



Assessor's Voice of Wisconsin

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September, 2001

WAAO Asks Governor to Veto Some Budget Items

President sends the following memorandum

TO: Governor Scott McCallum
FROM: Mary Hlavinka
President, Wisconsin Association of Assessing Officers
DATE: August 1, 2001
SUBJECT: Biennial Budget Proposals

The Wisconsin Association of Assessing Officers (WAAO) has followed the process of the biennial budget deliberations. While the Joint Committee on Finance and the various caucuses have worked diligently to shape the budget, WAAO feels it could be improved with several changes. We urge you to veto the following provisions:

Property tax assessment of Telephone Companies - Under this provision predominant use of the property would determine whether the property is to be assessed by the local assessor or the Department of Revenue. While the assessment will be an ad valorem tax regardless of the assessment body, different tax rates are applied to the assessment. We think this violates the principle of uniformity and is therefore unconstitutional.

Property tax exemption for Digital Equipment of Cable Television Systems - This provision extends the current exemption for digital broadcasting equipment owned and used by radio and television stations to digital equipment owned by cable television companies. If adopted, this provision would decrease the property tax base and create a property tax shift. WAAO has concerns that the statewide estimate of \$3.3 million in value is seriously understated.

Classification of certain property as swamp and waste - this proposed change in classification would have no impact on the market value for this property, and thus no impact on taxes. It will only create more work for assessment personnel.

Property tax exemption for fax machines and cash registers - WAAO is opposed to the expansion of this exemption.

Property tax exemption for property of a YMCA and a YWCA - this is a broadening of an exemption for YMCAs and YWCAs. The provision is a short-term fix and not the clarification that assessors seek. Instead, the legislature needs to confront the issue of social entrepreneurship and competitive activities that non-profits are engaged in. Current taxed-in-part rules are ineffective in dealing with these issues. Parts of property used for unsubsidized adult fitness activities should not be allowed to be exempt from the property tax.

See Related Story **Assessment Related Budget Provisions on Page 18**



6/21/01

The Public Policy Forum presented Gregg Hagopian with its most prestigious and highest individual award - the Norman N. Gill award for individual excellence in government. The award is given annually to a governmental official who has demonstrated through his work the judgment, skill, and innovation to create good public policy and to translate it into action beneficial to the community as a whole. It recognizes innovative governmental solutions: (I) that show that government can and does make a difference in our society, and (II) that dispel the notion of "bureaucrats", "red tape" and waste. Particularly recognized by the public policy forum were Gregg's work creating and implementing WI. stat. sec. 75.106 (brownfield redevelopment of tax-delinquent parcels), creating and implementing the city's in personam tax collection program (collecting to date a million dollars in previously uncollectable dollars), and his anti-property-flipping work.

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President's Message

By: Mary Hlavinka

The Assessor's Institute is fast approaching and my term as presidency is coming to an end. I am grateful for the opportunity I had to serve WAAO and be part of a membership that is always striving to do their best in a difficult profession. I owe so very much to the Officers, Directors, Committee Chairs, and Committee members. Without their involvement, our organization would not be what it is today and I would not have made it through my presidency. "Thanks" to all who have accepted the challenge, volunteered, and served WAAO in some capacity.

The WAAO executive board has been busy redefining Committee structure and description so we may better serve our membership. Our Program and Education and Training Committees have done a wonderful job of offering opportunities for us to educate ourselves in the various issues of assessment. The entire membership continues to contribute to make our organization a success.

So much has been accomplished this year, with still many more issues ahead in the coming year. WAAO has monitored and taken (sometimes controversial) positions on high profile assessment issues. The YMCA exemption and Ag-Use value expansion and penalty are just a few. In spite of our ongoing efforts, we still face the continued erosion of our tax base through tax exemptions. As we have done in the past, our organization will continue to maximize our efforts to do all we can to bring about fair and equitable values, educate the taxpayers, and prevent further erosion of the tax base.

As I pass the presidency to the capable hands of Nan Giese, I know we will continue to work together and support the efforts of our organization. Thanks once again for making my term as president rewarding and enjoyable.

Hope to see you all in Stevens Point.

Mary

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The Assessor's Voice of Wisconsin is published quarterly by the Wisconsin Association of Assessing Officers, a non-profit Wisconsin association. AVOW serves the information needs of Wisconsin assessors on issues of legislation, education, professional announcements and technical procedures. No part of the newsletter is construed as an endorsement by the WAAO unless so specified. The AVOW is available with membership to the WAAO. A membership form is available on the last page of this newsletter.



General Meeting Minutes

JUNE 4, 2001

Klemmer's Banquet Center, Greenfield
President Mary Hlavinka called the WAAO business meeting to order with 84 members attending.

SECRETARY/TREASURER REPORT

The minutes from the March 5, 2001 quarterly meeting were approved as printed in the March 2001 AVOW issue.

Note: Joan Spencer had emergency gall bladder surgery Saturday - is doing well, and should be going home from the hospital today. Therefore, Nan Giese read the Secretary/Treasurer report.

Treasurer: The operating account balances total \$14,834.05. There is \$5,616.20 in the education fund, and the IAAO 2006 allocated amount of \$458.89 for a total of \$6,075.09. All balances total \$21,368.03.

Membership: We currently have 611 members active for the 2000 roster, and 15 that have been added for the 2001 roster, for a total of 626 members. The 2001-2002 membership renewal forms will be mailed later this month.

General Meeting: There were 102 paid receipts at the March 5th general meeting totaling \$2,565.00. Expenses totaled \$2,944.73, for a margin of minus \$379.73. Raffle receipts totaled \$375.00 with costs of \$235.00, adding \$140.00 to the Education Fund.

ACTIVITIES ON BEHALF OF THE ASSOCIATION

President Mary Hlavinka received a letter from the Secretary of Revenue in April requesting WAAO participate in a task force that the Department of Revenue was putting together to respond to land information issues.

After polling the Directors and Officers, it was decided that Wayne Ballweg would be a good representative for WAAO. Wayne attended the first task force meeting.

Land Information Task Force - Wayne Ballweg

Wayne thanked Mary for the opportunity to serve WAAO.

At the first meeting, task force members tried to define the problem. Mapping standards change from county to county

and municipality to municipality. The WLIA will work on defining mapping standards.

Greg Landretti will re-write Chapter 5 of the Wisconsin Property Assessment Manual. All Assessors will then have to follow the new procedures and abbreviations. However, currently there is no funding available to re-write the Chapter.

COMMITTEE REPORTS

PLANNING & MANAGEMENT - Mary Hlavinka

Work is continuing on the tasks from the last meeting. The review of the overlapping of some of the Committee assignments is in progress, and a proposal will be made to re-structure some of the Committees when that work is completed.

AVOW

Tina Bizub thanked the members for contributing their articles. She appreciates getting articles electronically - tbizub@ci.mil.wi.us.

The deadline for submitting articles for the September AVOW issue is July 13, 2001.

IAAO

Wayne Ballweg had an IAAO display table set up for the meeting. Members were encouraged to review new information.

Wayne received a late endorsement request from Roger A. Suggs, Candidate for IAAO Executive Board. Mr. Suggs is from Florida and is looking for support from WAAO.

NCRAAO - Bob Lorier

The NCRAAO Conference starts Sunday in Minneapolis. Members interested in attending the Conference may contact any of the NCRAAO reps for registration information.

EDUCATION & TRAINING - Reed Johnson

The Committee met April 26th, and the meeting information was printed in the last AVOW.

The Committee went over the evaluations from the courses held in March (Blueprints, and Critiquing Appraisals). Overall, both sessions were evaluated as very good.

The Committee also moved forward on planning some IAAO Education the week of October 15. Course 102 (Basic Income Fundamentals) following last year's course 101 will be held in Milwaukee. The Committee is talking with Stephen Behrenbrinker from St. Cloud, Minnesota about instructing the course. Mike Ireland will be coming back to teach Course 400 also that week in West Allis.

