations officially adopted and promulgated by the Wisconsin Department of Revenue and the Municipality. The Assessor shall value all agricultural land at its use value, adjusted to the overall level of assessment. All Agricultural forest and undeveloped land shall be assessed at 50% of its full value, and adjusted to the level of assessment.
- B. Oath of Office. The Assessor shall be required to take and subscribe to an oath or affirmation supporting the Constitution of the United States and to the State of Wisconsin and to faithfully perform the duties of Assessor. If the Assessor is a corporation or partnership, the person designated as responsible for the assessment shall comply with the above. The oath shall conform to section 19.01, Wis. Stats., and filed with the Municipal Clerk prior to commencing duties.
- C. Qualifications and Conduct of Personnel. The Assessor shall provide at his/her own expense any personnel necessary and shall comply with the following:
  - 1) All personnel providing services shall be currently certified in compliance with sections 70.005 and 73.09, Wis. Stats. and the administrative rules prescribed by the Wisconsin Department of Revenue.
  - 2) The Assessor shall submit to Municipality a resume containing the name, address, education and prior experience of each employee anticipated to provide assessing services to the Municipality. Employees of the company who are later hired or were not anticipated to provide such services at the time of this Contract, shall submit appropriate information for approval of the Municipality before field inspection work is started by the employee.
  - 3) All employees, agents, or representatives of the Assessor shall conduct themselves in a safe, sober, and courteous manner while performing services within the Municipality.
  - 4) The Assessor shall review any complaint relative to the conduct of the Assessor's employees and take appropriate corrective action. If the Municipality deems the performance of any of Assessor's employees unsatisfactory, the Assessor shall, for good cause, remove such employees from work upon written request by Municipality, such request stating reasons for removal.
  - 5) The Assessor shall supply all of the Assessor's field representatives with identification cards, including the name, company, telephone number and photograph of the employee.
  - 6) In connection with the performance of work under this contact, the Assessor shall not discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in section 651.01(5), Wis. Stats. or national origin. This provision shall

- include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruiting advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Assessor agrees to post in a conspicuous place available for employees and applications for employment notices to be provided by the contracting officer setting forth provisions of the nondiscrimination clause.
- D. **Ownership of Records.** All records prepared or maintained in connection with assessments in the Municipality shall at all times be and remain the sole property of the Municipality. Each contract year, within fourteen (14) days of the final adjournment of the Board of Review, the Assessor shall turn over to the Municipality, all records prepared or maintained in connection with assessments in the Municipality including, but not limited to; (a) property record cards, maps, and other schedules and forms, (b) all records and material obtained from the Municipality and not previously returned to include maps, plans, and Assessor's records, (c) material specifically obtained and/or used for performance of assessment work for the Municipality, to include correspondence with property owners, sales data, and operating statements of income property, and (d) if your record system is computerized, at a minimum, provide that the software be able to create an exportable text file of the data. This text file shall then be left with the municipality, along with a field definition file to describe the various data fields in the text file.
- E. **Status, Change of Ownership or Operations.** The Assessor acknowledges and agrees:
- 1) The Assessor is an independent contractor to the Municipality, and that the Assessor's business is independently owned and operated and that nothing in this contract shall be interpreted to cause or result in, directly or indirectly, any principal-agent or employer-employee relationship between the Assessor and the Municipality and that nothing in this contract shall in any way be construed as an agreement of partnership, general or limited, joint venture, or as an agency relationship whatsoever between the Assessor and the Municipality. The Assessor shall not represent or advertise in any way that the Assessor's relationship with the Municipality is other than stated herein. The assessor shall not state or imply that he/she is an agent of the municipality.
  - 2) The Assessor has no right to assign, transfer, convey, or sub-contract all or any part of any rights or obligations under this contract without the prior written consent of the Municipality, which consent shall be at the sole discretion of the Municipality.
  - 3) The Assessor shall notify the Municipality within five (5) days of any changes in majority or more ownership or change in chief operating officer.
- F. **Assessor Provided Insurance and Indemnity.** The Assessor agrees as follows:
- 1) The Assessor shall obtain and maintain during the term of this contract full coverage insurance to protect and hold harmless the Municipality which insurance is to include: (a) workers compensation in compliance with State laws, (b) comprehensive general and public liability covering operation, (c) comprehensive automobile liability and property damage with coverage to include owned, hired, and non-hired motor vehicles used by Assessor with the following minimum limits: Bodily injury \$500,000/person-\$1,000,000/occurrence; Property damage \$250,000/occurrence.
  - 2) The Municipality shall carry proper and sufficient insurance to cover loss of records.

