



**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION  
ASSEMBLY AMENDMENT ,  
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO ASSEMBLY BILL 40**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 2: after “grants” insert “, property tax assessments based on  
3 comparable sales, granting rule-making authority,”.

4 **2.** Page 2, line 1: before that line insert:

5 **“SECTION 1b.** 70.32 (1b) of the statutes is created to read:

6 70.32 **(1b)** (a) To determine the value of property using generally accepted  
7 appraisal methods, the assessor shall consider all of the following as comparable to  
8 the property being assessed:

9 1. Properties exhibiting a similar highest and best use.

10 2. Properties that are similar to the property being assessed with regard to age,  
11 condition, use, type of construction, location, design, physical features, and economic

1 characteristics and the potential to generate rental income. For purposes of this  
2 subdivision, such properties may be found locally, regionally, or nationally.

3 (b) For purposes of par. (a), a property is not comparable if any of the following  
4 applies:

5 1. At or before the time of sale, the seller places any deed restriction on the  
6 property that changes the highest and best use of the property, or prohibits  
7 competition, so that it no longer qualifies as a comparable property under par. (a) 1.  
8 or 2. and the property being assessed lacks such a restriction.

9 2. The property suffers from physical deterioration due to extended vacancies  
10 or is otherwise distressed, provided that the property being assessed does not suffer  
11 from such physical deterioration or is otherwise distressed.

12 (c) For purposes of par. (a), “highest and best use” means the specific use of the  
13 property as of the current assessment date or a higher use for which the property may  
14 be used as of the current assessment date, if the property is marketable for that use  
15 and the use is legally permissible, physically possible, not highly speculative, and  
16 financially feasible and provides the highest net return. In this paragraph, “legally  
17 permissible” does not include a conditional use that has not been granted as of the  
18 assessment date or any use that has not received as of the assessment date all  
19 federal, state, or local government approvals, permits, or licenses that are necessary  
20 for the use to occur.

21 (d) For purposes of par. (a), “rentals” means rentals that are not above-market  
22 rate and “sales” means sales that are not influenced by above-market rate rentals.  
23 For purposes of this paragraph, “above-market rate” means a rental rate for which  
24 the terms of the rate reimburse for extraordinary financing, land acquisition,

1 construction, or development costs or are part of a lease that is not an arms-length  
2 transaction.

3 (e) The department shall promulgate rules to define best practices and assessor  
4 certification requirements for assessing commercial and manufacturing property.”.

5 **3.** Page 3, line 10: after that line insert:

6 **“SECTION 2. Initial applicability.**

7 (1) The treatment of section 70.32 (1b) of the statutes first applies to the  
8 property tax assessments as of January 1, 2019.”.

9 (END)