Pete Krystowiak is attempting to find someone who can

answer the difficult questions to teach a Marshall and Swift Cost Estimator Course for the March 2002 second day session. If an instructor can't be found, other possibilities will be discussed.

Any member that will be presenting a program, or that might be considering presenting a program, is encouraged to write a paragraph or synopsis on the topic for the AVOW.

Jim Murphy from the Committee has been in the hospital, having had bypass surgery. He is doing well.

LEGISLATIVE COMMITTEE - Peter Weissenfluh

Peter started his report by welcoming Frank Spoden, a WAAO member since 1961, and currently a life member of WAAO. Frank served in the top three WAAO officer positions, and was WAAO's President in 1970. He was also President of NCRAAO in 1981, and served as WAAO's Legislative Committee Chair for several years.

The Legislative Committee has not met formally, because the majority of its work is devoted to monitoring the progress of the budget process. While there have been a few assessment related proposals advanced in some hearings, most of the work focuses on the Joint Finance Committee and the budget process.

AB 250: (YMCA exemption)

WAAO's position was that the YMCA bill should not be part of the budget bill.

Peter thanked Mary Hlavinka for testifying on WAAO's position at a Joint Finance hearing on Assembly Bill 250. There was also a separate Ways and Means Committee hearing for the proposal. Mary and Steve Miner testified, and Shannon Krause was in attendance to lend support to our members. They didn't act on the bill at that time, but it came up later at the Joint Finance meeting.

Because party control continues to be split, the trend for gridlock and limited legislative activity seems likely. The Wisconsin state budgets have been among the last in the nation to pass.

On May 16, the Joint Finance Committee took up several assessment and exemption related matters. At issue was whether these proposals should be included in the biennial budget.

Agricultural Use Value Issues:

Three separate motions on ag-use issues failed. WAAO had taken a position opposing the first definition, however the second and third proposals WAAO had actively supported.

1. Would have expanded the current definition of agricultural land by including certain wooded land and other

unproductive land. Motion failed 5-11.

2. The second proposal would have helped to clarify the definition of ag land, requiring land to be engaged in crop or animal production from which \$6,000 or more of ag products were sold, and also requiring an owner to file a form with the local assessor to assist with "discovery". Motion failed 6-10.
3. This motion would have simplified the penalty for conversion of ag land to non-ag use. WAAO, the League of Municipalities, and Alliance of Cities worked with Senator Decker's office on the last two proposals. The motion failed 5-11.

Property Tax Exemption Issues:

It's not surprising that there were also several property tax exemption proposals advanced. It wouldn't be a budget process without the attempt for new exemptions.

1. A property tax exemption for the Southeastern Wisconsin Regional Planning Commission failed on a tie vote 8-8.
2. A proposal to limit the current property tax exemption under 70.11 (25) (Marshfield Clinic) to the parent research facility also failed on a tie vote 8-8.
3. A proposal to expand the property tax exemption for University of Wisconsin Hospitals and Clinics under Sec. 70.11 (38) to include property owned by the U.W. Medical Foundation passed 13-3.
4. Property tax exemption for YMCA's passed 12-4. Property tax exemption for YWCA's passed 13-3. These proposals take the exemptions out of 70.11 (4) "benevolent" and place them in a separate category, giving them an exemption for all property owned.
5. Finally, there was a motion to extend the exemption for the non-profit youth hockey association to property used for all youth athletics, which failed 8-8.

The League of Municipalities asked for a count from WAAO's membership at the meeting on how many municipalities actually assess property owned by youth athletics: soccer, baseball, etc.

(Madison, Brookfield, Janesville, Cudahy).

Even though the above motions were adopted, or failed, there is no guarantee that they will survive or later become adopted. The next phase of the budget process is that each house - Assembly and Senate form caucuses to shape their own budget proposals. It is during this process that modifications, compromises, and the wheeling and dealing take place. Later there will be formed a Joint Conference Com-

mittee, appointed by leadership in both houses that finally shape the final budget.

PROGRAM COMMITTEE - Nan Giese

Today's class is given by Mike Ireland on "Using and Understanding Mass Appraisal Data for Market Modeling".

Members are encouraged to participate in today's "White Elephant Raffle" for the Education fund. Rates for today's tickets are 12 tickets for \$5 or 2 tickets for \$1.

PROPERTY TAX EXEMPTIONS

Chairman Gregg Hagopian asked Peter Weissenfluh to give a brief report. The Committee has not met since the last meeting and the last AVOW. There was an article in the last AVOW on the activities of the Committee.

The Committee is working on a Legislative proposal to reshape the way exemption appeals are handled. It's being proposed that after the March 1st applications are in, assessors would have to notify the organization by the first Monday in September of the exemption decision.

When a taxpayer does not agree with the assessor's decision, they would appeal to a Board of Tax Exemptions that would operate similarly to the Board of Review, instead of to the local municipality. Under the current 74.35 route, there is too much room for politics.

The Tax Exemptions Board would be made up of three Department of Revenue Bureau Chiefs, along with someone from the DOR legal staff, and one other appointee that would also have to be a DOR employee.

A decision from the Exemption Board could only be appealed to the Dane County Circuit Court.

There are many details that still have to be worked on. The Committee will be meeting soon to try and shape that legislation, and try to get some sponsors to bring it forward.

AD HOC COMMERCIAL SALES - Al Land

The Committee met for the first time last month. They discussed creating a uniform manner for listing the commercial sales for the WAAO web page. Several challenges were discussed. Also discussed was working with the State in obtaining sales for specific properties more regional than local in nature.

The NCRAAO Conference next week has a class on what Hennepin County, Minnesota has done in creating their own sales data system. We're hoping we can learn something from that class. A memo was sent to all Executive Board members May 15, from which feedback is anticipated.

MEMBERSHIP SERVICES - Sue Plutschack

The Committee met May 24th with Planning and Management. Some exciting changes in the committee structure are anticipated in the future.

Meeting Adjourned!

Respectfully Submitted,

Joan Spencer, Secretary/Treasurer



Christian Theme Park Does Not Qualify For Exemption

By: Tina Bizub

Despite the owner's request for a tax exemption as a religious and educational entity, a tax official said The Holy Land Experience — a Christian theme park in Orlando, Florida, is not exempt from property taxes.

The park's executive director, Marv Rosenthal, plans to challenge the decision in state court. "We think it's very inappropriate that a museum that teaches about science is tax-exempt but a museum that teaches about God isn't," Rosenthal said.

Bill Donegan, Orange County's property appraiser said "I determined it was not exempt in that it was an attraction ... It's a business. It's not a museum, it's not a school and it's not a church"

The Holy Land Experience opened in February and was developed by Zion's Hope, a nonprofit, nondenominational Christian ministry.

Donegan said a tax exemption was granted for part of the property where administrative and educational facilities of the nonprofit Zion's Hope are located.

This year, only the park's land will be taxed, Donegan said. Next year, both land and buildings worth \$16 million will be taxed. The park's bill could be as much as \$348,000.

If it is forced to pay the tax, the park would likely have to raise its \$17 admission price, Rosenthal said.



Condominium Valuation

By: Scott Winter

If your jurisdiction is anything like ours, the City of Milwaukee, condominiums are becoming very popular. Young professionals and empty nesters are leading the demand for these properties, which offer low maintenance, added security, and other amenities which they might not otherwise be able to afford. It is my aim in this article to share some of the unique valuation issues associated with condominiums.

First of all, a declaration is what establishes any property as a condo. This is the controlling document which describes how the land value is allocated, what is allowed and disallowed, who gets how many decision making votes, and other pertinent information that you as an assessor need to know. The valuation of a condominium starts here.

Many types of real estate can be declared a condominium. Most are high rises or apartment style, but many are also townhouses, single family, and commercial offices. In fact, even parking spaces have become condominium units in urban areas. Again, all that is needed for a condominium is a declaration, which establishes it as such.