- 3) The Assessor shall provide the Municipality with certificates for all required insurance, with the Municipality as a named insured. All insurance coverage shall contain a 10-day advance notice of cancellation to the Municipality. The Assessor shall timely pay all insurance premiums.
- 4) Liability for bodily injury, disability, and/or death of employees or any person or for damage to property caused in any way, directly or indirectly, by the operations of the Assessor within the Municipality shall be assumed by the Assessor and the Assessor shall indemnify and hold harmless the Municipality against all claims, actions, proceedings, damages, and liabilities, including reasonable attorneys fees, arising from or connected with the Assessor's activities in connection with the services provided to the Municipality, including but not limited to, any acts or omissions of the Assessor, the Assessor's employees, agents, representatives, and any other person doing business with Assessor. This paragraph is not to be in conflict with section 893.89(4), Wis. Stats.

3. TERM AND TERMINATION

- A. The term of this Contract shall be from \_\_\_\_\_ to \_\_\_\_\_. The assessor shall have completed all work under this agreement, except for appearing at Board of Review and any subsequent appearances as per this agreement, on or before the completion date referred to in the contract. The date of completion may be extended, if necessary, under the terms of this contract and by mutual consent.
- B. Either party may terminate this Contract only with cause, cause being defined as default of the other party of terms of this Contract upon sixty (60) days written notice to the other party. Upon termination by either party, Assessor shall deliver to the Municipality all records and materials in Assessor's possession used or created during this Contract. During the 60-day wind down period, both Assessor and the Municipality shall act in good faith with each other and cooperate in the orderly transfer of records.
- C. Either party may request of the other party a renewal or extension of this contract anytime after July 1, 20\_\_, which decision shall be accomplished by September 1, 20\_\_.

4. REIMBURSEMENT OF EXPENSES. The Municipality shall reimburse the Assessor as follows:

Maps \_\_\_\_\_

Photos \_\_\_\_\_

Mailing Notices \_\_\_\_\_

Additional Meetings and Presentations \_\_\_\_\_

Other \_\_\_\_\_

5. COMPENSATION. The Municipality shall pay the Assessor as follows:

\_\_\_\_\_  
\_\_\_\_\_

Payments of Compensation shall be

\_\_\_\_\_

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Municipality)

By \_\_\_\_\_ (Seal)

ATTEST:

\_\_\_\_\_  
Clerk (Seal)

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Assessor)

By \_\_\_\_\_ (Seal)

## TERMINOLOGY

### PROPERTY ASSESSMENT TERMS

**Ad valorem tax**—In reference to property, a tax based upon the value of the property.

**Appraiser:** Generically, an appraiser is one who estimates value. Appraisers specialize in many areas including mortgage financing, investment analysis, and insurance. These are typically designated as the *purpose of the appraisal*. Individuals who conduct appraisals that involve federally related transactions *must* be licensed or certified by the Wisconsin Department of Regulation and Licensing. If an individual is engaged in the property assessment function for the purpose of taxation (see *assessor*), the individual *must* obtain certification from the Wisconsin Department of Revenue. The act of appraising property then is *part* of the assessment process. (Other parts include the administration of the exemption laws, filing summary reports, and providing information to the public.) For the *Revaluation Contract* portion of this document (pages 20-25) regarding assessment work performed under ss.70.055 and 70.75, the terms assessor and appraiser are used synonymously and can be an individual, a partnership, or a corporate firm responsible for the overall reappraisal function.

**Apportionment**—A proportional distribution of the levy of a taxing jurisdiction among municipalities based upon the value of the municipalities or parts of municipalities.

**Assessed Value**—A dollar amount assigned to the taxable property, both real (by parcel) and personal (by owner), by the assessor for the purpose of taxation. Assessed value is estimated as of January 1 and will apply to the taxes levied at the end of that year. Assessed value is called a primary assessment because a levy is applied directly against it to determine the tax due. Accurate assessed values ensure fairness between properties within the taxing jurisdiction. (See Equalized value for fairness between municipalities).

**Assessing**—The act of valuing a property for the purpose of establishing a tax base.

**Assessment Board:** A board consisting of (a) hired help and (b) the local assessor who act together to administer the duties of the assessor. An assessment board is created when the Department of Revenue orders and supervises the work. (Please note that an assessment board and the board of assessors are not the same.)

**Assessment district**—An assessor's jurisdiction; it may or may not be an entire tax district. Any subdivision of territory whether whole or part of a municipality where a separate assessment of taxable property is made. Such districts may be referred to as taxing districts, administrative districts, or special purpose districts. (See section 70.08, Wis. Stats.)

**Assessment Level**—The relationship between the total assessed value and the equalized value of non-manufacturing property minus corrections for the prior year over and under charges within a municipality—town, village, or city. For example if the assessed value of all the property subject to property tax in the municipality is \$2,700,000 and the equalized value in the municipality is \$3,000,000 then the "assessment level" is said to be 90% ( $\$2,700,000/\$3,000,000 = .90$  or 90%).

**Assessment level**—The ratio of the assessed value to the market value of all taxable property within a district (town, village, or city). For example if the assessed value of all the taxable property in Town "A" is \$2,700,000 and the market value of all taxable property in Town "A" is \$3,000,000 then the "assessment level" is said to be 90%.

**Assessment Ratio**—The relationship between the assessed value and the fair market value. For example, if the assessment of a parcel which sold for \$150,000 (fair market value) was \$140,000, the assessment ratio is said to be 93% (140,000 divided by 150,000). The difference in the assessment level and the assessment ratio is that the level typically refers to the taxation district; the ratio refers to the individual parcel. The assessment ratio does not apply to agricultural lands, agricultural forest, or undeveloped lands.

**Assessment**—See Assessed value.

**Assessment roll**—The official listing of all properties within a given municipality (Town, Village, City) by ownership, description, and location showing the corresponding assessed values for each.

The completed assessment roll is an official listing which contains owners and legal descriptions of all real estate parcels and items of personal property within a taxation district, acreages of most parcels, the statutory classification and assessed value, according to land and improvements, of general taxable parcels.

**Assessment year**—The period of time during which the assessment of all properties within a given assessment district must be completed; the period between tax lien dates.

**Assessor**—An assessor is the official responsible for appraising all property within an assessment district and signing an affidavit to its correctness. The assessor values all taxable property to determine the share of the levy that each parcel will bear. The assessor also determines which property is exempt from the property tax. To engage in property assessment work, the assessor *must* obtain certification from the Wisconsin Department of Revenue. The Department keeps certification records on file and is authorized to inform an inquirer if an individual holds a valid credential. In Wisconsin, manufacturing property is assessed by the Wisconsin Department of Revenue.

**Board of Review**—A quasi-judicial board charged with the responsibility of raising or lowering assessments proven incorrect as well as correcting any errors in the assessment roll.

The Board of Review consists of a clerk and selected municipal officers (other than the assessor) or citizens. It hears all objections to the amount or valuation of property if objections are made in writing and filed with its clerk prior to adjournment of public hearings. The Board examines the assessment roll or rolls and corrects all apparent errors in description or computation, adds all omitted property to the assessment roll and determines whether an assessor's valuation is correct from evidence brought before it. The Board cannot determine exempt or taxable status of property.

**CDU rating**—A composite rating of the overall Condition, Desirability and Usefulness of a structure as developed by the Cole-Layer-Trumble Company and it is used nationally as a simple, direct and uniform method of estimating accrued depreciation.

**Certified Assessment Evaluator**—A professional designation (CAE) conferred by the International Association of Assessing Officers (IAAO) upon qualifying individuals.