Other than the declaration, the best way to get to know what contributes to the value of a condo project is to interview those people that live and work there. Condo board mem-

bers, property managers, developers, real estate agents, and the owners best know which factors contribute to, or take away from, value.

This is how you discover issues such as the center units being at a premium, or that certain units have a noise or odor distraction from a neighboring use, or that pets are only allowed in certain parts of the condo project. This allows you, as an assessor, to make sub-neighborhood adjustments to your valuation model.

The view from the unit's windows is also a common valuation factor, as is the unit's location within the project. Your model needs to include a place to make specific adjustments for location and view. There may be a premium value associated with a view of a field. Also, there could be a negative influence factor for the units that are located directly above the garage doors in an apartment style condo with basement parking.

In the City of Milwaukee, we use multiplicative adjustments (percentages of the total value) for such factors as location, view, cost & design (C&D) condition desirability & utility (CDU), and sub-neighborhoods. Whereas we use additive adjustments for square foot of living area, (SFLA) central air, fireplaces, additional bathrooms, floor height, parking spaces, recreation rooms, boat slips, and kitchen and bathroom ratings.

Our model has six increments of value each for the kitchen ratings and bathroom ratings. One example would be as shown (figure 1).

Of course, you can add as many rating levels as you wish for any of the above. My research has found that kitchen remodeling adds more value per dollar spent on remodeling than bathroom remodeling, which adds more value per dollar spent than on recreation rooms.

Stratification is the key to proper condominium model building. Base values have to be established for each group of units. First, values have to be given to each amenity, such as fireplace, remodeled kitchen, or central air conditioning. This is done through a paired sales analysis. Next, all of the amenity values have to be subtracted out, which gives the base value. Then, the base values are arrayed to establish the median base value for that set of units. Finally, the amenities of each unit are added back and you have your new

Kitchen Rating	Value Added		Bathroom Rating	Value Added
5	24,000	(excellent)	5	16,000
4	12,000	(very good)	4	8,000
3	6,000	(good)	3	4,000
2	0	(average)	2	0
1	-6,000	(fair)	1	-4,000
0	-12,000	(poor)	0	-8,000

Recreation rooms have five additive increments in our model. An example being:

Recreation Room Rating	Value Added
5	7,500
4	6,000
3	4,500
2	3,000
1	1,500
0	None

figure 1

market value.

High rises usually have tiers of units that make for good groupings. For instance, there may be units 5A, 5B, 5C, 5D, 5E, and 5F all on the fifth floor. The A units may have different floor plans, sizes, and views. So keep all of the A units as one group, (1A, 2A, 3A, 4A, 5A, etc). Likewise keep the B units together, the C units together, etc..

High-rise tiers can be grouped together if there are enough similarities among the tiers. Also, pay attention to the value relationships between tiers, over time. There may be revaluation cycles where you have many sales in one tier, but no sales in another tier. Market value can be estimated by the historical relationship between tiers in this instance. For example, the D SFLA groups for the same reason as with the high rises.

On that subject, it has been my experience that sometimes the historical relationships between tiers or SFLA groupings take a long time to establish relationships among each other, especially between SFLA groups. Just like in other types of real estate, the demand for a given size unit may vary from year to year because of economic factors and demographics. It is not uncommon for the 1,000 s.f. units to be worth 70% of the 1400 s.f. units one year (on a square foot basis), 60% of the 1,400 s.f. units the next cycle, and 80% the next. It takes time for the relationships to settle into a pattern.

For this reason I do not recommend that you just apply a factor for the condo project as a whole, and change all of the groupings a certain percent. Condos owners are much more sensitive to the inequities this may cause than in other types of properties. This is due to the homogeneity of the units and the increased communication among neighbors, which is facilitated by the condo associations. A condominium assessor needs to have the assessments per strata as close to the actual sales within that strata as possible for Board of Review hearings. So, only use these historical relationships when you really need to and be careful of how much weight you give them. Again, they are best used when there is a lack of other data.

Speaking of revaluations, there are a few distinctive concerns during the open book process.

First of all, make sure that any person that requests multiple objection forms has an interest in the properties that they are objecting to. We use agent authorization forms. These forms provide for a statement, signed by the owner, which gives another person authorization to act as their agent. This process helps to eliminate the instances where there may be one or two owners that strongly oppose their assessment, and think that they can aid their cause by getting the whole condo association to object at the same time. This can be a long and expensive process for your assessment personnel to remedy, especially when there can be 50-100 units at the same project.

It is also wise to have reports available which show all of the

units, their amenities, and their assessments all on one page. These are great to give to the condo board members and property managers at Revaluation time (Unit owners often call them too after assessments are changed.) It is a great help if they understand why the units were assessed the way they were.

Hopefully this article was of benefit to you. Condominium appraisal has some unique considerations, and is becoming increasingly relevant as more condos are appearing in our jurisdictions. Feel free to contact me at swinte@ci.mil.wi.us if I can be of further assistance.

Scott Winter is a Senior Property Appraiser in the City of Milwaukee Assessors office. He holds a BBA in Business Administration with a Real Estate Major, from the University of Wisconsin-Milwaukee, earned the RES designation from I.A.A.O., has an Assessor II certification in the State of Wisconsin, and is a Certified General Appraiser in the State of Wisconsin.

Program Committee

By: Mary Semrad

The Program Committee wishes to thank all the contributors who joined us in making the WAAO Third Annual White Elephant Raffle fun, as well as a success, at the June Quarterly held at Klemmers. Congratulations to all the "lucky" White Elephant winners. Your support is appreciated and allows us to continue to provide scholarships and educational programs.



Steve Miner and Eric Miller do their best to assure Mary that she still has time to purchase some White Elephant raffle tickets.

NCRAAO Conference-2001

By: Steve Miner

The 2001 NCRAAO Conference was held in Bloomington Minnesota. The Wisconsin contingent for NCRAAO 2001 included about 15 people. It was a reasonably short drive and we were rewarded with excellent educational sessions and wonderful Minnesota hospitality. The classes were offered on Monday and Tuesday and we all had plenty of opportunities to enjoy the Bloomington area. Getting the opportunity to mingle with Wisconsin assessors and assessors from the other states was really the best part of the conference. We gained first hand knowledge of how other assessment professionals operate their offices. We also had opportunities to meet many of the I.A.A.O representatives and candidates.

The conference started with a golf outing at a wonderful course. For those not golfing, the Mall of America was a great way to spend the day. There was a president's reception Sunday evening, which included a silent auction and dinner. On Monday, the conference and classes got underway. Five of the classes were approved for Wisconsin assessor continuing education. The classes offered and the people teaching them were great. The spouse program included a boat trip on the St. Croix River and shopping at a great little town called Stillwater. For dinner and entertainment, we watched the tornados and thunderstorms. Actually, we were on our own, and everybody went out to local restaurants or the Mall of America. Tuesday included more sessions for education and ended with the banquet and excellent musical entertainment by New Odyssey. The entertainment was fabulous. Many of the Wisconsin people sat together at three tables and had a great time.

NCRAAO Conference-2002

Next year's conference will be in Wichita, Kansas and all WAAO members are invited. It will be a great time, as the Kansas assessors are REALLY into this stuff. For information about the Kansas organization and the 2002 Conference check out the web page located at <http://www.ink.org/public/kcaa/conferences>. We are working to get the educational sessions approved for Wisconsin assessment continuing education. Let's get a large number of Wisconsin assessors to make the trip to Wichita. It is a great chance to see another state and visit with lots of really great people. If you have questions about the conferences please contact any the NCRAAO representatives. The representatives are

Bob Lorier, (414) 796-6649,

Steve Miner (414) 769-2207 and

Doug Milius (920) 929-2972.



A line forms at the registration table as members eagerly await their chance to engage in some snappy banter with Barry Feig at the June quarterly membership meeting.