**Certified property tax**—An ad valorem property tax where the assessment ratio varies for different property classes. This differs from state to state depending upon state statutes.

**Doomage assessment**—The process of arriving at an assessment from the best information available when the assessor is denied the opportunity to physically inspect a property; making an assessment without actually viewing the property or receiving and/or accepting the taxpayer's declaration of personal property.

**Electronic Computer Exemption Report**---The Electronic Computer Exemption Report was previously known as the Computer Exemption Report. The Computer Exemption Report is an electronically filed report filed by the assessor with the Department of Revenue by May 1<sup>st</sup>. Amended filings can be submitted through September 1<sup>st</sup>. This report provides the value of all exempt computer and peripheral equipment, as its true cash value.

**Equalized Value**-The estimated value of all taxable real and personal property in each taxation district, by class, as of January 1 and certified by DOR on August 15 of each year. The value represents market value (most probable selling price), except for agricultural property, which is based on its use (ability to generate agricultural income) and agricultural forest and undeveloped lands, which are based on 50% of their full value.

**Equalization**-The process of establishing the January 1 market value (or use value for agricultural land) by class of real property and item of personal property for each taxation district.

**Equated Value**-The dollar amount placed on individual parcels of manufacturing property in a taxation district for tax collection purposes. It is calculated by multiplying the market value assessment of the property as determined by DOR times the assessment level of all other property within the taxation district.

**Equity**---In reference to property taxes, a condition in which the tax load is distributed fairly (or equitably), based on the concept of uniformity provided in the state constitution (i.e. each person's share of the tax is based on each property's value compared to the total value of all taxable property). Typically, this would require periodic reviews of the assessments (local revaluations) to account for the constantly changing economic factors impacting property. In practical terms, you have equity in taxes when the assessed value of each property bears the same relationship to market or use value.

In reference to value, it is the owner's financial interest in the property remaining after deducting all liens (including mortgages) and charges against it.

**Estimated Fair Market Value- As found on tax bills** - The assessed value of each locally assessed parcel (except those including agricultural land) divided by the entire taxation district's level of assessment (titled average assessment ratio on the tax bill). This estimate gives the property owner a basis for comparison of their perception of the market vs. what is being used to base their share of taxes on. Since the level of assessment is an average for the taxation district, and there is naturally going to be some variance in the local assessor's accuracy on every parcel. Minor differences between the estimated fair market value and the property owner's opinion of value shouldn't raise concern. Large differences require further investigation.

**Exempt property**—See **tax exemption**.

**Expert help**—Is employed when the governing body of a municipality not subject to assessment by a county assessor determines it is in the public interest to appoint such help to aid in making the assessments in order that they may be equitably made and in compliance with the law. The expert help may be a private firm or person, or an employee of the Department of Revenue.

**Fair Market Value:** Synonymous with a property's full value, market value or – in the case of personal property – true cash value. Fair market value is “the amount the property will sell for in an arms-length transaction on the open market between a willing seller not obliged to sell the property and a willing buyer not obliged to purchase it.” *Waste Management v. Kenosha County Review Board 184 Wis. 2<sup>nd</sup> 541, (1994)*.

**Field crew**—The total staff assigned to a specific appraisal project, including data collectors, reviewers, staff appraisers, clerical and administrative supporting personnel.

**Forest croplands**—Land taxes at a set amount per acre, must contain at least 40 or more acres, is more suitable for the growing of timber than for other purposes, assessed by the local assessor, subject to review under Chapter 70 and is open to the public for hunting and fishing.

**Fractional assessment**—When the assessment is made at some percentage of the full value as determined by policy by the government.

**Full Value** – (1) Throughout this manual this term means the value at 100% of the value standard. This is the value that should be applied in assessing the property per Wisconsin statutes, see pages 7-6 and 7-7. (2) The same as equalized value, however is often used when referring to the value of school and special districts.

**General property tax**—The following elements must be present: 1) a dollar amount of levy; 2) total assessed values of individual properties (parcels of real property/personal property items); and 3) uniform rate of taxation within the same common area is to be applied to all taxable real and personal property within that area.