Official Notice From The Nominating Committee

By: Bob Lorier

Pursuant to the bylaws of the Wisconsin Association Of Assessing Officers, the Nominating Committee submits the following candidates to serve as Officers and Executive Board Members:

- President: Nan Giese, City of Wausau
- President Elect: Steve Miner, City of Cudahy
- Vice President: Michael Higgins, City of Kenosha
- Secretary/Treasurer: Joan Spencer, City of Marshfield
- Executive Board: (three position-three year terms)
 - Marie Ellis, City of Sheboygan
 - Paul Klauck, City of Waukesha
 - Sharon McCabe, City of Madison

The election of Officers and Executive Board Members will take place at the September 19, 2001 Membership Meeting held in conjunction with The Wisconsin League of Municipalities Institute. ■



Somewhere, not far from here, a tornado approaches

Recycling the Remnants of our Past

By: Amy Bliss, Executive Director, Tomorrow's Home Foundation

Everyone instinctively knows that old cars go to a salvage yard, but what happens to old mobile homes? Until now, the answer has been that they decay- usually as an abandoned hunting shack or farmer's storage bin. While the modern manufactured home has little in common with the mobile homes of the 50's and 60's, the manufactured housing industry has stepped in to help find a much more environmentally friendly disposal method for those old homes.

Wisconsin Manufactured Housing Association, which is the trade association representing manufacturers, retailers, manufactured housing communities, and service/suppliers to the industry, created a non-profit charitable foundation, the Tomorrow's Home Foundation, to combat some negative issues that affect the industry. The most evident of these is the problem of disposing of these homes that were produced decades ago and, for one reason or another, have little or no useful value as housing.

Tomorrow's Home Foundation has developed a systematic method of home disposal that recycles these homes in an environmentally sound method. After properly disposing of any possible contaminants, such as refrigeration equipment, the homes are transported to recycling centers such as Samuels Recycling in Madison and Green Bay. There, they are put through shredding equipment, which removes the metal content of the home for reuse.

This program began in late May, 2000, and to date, twenty-eight homes from manufactured home retailers and community owners have been recycled. Tomorrow's Home Foundation is planning to expand this program to work with county and town officials to assist with recycling a minimum of one hundred homes in the next twelve to eighteen months. A Demonstration Grant from the State of Wisconsin Department of Natural Resources has been awarded to the Tomorrow's Home Foundation so that county and local

municipal officials will be able to support homeowner applications to receive funding assistance for removal of old, uninhabitable homes within their jurisdiction. Criteria for funding assistance is based on a scoring system that incorporates the following criteria:

1. Is the home within eyesight of a public highway?
This criteria rewards applicants with homes in settings that create the most visual pollution.
2. Age of the home.
This criteria rewards recycling the oldest homes first.
3. Willingness of the homeowner to financially participate.
This criterion creates an incentive for property owners to participate financially. This will have the effect of leveraging more dollars for recycling of additional homes.
4. The Foundation seeks to give priority to those homes identified by local or state officials as blight.
5. Priority will be given to homes located in environmentally sensitive areas such as flood plains, critical habitat areas and wetlands.
6. If the home is not transportable, it may not be eligible for the program at this time.

Members of the manufactured housing industry have made generous contributions to make this program a reality. The Tomorrow's Home Foundation Recycling Program is unique in that it combines the financial resources of a conscientious industry, a charitable organization and governmental agencies. When collaborative efforts are made, good things can happen. This program has the potential to assist in cleaning up the environment, raising environmental awareness and setting a precedent for other industries.

Applications for recycling assistance can be requested by writing Tomorrow's Home Foundation, 202 State Street, Suite 200, Madison, WI 53703 or via fax at (608) 255-5595 or email amy@wmha.org.



Modern manufactured home

IAAO COURSE 102 - INCOME APPROACH TO VALUATION

Sponsored by the
WISCONSIN ASSOCIATION OF ASSESSING OFFICERS

Course 102-Income Approach to Valuation

- WHAT:** Course 102 covers the theory and techniques of estimating value by the income, or capitalized earnings, approach. The material includes selection of capitalization rates, analysis of income and expenses to estimate operating income, and capitalization methods and techniques. This course also covers rental units of comparison, as well as real estate finance and investment. **(Recommended: Course 101)**
- WHEN:** October 15 through October 19, 2001
- WHERE:** Centennial Hall/Milwaukee Library – Milwaukee, WI
 Located near several lodging establishments.
- INSTRUCTOR:** Steven Behrenbrinker, CAE
 Assessor, City of St Cloud, MN
- TEXT BOOK:** The soft cover *PAAA 1st Edition* (\$40.00) or *PAV2nd Edition* (\$25.00) can be purchased from IAAO.
- HOW MUCH:** \$350.00 (does not include textbook) (Late registrants/cancellation must pay a late/cancellation fee equal to \$25 or the cost of the text, if greater.)

This is probably one of the least expensive opportunities available to attend a certified five day course. Thirty (30) attendees may be needed in order to be able to hold the course. Forty (40) will be the maximum number allowed. **To ensure attendance, a \$50 deposit payable to WAAO should be sent by August 31st to:**

Mary Watson, Course Coordinator
 City Hall, Room 507
 200 East Wells Street
 Milwaukee, WI 53202

The course will be submitted for Wisconsin assessor continuing education hours. Additional information on the course time, location and lodging will be provided to all registrants. If you have questions on the course, call Mary Watson at (414) 286-3178.

Please reserve one slot in the IAAO Course 102 session October 15-19, 2001.
 Enclosed is my check for the \$50 deposit, **payable to WAAO**.
 Please remit payment by August 31, 2001.

Name: _____ Phone: _____

Address: _____

If you need a text identify below:

- PAAA 1st Edition* soft cover
- PAV2nd Edition* soft cover
- No text book needed

IAAO COURSE 400 - ASSESSMENT ADMINISTRATION

Sponsored by the
WISCONSIN ASSOCIATION OF ASSESSING OFFICERS

Course 400 Assessment Administration

- WHAT:** Course 400 covers administrative concepts and procedures that can produce greater efficiency in the modern assessment office. Students explore the key subsystems of an organization and how to operate them more effectively. Also included is the manager's role within an assessment organization: the processes of planning, directing, coordinating, organizing, budgeting, and evaluating toward the better utilization of human and physical resources. Topics include information systems, reappraisal, setting goals and objectives, maintenance, appeals, data processing, public relations, personnel, budgeting, report reviews, ratio studies, evaluations and standards of practice. **Recommended: Course A or Course 101, and *Standards of Practice and Professional Ethics Workshop*.**
- WHEN:** October 15 through October 19, 2001
- WHERE:** West Allis Library – West Allis, WI
Located near several lodging establishments.
- INSTRUCTOR:** Michael Ireland, CAE
Assessor, City of Bloomington, IL
- TEXT BOOK:** The soft cover (red) *PAAA 1st Edition* (\$40.00) or *PAV(green)2nd Edition* (\$25.00) can be purchased from IAAO. The red book is strongly recommended for this program.
- HOW MUCH:** \$350.00 (does not include textbook) (Late registrants/cancellation must pay a late/cancellation fee equal to \$25 or the cost of the text, if greater.)

This is probably one of the least expensive opportunities available to attend a certified five day course. Thirty (30) attendees may needed in order to be able to hold the course. Forty (40) will be the maximum number allowed. **To ensure attendance, a \$50 deposit payable to WAAO should be sent by August 31st to:**

Mary Watson, Course Coordinator
City Hall, Room 507
200 East Wells Street
Milwaukee, WI 53202

The course will be submitted for Wisconsin assessor continuing education hours. Additional information on the course time, location and lodging will be provided to all registrants. If you have questions on the course, call Mary Watson at (414) 286-3178.

Please reserve one slot in the IAAO Course 400 session October 15-19, 2001.

Enclosed is my check for the \$50 deposit, **payable to WAAO**.

Please remit payment by August 31, 2001.

Name: _____ Phone: _____

Address: _____

If you need a text identify below:

- PAAA 1st Edition* soft cover
- PAV 2nd Edition* soft cover
- No text book needed

Property Exemptions

By: Gregg Hagopian

Your attention is called to the following cases from other jurisdictions. Remember that 501(c)(3) relates to nonprofit status for purposes of exemption from federal income tax under federal law.

1. Elderly housing in Wester Mass Lifecare

Corporation v Board Of Assessors Of Springfield (sjc), ___ N.E.2d ___ (Mass.), the court held that continuing care retirement communities exempt under 501(c)(3) are not entitled to state property tax exemption. "The class of elderly persons who can pay an entrance fee of \$100,000 to \$300,000 and have, from their remaining assets, \$2,000 to \$7,000 is a limited one." This is similar to the arguments raised in the government-5 report that was drafted as part of the benevolent retirement homes for the aged legislative taskforce, and that is on the WAAO website.

2. 501(c)(3) status. In *Black United Fund of New Jersey, Inc v City Of East Orange (Superior Ct app), ___a2d ___ (N.J.)*, the court held, among other things, that, "the standards under 501(c)(3) have no relation to state law governing property tax exemption". The message is that, just because a corporation has 501(c)(3) status for federal INCOME TAX purposes does not, in and of itself, mean that that corporation should be entitled to STATE PROPERTY TAX EXEMPTION. Federal income tax and state property tax exemption are two different things.

3. YMCA's. The Y is still in the Wisconsin legislature trying to get a specific exemption for all Y properties - regardless of use. Per the Y's desired legislation, however, the Y property would have to be Y-owned, and would be subject to a 10-acre limit per tax jurisdiction. Meanwhile, look what happened in Pennsylvania. In appeal of *Sewickley Valley YMCA, 2001 wl 388029, ___ a2d ___ (pa. cmwlth, 4/18/01)*, the court took away the Y's exemption for 1993 and all future years for 6,519 sf of Y space, consisting of 5,497 sf used for fitness center purposes in competition with for-profit fitness clubs (space where, for example, such things as weight training equipment, Stairmasters, Lifecycles, and computerized treadmills were located and used), and 1,022 sf leased out to another entity.



WAAO Members settle in before the June Quarterly Meeting

Land Information Task Force

By: Mary Reavey

In April of this year WAAO received a request from the Secretary of Revenue to participate in a task force to discuss a statewide standard for land use mapping. This relates to the creation of a Wisconsin Land Information System (WLIS). The task force consisting of close to 30 members has met two times thus far—May 14th and June 11th.

The Wisconsin Land Information Board (WLIB) requested the following be done by the DOR through this task force:

1. Develop a plan to develop and adopt a statewide land use mapping standard which meets the needs of those local units of government involved with comprehensive planning, and provides the ability to monitor land use change statewide in a timely manner.
2. Revisit the status of technology with respect to the identification and evaluation of the most efficient and effective data collection and classification methods.
3. Identify potential funding partners who would benefit from such a database.
4. Create a list of stakeholders and prepare a report to the WLIB which explores how a modern comprehensive land use mapping product can be constructed and implemented for infusion into the WLIS with access to a variety of public and private interests by 2003.

So, the question is—Why does this concern assessors and why were we asked to participate in this task force? The reason is simple: assessment officials have the most comprehensive database of property statewide and they have the ability to (and currently do) classify land statewide. One of the handouts given out at the first meeting was Chapter 5 of the Wisconsin Property Assessment Manual. This chapter discusses mapping as it relates to valuing and classifying land for assessment purposes. From the initial meetings it appears that assessors will be a major stakeholder in the standardization of this process. Currently we are well-represented by the following individuals representing WAAO and other organizations: Mike Couillard, Bernie Laird, Wayne Ballweg, and Mary Reavey. In addition, Greg Landretti is co-chair. After two meetings we are still getting our bearings straight. As issues related to this develop we will keep the WAAO membership informed. If you have any specific questions, please call any of the committee members. We would be glad to answer them.



Council moves to curb 'flipping' of properties

By: *Gretchen Schuldt*
of the *Milwaukee Journal Sentinel* staff

In an effort to combat the fraud that has swept through areas of Milwaukee in recent years, the city plans to push the state Legislature for more regulation of real estate sales.

City officials need "to do whatever we can to go after these people preying on the neighborhoods," said Ald. Michael Murphy, who introduced a Common Council resolution calling for the state action.

The measure, which was adopted unanimously by the council last month, "is all earmarked at flipping and illegal flipping," said Assistant City Attorney Gregg Hagopian.

In property flipping, real estate is bought and resold at rapidly escalating prices over a short period. The practice is illegal if false information, such as deliberately inflated appraisals, is submitted to lenders to obtain financing.

The city is turning to the Legislature for help because efforts to get national appraiser standards tightened failed, Hagopian said.

Under the resolution, the city will lobby for a new law which would require anyone doing property appraisals to be certified or licensed by the state. In many instances, people who appraise properties do not need to be certified or licensed, said City Assessor Mary Reavey.

"Sometimes the appraiser doing fraudulent work is someone we can't even discipline," she said.

Reavey is a member of the state's Real Estate Appraisers Board, which sets standards for certified and licensed appraisers.

The resolution also endorses a requirement that any property appraisal include a record of the property's sales - including the prices - during the previous two years. A potential buyer or lender would know immediately if a property selling for \$100,000 sold for \$30,000 just three months earlier. The appraisal also would have to include the property's assessed value and related information.

Richard Staff, general counsel for the Wisconsin Realtors Association, said the legislation, if adopted, should apply only in Milwaukee, where most of the illegal property-flipping has occurred.

"There simply isn't the problem statewide," Staff said.

Requiring that only certified or licensed appraisers do appraisals could impose significant delays and expense on transactions in some parts of the state, he said.

The proposed changes also should include provisions requiring that appraisals be provided to the potential buyers, and allowing them a time after receiving the appraisals to walk away from the deals, Staff said.

During the past several years, probes by the FBI and the Criminal Investigation Division of the IRS have led to convictions of people involved in illegal "flipping" of several hundred properties in the central city.

The victims can include lenders, who end up holding mortgages worth more than the properties securing them, and buyers of the properties, who pay more for them than they are worth.

Neighborhoods also suffer as the properties go into foreclosure and decline.

"People forget the devastation" that property flipping can cause, Murphy said. "You can see that spreading like cancer through the block."

Appeared in the Milwaukee Journal Sentinel on July 15, 2001. ■



Rural Assessor's Exchange

By: Mel Raatz

The Rural Concerns Committee has been busy organizing an interesting class for the Wisconsin Towns Association Conference this October. We're planning to visit a farm to list, measure and inspect a modern dairy for the morning class. The afternoon class will be valuing these buildings with the new manual. We are planning a noon sack lunch and round table discussion on a variety of topics.

It's that time of the year when most Board of Reviews have been held or at least scheduled. Ag land use values have been applied - the change in pasture definition should have been applied - and we've heard all the reasons why our interpretation of the law is wrong. (Some are even trying to include rabbits into the pasture definition!)

All of us are working within the confines our legislators have placed on us. We need to let our legislators know what it's like to implement what they've all ready legislated. It has been difficult to determine Ag acreages without the assistance of those benefiting from it. Most tax laws have required some sort of reporting if a benefit is desired. I don't believe they understand the enormous responsibility that has been placed on the local assessor. WAAO has been a real asset in trying to shape some legislation. But we need to assist in supporting WAAO and let our legislators know our feelings individually. We're all working with the same handicaps in different parts of the state. The ideas I've been hearing around the state are all similar. Your problems are being encountered by all assessors. So, speak up and let yourself be heard where it might do some good. Talk to your legislator NOW!!



International Association of Assessing Officers 22nd Annual Legal Seminar

December 6 - 7, 2001

Hotel Allegro

- Chicago, Illinois
- Recent Developments in Real Property Case Law
- Assessment Appeals - Effective Negotiation, Successful Cross-Examination, Expert Testimony

- Appraiser Ethics
- Highest and Best Use
- Cellular Towers
- Complex and Special-Purpose Properties
- Wetlands, Easements, and Brownfields
- Multidisciplinary Practice
- Unauthorized Practice of Law
- Ontario and Property Tax Reform
- Tax Incentive Programs
- Standards on Environmental Contamination

Program

Thursday - December 6, 2001

7:30 - 8:30 a.m.