**Improvement**—An addition to raw land intended to increase the value. Examples include buildings, structures, and attachments or annexations to land that are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains, and sewers.

**Inequity**—See **equity**.

**Land value maps**—A map used in conjunction with mass appraising, generally drawn to small scale and showing comparative unit land values, on a block to block basis.

**Level of Assessment**-see Assessment Level

**Levy**-The amount of tax imposed by a taxation jurisdiction or government unit.

**Lien**—A charge against property whereby the property is made the security for the payment of a debt.

**Market value**—According to the *Uniform Standards of Professional Appraisal Practice*, the definition of market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**Mass appraisal**—The process of valuing a universe of properties, as of a specified date, utilizing standard methodology, using common data and allowing for statistical testing.

**Mass appraisal model**—A mathematical formula or equation reflecting how supply and demand factors interact on a market level.

**Mill rate**—A mill is one-thousandth of one dollar. Tax rates are often expressed in mills per dollar.

Example: Tax = \$3,000      Taxable assessed value = \$100,000

Mill rate =  $3,000/100,000 = 0.03$  of a dollar per dollar of taxable assessed value

**Municipal Assessment Report**—The Municipal Assessment Report was previously known as the Assessor's Final Report (AFR). The Municipal Assessment Report is an electronically filed report filed by the assessor with the Department of Revenue. It can be filed as an "Estimate" (before the Board of

Review), as a “Final” (after the Board of Review), or as an “Amended” report to make changes to a previously filed “Final” version. This electronic report provides changes in assessed values and reasons for the changes between the prior year’s assessed values and the current year’s assessed values of the entire taxation district. An estimated or final version of this report must be filed by the second Monday of June.

**Notice of Changed Assessment**—A written notification to a property owner of the assessed value of certain properties described therein; mandated by law to be given to each property owner following a change in value of the property.

**Overassessed**—A condition wherein a property is assessed proportionately higher than comparable properties.

**Parcel identification number (PIN)**—An identification number, assigned to a parcel of land to uniquely identify that parcel from any other parcel within a given taxing jurisdiction.

**Preferential assessment**—An assessing system providing preferential treatment in the form of reduced rates to a particular class of property, such as a system providing for farm properties to be assessed in accordance to their value in use as opposed to their value in the open market.

**Property class**—A division of like properties generally defined by statutes and generally based upon their present use. The basis for establishing assessment ratios in a classified property assessment system.

**Property record card**—A document specially designated to record and process specified property data; may serve as a source document, a processing form; and/or a permanent property record.

**Real Estate Transfer Return**—The form required to be filed with the register of deeds by the grantor when recording real estate which has been conveyed to a different entity. The form’s primary use is for the assessor to use in implementing the uniformity provision Article VIII of the State Constitution. Among other things, the form documents the property transferred, the grantor, grantee and the value placed on the property.

**Reassessment**—The revaluation of all properties within a given jurisdiction for the purpose of establishing a new tax base. This is the redoing of the **existing** assessment roll because of substantial inequities. All the property of the district is viewed, valued, and placed in the new assessment roll, which is then substituted for the original roll.

When a written complaint is made to the Department of Revenue by the owners of 5% or more of the assessed valuation of the property within a municipality stating that the assessment of property in the municipality is not in substantial compliance with the law and that the interest of the public would be promoted by a reassessment, the department can order such actual doing over of the assessment roll (**reassessment**) of all or part of the taxable property in municipality.

**Revaluation**—Placing new values on all taxable property for the purpose of a new assessment. The previous year’s assessment roll is not affected. The term is often used in conjunction with Section 70.055, Wis. Stats., where expert help can be hired to work with the assessor in revaluing the district.

**Sales ratio study**—A statistical analysis of the distribution of assessment or appraisal-to-sale ratios of a sample of recent sales made for the purpose of drawing inferences regarding the entire population of parcels from which the sample was abstracted.

**Statutory Value** -- The value of taxable property in a municipality at the value standard for each class as prescribed in Chapter 70, Wisconsin Statutes. Residential, Commercial, Manufacturing, Forest and the Other classes are assessed at fair market value. Personal Property is assessed at its true cash value. Ag-Forest and Undeveloped classes are assessed at 50% of their full value. Agricultural land is assessed at its use value.