Registration and Continental Breakfast

8:30 - 8:45 a.m.

Opening Remarks

Deborah Z. King, CAE, IAAO President, Charlotte, North Carolina

Thomas A. Jaconetty, Esq., Legal Seminar Program Chair, Chicago, Illinois

Cook County assessing officials will be joining attendees throughout the two-day program.

What's Been Going On Since Last We Met

Moderator: Thomas M Atherton, Esq. Indianapolis, Indiana

8:45 - 9:30 a. m.

Recent Developments in Real Property Taxation: Procedural
William E. Banfield, Esq., New York, NY

9:30 - 10:15 a.m.

Recent Developments in Real Property Taxation: Substantive
Mark P. Reynolds, Esq., Lincoln, Nebraska

10:15 - 11:00 a.m.

Recent Developments in Real Property Taxation: Exemptions
Kathryn D. Myers, Esq., Olathe, Kansas

11:00 - 11:30 a.m.

General Discussion: Cases of Note in Your Jurisdiction
Jane H. Malme, Esq., Cambridge, Massachusetts

11:30 - 1:00 p.m. Luncheon at Hotel

Luncheon Speaker: 12:15 - 12:45 p. m. The Proper Role of Taxing Bodies and Intervenors

Speaker: John M. Izzo, Esq., Chicago Heights, Illinois

Assessment Appeals

Moderator: Kama D.S. Monroe, Esq., Tallahassee, Florida

1:00 – 1:45 p.m.

Effective Negotiation with Local Assessing Officials
Joanne P. Elliot, Esq., Park Ridge, Illinois and Steve Weber,
St. Louis, Missouri

1:45 – 2:30 p.m.

How to Be a Good Witness
Trian T. Howes, Esq., Kansas City, Missouri

2:30 – 2:45 p.m. Break**2:45 – 3:30 p.m.**

Successful Cross-Examination
Gregory J. Lafakis, Esq., CAE, Chicago, Illinois

3:30 – 4:15 p.m.

Ethical Considerations in Assessor, Appraiser, and Other
Expert Witness Testimony
H.W. ("Bill") Suber, Sanford, Florida

4:15 – 4:30 p.m.

Q & A – General Discussion

5:00 – 5:45 p.m.

Complimentary Hotel Refreshments Available in Lobby

5:45 – 6:30 p.m.

Seminar Reception at the Hotel
Speakers, attendees, and guests welcome.

Friday – December 7, 2001**8:30 – 8:45 a.m.**

Continental Breakfast

8:45 – 9:15 a.m.

Highest and Best Use in Changing Urban Markets
J. Scott Renne, CAE, Minneapolis Minnesota

9:15 – 10:30 a.m.

Valuation of Cellular Towers and Their Impact on Nearby
Properties
Howard B. Richter, Deerfield, Illinois

10:30 – 10:45 a.m. Break**10:45 – 11:30 a.m.**

Valuation of Complex Properties: Refineries, Tank Farms,
Mining Industry, Fertilizer, Petrochemical, and Other Special-
Purpose Plants
Robert T. Lehn, Dallas, Texas

12:15 – 1:15 p.m. Luncheon at Hotel**MDP and UPL**

Moderator: Carol N. Kuehn, Stevens Point, Wisconsin

1:15 – 1:45: p.m.

Multidisciplinary Practice – Attorneys, Accountants, Consult-
ants, and Tax Representatives: "Man Your Battle Stations"
Wayne A. Tenenbaum, Esq., Overland Park, Kansas

1:45 – 2:15 p.m.

Unauthorized Practice of Law – "Storm Clouds on the
Horizon"
Thomas J. McNulty, Esq., Chicago, Illinois

2:15 – 2:30 p.m.

Break

Important Policy Issues

Moderator: John C. Dent, Jr., Esq., Sarasota, Florida

2:30 – 3:15 p.m.

Ontario – What a Mess: the Inside Story of So-Called
Property Tax Reform
Andy Anstett, Toronto, Ontario, Canada

3:15 – 3:45 p.m.

IAAO Standard on the Valuation of Property Affected by
Environmental Contamination
Alan S. Dornfest, AAS, Boise, Idaho

4:30 – 5:00 p.m.

Q & A – General Discussion

Team Rate Discounts

Register two or more people at the same time and save \$50
per attendee. If your team includes at least one IAAO
member, the entire team qualifies for the member team rate.
Provide the registrant contact information for each team
attendee by duplicating the registration form. Registration
and payment must be received together to qualify for the
discount.

First-Time Member Offer

Save time and money by joining the IAAO when registering
for this seminar. Attend as a member by simply adding \$105
for regular membership (government employees) or \$130
for associate membership (employees of private companies)
to the member registration fee—a significant savings on
published member dues! You will save more than the cost
of the membership in your registration fee. You will also gain
access to information services guaranteed to save you time

and money all year long. Use the Inquiry Answering Service to find the references you need to solve a problem—or simply log on to the Members-Only side of the IAAO’s website to search the IAAO’s bibliographic databases. Can’t find an article? Ask the TAAO library to fax it to you at no charge (up to 25 pages). Need information from your colleagues around the country? Post a request on Assessor-net or the IAAO Bulletin Board or use the network you’ll be building as an IAAO member. That’s not all. The *Assessment Journal* keeps you up-to-date on the latest developments in the industry. The job listings in *Opportunities* help you find the right job when you are ready to move on. Add the discounts you receive on publications and education

programs and you have an irresistible bargain. The price tag is right. The time is right. Join the IAAO today.

Recertification Credit

IAAO professional designees will earn 13 hours of recertification credit. Similar credit may be available to attendees who participate in other recertification and continuing education programs. If you need forms or letters completed for such credit, please bring them to the seminar. If you are seeking CLE credits for attendance at this program, indicate the state(s) and attorney registration number(s) on the registration form. Due to significant variations in state CLE registration and filing requirements, the IAAO cannot guarantee that all states will honor the CLE credits applied for.

Easy Registration

1. Fax completed registration form to 312/819-6149. Credit card information must be included.
2. Mail completed registration form and payment to IAAO, 135 South LaSalle Street, Dept. 1861, Chicago, IL 60674-1861. Due to bank processing, please allow a minimum of 10 days for IAAO to receive mailed registrations.
3. Phone 312/819-6100 to register with a credit card.

Name _____ Title _____
 Employer _____ Address _____
 City _____ State/Province _____
 Country _____ Zip/Postal Code _____
 Phone _____ E-mail _____

Check here if seeking CLE credit Attorney Registration Number _____

Registration Fees (*Fee includes all materials continental breakfasts, luncheons, and reception*)

Check here if bringing a guest to the reception.

IAAO member. \$415 _____ Nonmember: \$515 _____

Member team rate \$365/attendee x = _____ Nonmember Team rate \$465/attendee x = _____

First-time regular member Add \$105 _____ First-time associate member: Add \$130 _____

Total: _____

Payment *Allow ten working days for IAAO to receive mailed Registrations.*

Check enclosed (payable to IAAO) Charge my Visa Charge my MasterCard

Card number _____ Expiration date _____ Cardholder’s Name _____

Signature _____

I understand the refund and cancellation policy. (signature required)

Check here if you need special accommodations in order to participate fully in the seminar.



An IAAO staff member will contact you to discuss your specific need.

Accommodations

Reserve your room early to take advantage of the group rate!
 Hotel Allegro Chicago
 171 W Randolph, Chicago, IL 60601
 800/643-1500
<http://www.allegrochicago.com>

\$149.00 Single/Double
 (\$20 each additional person)

This rate is offered until November 6, 2001, or until the room block is filled, whichever occurs first. After that time, reservations will be subject to availability and the hotel's prevailing rate. Reserve your room early by calling 800/643-1 500. Please identify yourself as attending the Legal Seminar of the International Association of Assessing Officers.