**Tax bill**—An itemized statement showing the amount of taxes owed for certain property described therein and forwardable to the party or parties legally liable for payment thereof.

**Tax exemption**—Either total or partial freedom from taxation granted by specific state statute.

**Tax Increment District Assessment Report** – The TID Assessment Report was previously known as Tax Incremental Assessor's Final Report (TID AFR). The TID Assessment Report is an electronically filed report filed by the assessor with the Department of Revenue. Like the Municipal Assessment Report, the TID Assessment Report can be filed as an "Estimate" (before Board of Review), as a "Final" (after Board of Review), or as an "Amended" report. Amended reports make changes to a previously filed "Final" version. This electronic report provides the total assessed value of all locally assessed property in each Tax Increment District, by School District, Union High District (if any), and Special District. An estimated or final version of this report must be filed by the second Monday of June.

**Tax Incremental Financing District**-A contiguous geographic area, within a city or village defined and created by resolution of the local legislative body. It is targeted toward eliminating blighted areas, rehabilitating areas declining in value, and/or promoting industrial development. The taxes generated due to value increase are used to pay for TIF eligible projects such as public improvements.

**Tax levy**—In reference to property taxes, the total revenue realized by the tax.

**Tax mapping**—The creation of accurate representations of property boundary lines at appropriate scales to provide a graphic inventory of parcels for use in accounting, appraising and assessing. Such maps show dimensions and the relative size and location of each tract with respect to other tracts. Also known as assessment maps and cadastral maps.

**Tax rate**—The rate generally expressed in dollars per hundred or dollars per thousand (mills) applied against the tax base (assessed value) to compute the amount of taxes. The tax rate is derived by dividing the total amount of the tax levy by the total assessed value of the taxing district. It is synonymous with levy rate.

**Tax roll**—The official list showing the amount of taxes, special assessments, and charges levied against each parcel and item of personal property in the municipality.

**Tax sale**—The sale of a taxpayer's property to collect delinquent taxes from the proceeds of the sale when the taxpayer has failed to redeem it within the statutory period.

**Taxation**—The right of government to tax property to support the government.

**Taxation District**-A town, village, or city. If a city or village lies in more than one county, that portion of the city or village which lies in each county. (see section 74.01(6), Wis. Stats).

**Taxation Jurisdiction**-An entity which is authorized by law to levy taxes on general property which is located within its boundaries. (see section 74.01(7), Wis. Stats). In addition to towns, villages and cities, this includes school districts, sewerage districts and lake rehabilitation districts, for example.

**True Cash Value**-the statutory reference to the market value of personal property (section 70.34, Wis. Stats).

**Uniformity**-The constitutional requirement that the taxable property must bear its proportionate share of ad valorem basis taxes. As applied to assessing, a condition wherein all properties are assessed at the same ratio to market value, or other standard of value depending upon the particular assessing practices. Following a 1974 amendment to the constitution, agricultural land may be non-uniform with other property, but must be uniform within its class. The standard for value for agricultural property is its value in use.

**Use Value**-The value a specific property has for a specific use. Beginning in 2000, agricultural property is assessed according to its use as farmland instead of its market value as indicated by sales. The guideline values are based on 5-year average income and expense data modified by the tax rate in each taxation district in the state.

**Use Value Assessment**-An assessment based on the value of the property as it is currently used, not its market value. This only applies to agricultural land. The guidelines for the use values are based on administrative rules, and developed by DOR staff serving as support for the Farmland Advisory Council who adopts the values.

**Value Standard**-The basis for the methods used in estimating values for the equalized or assessed values. There are two basic values used in the process, the market value ('full value' for real property and 'true cash value' for personal property), which is the basis for value of all property except agricultural land. The market value is based on the most probable selling price of the property. Agricultural land, as defined by administrative rule, is based on a valuation standard which analyzes the ability to generate income as it is currently being used, hence 'use value'.

**Woodland tax lands**—Land taxes at a set amount per acre, containing at least 10 acres but less than the acreage required for forest croplands, located outside villages and cities, void of an improvement having assessed value in itself and more suitable for the growing of timber than for other purposes.

**Statutory Summary Table:**

Statute	Terminology	Typical Condition	Is a State Standard Contract Required?
§70.055	Hiring Expert Help	Revaluation	Yes
§70.05(2)	Hiring Assistant Assessor(s)	Revaluation or Special needs	No
§70.75	Reassessment	Redo previous years' assessment roll	Yes
§70.75(3)	Supervised Assessment	Special DOR supervision	Yes
None	Maintenance Assessment	Maintain and Produce Annual Assessments	No

## STATUTORY REFERENCES

Following are statutory references to various terminology used in this guide and to Wisconsin's assessment appeal process. Current statutes are available from the Revisor of Statutes at the web site <http://www.legis.state.wi.us/rsb/Statutes.html>. The most recently printed paper version should be available from your municipality or local library. You can also purchase a paper version of this guide through the Bureau of Assessment Practices, (608) 266-7750, <http://www.revenue.wi.gov/pubs/slf/pb062.pdf>.

### MUNICIPAL ASSESSOR

**Section 70.32** - provides the standards at which real property shall be assessed.

**Sections 70.34 and 70.345** - provide the standards at which personal property shall be assessed.

**Section 70.365** - requires the assessor to provide the real property owner a Notice of Changed Assessment at least 15 days prior to the Board of Review.

**Section 70.45** - details the noticing requirements and time period the assessment roll must be open for public inspection prior to the Board of Review.

### BOARD OF ASSESSORS / BOARD OF REVIEW

**Sections 70.07 and 70.075**-detail the members, organization and procedures of city Board of Assessors.

**Sections 70.46 and 70.47** - detail the members, organization, and procedures of the Board of Review.

### CIRCUIT COURT

**Section 70.47(13)** - (Certiorari) provides for the property owner to appeal the Board of Review's decision to Circuit Court.

**Section 70.85(4)(c)** - provides for the property owner to appeal the DOR's 70.85 decision to Circuit Court.

**Sections 74.35 and 74.37** - provide for claims for refunds to Circuit Court, if claim is denied by municipality.

### DEPARTMENT OF REVENUE

**Section 70.75** - provides for property owners to appeal the assessment of the entire municipality to the Department of Revenue.

**Section 70.85** - provides for the property owner to appeal an individual assessment to the Department of Revenue.

### MUNICIPALITY

**Section 19.01** - provides for oath of office.

**Section 66.0434** - provides alternative process for certain mobile home assessments.

**Section 74.35** - provides for the property owner to appeal an *unlawful tax* to the municipality.

**Section 74.37** - provides for the property owner to appeal an *excessive assessment* to the municipality.

**Section 102.07(8)** - provides guidelines for evidence of independent contractor versus employee for worker's compensation.

## **FULL VALUE LAW (Section 70.05(5), Wis. Stats.)**

An example of how the Department of Revenue monitors compliance under the seven-year cycle.  
Continued from page three, *Can Property be Assessed Higher or Lower than Fair market value?*

**2008 2009 2010 2011 MONITOR LEVEL -**

IF MAJOR CLASSES, EXCEPT AGRICULTURAL, ARE NOT WITHIN 10% OF EQUALIZED VALUE ONCE IN THOSE YEARS, DOR SENDS NOTICE IN OCTOBER OF 2011 THAT THE MUNICIPALITY MUST ACHIEVE COMPLIANCE THE FOLLOWING YEAR (2012) - OR THE ASSESSOR MUST RECEIVE TRAINING IN 2013.

**2012 MONITOR LEVEL -**

DOR ORDERS ASSESSOR TRAINING, IN OCTOBER, 2012, TO BE TAKEN THE FOLLOWING YEAR (SUMMER OF 2013), IF ONE OR MORE MAJOR CLASSES, OTHER THAN AGRICULTURAL, DID NOT COME INTO COMPLIANCE.

**2013 ASSESSOR RECEIVES TRAINING -**

(IF COMPLIANCE IS MET IN YEAR OF TRAINING, NEW CYCLE BEGINS, BUT TRAINING MUST STILL BE TAKEN.)