Refunds and Cancellations

Your registration will not be confirmed until full payment is received. Purchase orders will not be accepted as payment. The deadline for registration and payment is November 30, 2001. Refunds cannot be given for cancellations received after this date; however, a substitute from your organization is welcome to attend. If you registered at the member rate, the substitute must also be a member or pay an additional fee. All cancellations must be in writing and may be faxed to 312/819-6149, attn. 2001 Legal Seminar. A processing payment fee of \$50 will be charged for each cancellation. IAAO reserves the right to substitute speakers and to cancel or reschedule the program due to unforeseen events. In the event of an IAAO cancellation, full registration fees will be refunded; however, the IAAO cannot be responsible for any nonrefundable travel expenses.

International Association of Assessing Officers

The International Association of Assessing Officers (IAAO), established in 1934, is one of the world's largest and most comprehensive associations for assessment professionals.

The IAAO's mission is to promote innovation and excellence in property appraisal and property tax policy and administration through professional development, education, research, and technical assistance. Our members abide by a strict code of ethics to ensure public trust, and our association is a founding sponsor of The Appraisal Foundation.

The IAAO welcomes students and members of any sex, age, race, color, nationality, or ethnic origin. It does not discriminate on the basis of sex, age, race, color, nationality, or ethnic origin in the administration of its policies. The IAAO complies with the Americans with Disabilities Act.

IAAO membership information is available from IAAO Headquarters. Call 312/819-6100. e-mail webmaster@iaao.org, or visit www.iaao.org

The statements made or views expressed by speakers at this seminar do not necessarily represent a policy position of the International Association of Assessing Officers.

IAAO's Legal Committee

The IAAO's Legal Committee supports the mission and commitments of the IAAO by offering the unique perspective of members who are primarily involved or interested in legal issues. The Legal Committee organizes the IAAO's Annual Legal Seminar and the Preparation and Trial of the Property Tax Assessment Appeal Seminar. Interested IAAO members are welcome to participate in the activities of the Committee.

Sponsorship	Registration
Information	Questions?
Call 312/819-6140	Call 312/819-6100

Membership Dues

WAAO fiscal year is Aug 1st through July 31st. The deadline for 2002 membership dues is now past. If you haven't gotten yours in yet, please send it to:

WAAO c/o Joan Spencer,
 Secretary/Treasurer
 630 S. Central Avenue
 P.O. Box 727
 Marshfield, WI 54449-0727

New Members

Gresser, Ken
 Assessment Technician
 City of Menasha
 140 Main Street
 Menasha WI 54952
 (920) 967-5109
 (920) 967-5271
kgresser@ci.menasha.wi.us

Mac Gregor, Bill
 Magnan Assmt Serv Inc
 149 W Laffin Ave
 Waukesha WI 53186-6229
 (262) 542-3332
 (262) 542-4863

Charles K Hahn Owner
 Rivercrest Assessing
 P O Box 333
 Phillips WI 54555
 (715) 339-4963
ckhhahn@pctcnet.net
 Regular 1



“It was one of those rare smiles with a quality of eternal reassurance in it, that you come across for or five times in life.”

Assessment Related Budget Provisions

As of July 31, 2001, the following assessment/exemption related provisions are included in the budget. They will become law unless the Governor vetoes.

PROPERTY TAX ASSESSMENT OF TELEPHONE COMPANIES

Governor/Joint Finance: Provide that, for purpose of taxation based on property value, classification of real and personal property used in part for the operation of a telephone company and in part for other uses would be based on the predominant use of the property.

Under current law, public utilities are generally subject to state taxation under Chapter 76 of the statutes, in lieu of general local property taxation under Chapter 70. Certain utilities, including telephone companies, are taxed on the basis of property value (ad valorem). Others are taxed on the basis of gross receipts. Chapter 70 exempts from local taxation the property of telephone companies and other companies taxed under Chapter 76. However, real and tangible personal property that is used in part for such a company's operating purposes and in part for nonoperating purposes is subject to local assessment and taxation at the percentage of full market value that represents the extent of the property's use for nonoperating purposes. For ad valorem taxpayers, the property used for the company's operating purposes is assessed by the state and subject to the state ad valorem tax. The bill would remove the references to a telephone company under the current law property tax exemption for utilities taxed under Chapter 76, including the provision that imposes local property taxes on the portion of property used for nonoperating purposes.

Instead, the bill would create a new paragraph under Chapter 70 specifying the following: (a) if real or tangible personal property is used more than 50% (as determined by DOR) in the operation of a telephone company that is subject to tax under Chapter 76, then DOR would assess the property and the property would be exempt from the general property tax; and (b) if real or tangible personal property is used less than 50% (as determined by DOR) in the operation of a telephone company taxed under Chapter 76, then the property would be assessed and taxed locally. The bill would also modify the Chapter 76 subchapter on ad valorem taxes on telephone companies to specifically exclude any property that is used less than 50% in the operation of a telephone company.

These provisions would first apply to property tax assessments as of January 1, 2003. The administration estimates that the fiscal effect would be a reduction in general fund tax revenues of \$22,500 in 2002-03.

MODIFY CURRENT PROPERTY TAX EXEMPTION FOR AUTOMATIC TELLER MACHINES

Senate/Conference Committee: Modify the property tax exemption for computers to exclude automatic teller machines, effective with property assessed as of January 1, 2002. Decrease funding of state aid for exempt computers by \$1,117,500 in 2002-03. Under this provision, the tax status of an estimated \$45.5 million in value would be changed from exempt to taxable. Because the state pays aid to local governments to hold them harmless from the effects of the exemption, changing the property's tax status would reduce the amount of state aid paid to local governments.

PROPERTY TAX EXEMPTION FOR DIGITAL EQUIPMENT OF CABLE TELEVISION SYSTEMS

Senate/Assembly/Conference Committee: Modify the property tax exemption for digital broadcasting equipment by removing the provision that excludes cable television systems from the current property tax exemption.

Specify that the provision first apply to property assessed as of January 1, 2002.

Reduce estimated state forestry tax collections by \$700 in 2002-03.

This provision would exempt an estimated \$3.3 million in value from the property tax base on a statewide basis. Taxes on the affected property are estimated at \$86,000, of which \$700 is state forestry taxes. The remaining taxes would be



Devastated that nothing was procured during the White Elephant raffle, some participants could only hope that Mike Ireland's second half presentation would be as enjoyable as the first half.

shifted from the affected property that remains taxable.

CLASSIFICATION OF CERTAIN PROPERTY AS SWAMP AND WASTE

Senate/Conference Committee: No change to Joint Finance

Assembly: Delete a provision adopted by the Joint Committee on Finance that would require property, other than agricultural land, to be classified as "swamp and waste" for purposes of the property tax if the property is undeveloped, if the property is nonproductive forest land and if the property is part of a parcel, where the other part of the parcel is enrolled in the managed forest land program.

PROPERTY TAX EXEMPTION FOR FAX MACHINES AND CASH REGISTERS AND RELATED STATE AID

Conference Committee: Create a property tax and state ad valorem tax exemption for fax machines (except those that are also copiers, and cash registers) effective with property assessed as of January 1, 2003. Extend the current reporting and state aid payments provisions for exempt computer property to these fax machines and cash registers. Under this provision, this property would become exempt for the 2003-04 property taxes. Local governments would receive increased state aid in 2003-04 to reimburse them for the loss of property base.

PROPERTY TAX EXEMPTION FOR PROPERTY OF A YMCA AND A YWCA

Joint Finance: Modify the property tax exemption for property owned by the Salvation Army, the Boy Scouts of America, the Boys' Clubs of America, the Girl Scouts or the Camp Fire Girls to include property owned by a Young Men's Christian Association and property owned by a Young Women's Christian Association. Limit the exemption for each to no more than 40 acres for property located in towns and to no more than ten acres for property located in cities or villages. Repeal the current property tax exemption for YMCA and YWCA summer training camps. Specify that these provisions would be effective with property assessed as of January 1, 2002.