**2014 MONITOR LEVEL -**

DOR ORDERS REVALUATION FOR FOLLOWING YEAR (2015), IF ONE OR MORE MAJOR, NON-AGRICULTURAL CLASS IS NOT IN COMPLIANCE IN EITHER THIS OR THE PREVIOUS YEAR.

**2015 STATE SUPERVISED REVALUATION COMPLETED.**

## **ACKNOWLEDGEMENTS**

We would like to thank the directors and members of the Wisconsin Association of Assessing Officers, the Wisconsin Towns Association, the League of Wisconsin Municipalities and the Wisconsin Department of Revenue who generously contributed their expertise and assistance in the development of this guide.

## **ADDITIONAL RESOURCES AVAILABLE ON ASSESSMENT CONTRACTS AND ASSESSMENT ADMINISTRATION**

*Assessment Practices Self-Evaluation Guide, second ed.* International Association of Assessing Officers. 2003. Chicago, IL. <http://www.iaao.org/>

*Standard on Contracting for Assessment Services.* International Association of Assessing Officers. 2002. Chicago, IL.

*Wisconsin Property Assessment Manual, Vol. 1.* Wisconsin Department of Revenue. Madison, WI.

## **ADDITIONAL PROPERTY ASSESSMENT GUIDES AVAILABLE FROM THE WISCONSIN DEPARTMENT OF REVENUE**

*Guide for Property Owners.* Division of State & Local Finance, Bureau of Assessment Practices.

*Property Assessment Appeal Guide for Wisconsin Real Property Owners.* Division of State & Local Finance. Bureau of Assessment Practices

*Guide for Board of Review Members.* Division of State & Local Finance. Bureau of Assessment Practices.

*Agricultural Assessment Guide for Wisconsin Property Owners.* Division of State & Local Finance. Bureau of Assessment Practices.

*Property Tax Guide for Wisconsin Mobile Home Owners.* Division of State & Local Finance. Bureau of Assessment Practices.

## EQUALIZATION DISTRICT OFFICES

District Supervisor	Counties
<p>Madison District Office (76)                      Reed Johnson                      MS 6-301                      PO Box 8909                      Madison, WI 53708-8909</p> <p>Phone (608) 266-8184   <a href="#">E-mail</a>                      FAX (608) 267-1355</p>	<p>Columbia, Crawford, Dane, Dodge, Grant, Green, Green Lake, Iowa, Jefferson, Lafayette, Marquette, Richland, Rock, Sauk, Vernon</p>
<p>Milwaukee District Office (77)                      Allan Land                      819 North 6th St Room 530                      Milwaukee, WI 53203-1606</p> <p>Phone (414) 227-4455   <a href="#">E-mail</a>                      FAX (414) 227-4071</p>	<p>Fond du Lac, Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Washington, Waukesha</p>
<p>Eau Claire District (79)                      Thomas Janssen                      610 Gibson St Ste 7                      Eau Claire, WI 54701</p> <p>Phone (715) 836-2866   <a href="#">E-mail</a>                      FAX (715) 836-6690</p>	<p>Barron, Bayfield, Buffalo, Burnett, Chippewa, Douglas, Dunn, Eau Claire, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Rusk, St. Croix, Sawyer, Trempealeau, Washburn</p>
<p>Wausau District Office (80)                      Albert Romportl                      710 Third St                      Wausau, WI 54403-4700</p> <p>Phone (715) 842-5885   <a href="#">E-mail</a>                      FAX (715) 848-1033</p>	<p>Adams, Ashland, Clark, Iron, Juneau, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Taylor, Vilas, Wood</p>
<p>Green Bay District Office (81)                      Mary Gawryleski                      200 N Jefferson St Ste 126                      Green Bay, WI 54301-5100</p> <p>Phone (920) 448-5195   <a href="#">E-mail</a>                      FAX (920) 448-5207</p>	<p>Brown, Calumet, Door, Florence, Forest, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Outagamie, Shawano, Waupaca, Waushara, Winnebago</p>