Currently, YMCA and YWCA facilities are exempt under s. 70.11 (4) of the statutes as property owned and used exclusively by a benevolent organization. Therefore, this provision would have no fiscal effect on property owned and used by a YMCA or YWCA. However, the proposed exemption would not retain the current requirement under s. 70.11(4) of the statutes that the property be used exclusively by a YMCA or a YWCA. As a result, this provision also would exempt all property that a YMCA or YWCA may acquire in the future that would not be used exclusively by the organization.



IAAO CONVENTION 2006 MILWAUKEE, WI

T-Shirts commemorating the 2006 IAAO convention will be available at the September conference. This limited edition item is sure to be coveted by both the serious and recreational clothes-horse, so act soon. At \$8 each (or 2 for \$16 if you provide proof of WAAO membership), you can't afford to pass on an opportunity like this.



2001 Municipal Assessors Institute Program

TUESDAY, SEPTEMBER 18

10:00 Registration

1:30 Moderators' Meeting

2:00 CONCURRENT SESSIONS

(1) Valuation Case Law (3 Hours Law/Management)

Moderator: Carol Kuehn, City Assessor, Stevens Point

Instructors: Gregg Hagopian, Ass't City Attorney; Pete Weissenfluh, Chief Assessor; Stuart Mukamal, Ass't City Attorney; Mary Reavey, Assessment Commissioner; John Meyer, Supervising Assessor Ass't, Milwaukee; and John Macy, Attorney, Arenz, Molter, Macy & Riffle

Refresher and update on valuation law and Board of Review procedure including: building a good record; uniformity; 70.32's evidence hierarchy; personal property; and much more.

(2) Residential Revaluation (3 Hours Appraisal)

Moderator: Ray Fisher, City Assessor, Madison

Instructor: Jeff Huemmer, Property Appraiser IV, Madison

This course includes an introduction to the neighborhood revaluation process in the city of Madison from listing of properties to defense of values.

6:00 President's Reception

WEDNESDAY, SEPTEMBER 19

9:30 General Session

Dawn Washatka, City Assessor, Appleton; Chairman, Municipal Assessors Section, *presiding*

Welcome Address — Mayor Gary Wescott, Stevens Point

Address — IAAO President

Address — NCRAAO President

WAAO Business Meeting

10:30 What's New From DOR — Rick Chandler, Secretary, Department of Revenue

1:30 CONCURRENT WORKSHOPS

(3) WI Property Tax Litigation 2001—What Every Assessor Needs to Know (3 Hours Law/Management)

Moderator: Mary Reavey, Tax Commissioner, Milwaukee
Instructor: Robert Horowitz, Partner, Stafford Rosenbaum LLP, Madison

This course covers tax exemptions, assessments, Board of Review procedures, court review of assessments, and claims of nonuniformity.

(4) WI Property Assessment Manual—Residential Cost Approach (3 Hours Appraisal)

Moderator: Paul Koller, City Assessor, New Berlin

Instructor: Reed Johnson, Chief Training Officer, Assessment Practices; Jennie Miller, Property Assessment Practices Spec.; and Scott Shields, Property Assessment Practices Spec.; Dept. of Revenue

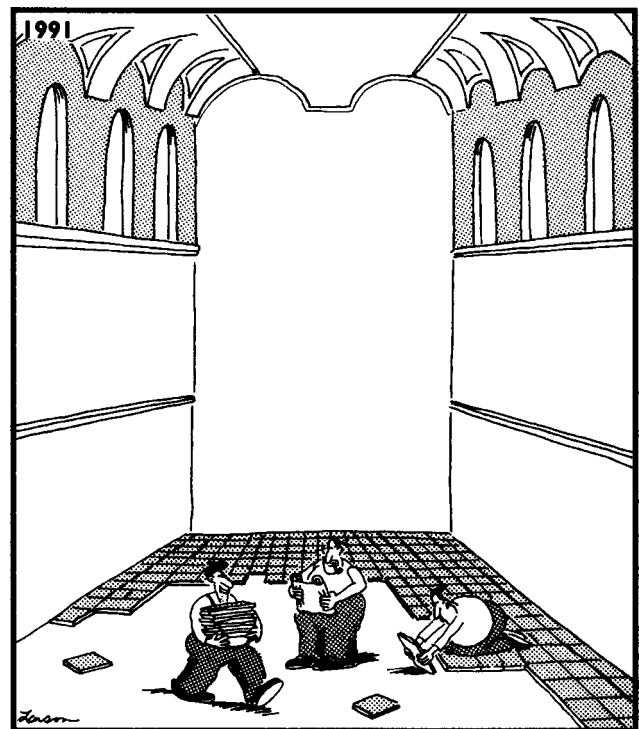
Publishing concerns, customer support; coding changes from previous cost manual; cost and depreciation overview; distribute and explain cost problem and PRC.

(5) Kettl Commission Update — (3 Hours Law/Management)

Moderator: Dawn Washatka, City Assessor, Appleton

Instructor: Dave Riemer, Dept. of Administration, Milwaukee

The "Wisconsin Blue-Ribbon Commission on State-Local



Although history has long forgotten them, Lambini & Sons are generally credited with the Sistine Chapel floor.

Partnerships for the 21st Century” recommended a wide range of reform in the way the State of Wisconsin interacts with local government.

6:15 Reception

7:00 Banquet

THURSDAY, SEPTEMBER 20

9:00 Concurrent Workshops

(6) Golf Course Valuation (3 Hours Appraisal)

Moderator: Nan Giese, Deputy City Assessor, Wausau
Instructor: Mike Sweeney, MAI, Golf Course Appraiser & Consultant, Sweeny, Inc., Bloomington, IL

This seminar will focus on Golf Course Architecture and Golf Course Valuation Procedures. The approaches to value that will be discussed include the Income Approach and the Sales Comparison Approach.

(7) Intro to Income Approach (3 Hours Appraisal)

Moderator: Al Andreo, City Assessor, Eau Claire
Instructor: Wes Little, City Assessor, Beloit
This will be a basic introduction to income approach with underlying economic principles and basic capitalization methods.

(8) State & Local Tax Trends (3 Hours Law/Management)

Moderator: DeAnn Brosman, City Assessor, Oshkosh
Instructors: Todd Berry, Executive Director, Wisconsin Taxpayers Alliance and Prof. Kevin McGee, UW-Oshkosh

This seminar will examine county spending patterns across Wisconsin. It will also compare other states, cross-tax and temporal comparisons, property valuation trends, math of high taxes, service history and culture, and many other aspects.

(9) Correction of Errors, Use Value Penalties, Board of Review— (3 Hours Law/Management)

Moderator: Dawn Gale, Property Appraisal Specialist, La Crosse
Instructors: Jim Murphy, Supr. of Equalization, DOR-Milwaukee; Al Romportl, Supr. of Equalization, DOR-Wausau; Phil Sanders, Supr. of Equalization, DOR-Green Bay

This seminar will examine applicable statutes identifying errors; explain the application of the revised Use Value Penalty; and discuss correction of errors, use-value penalties and Board of Review law.

1:30 CONCURRENT WORKSHOPS

(10) Building Codes & ADA Compliance—Residential & Commercial (3 Hours Law/Management)

Moderator: Mike Wallace, City Assessor, Hudson
Instructor: Tom Kasper, Plan Review Section Chief, Safety & Bldgs., Dept. of Commerce; and Tom Diedrick, Options for Independent Living, Inc.

This session will give an overview of building code regulations in the state of Wisconsin. Federal accessibility requirements will also be discussed.

(11) Being Smart About Smart Growth (3 Hours Law & Management)

Moderator: Dawn Washatka, City Assessor, Appleton
Instructor: Kristine A. Euclide, Attorney, Stafford Rosenbaum, LLP, Madison

An overview of Smart Growth Law, planning requirements, procedures for adopting comprehensive plans, local plan commission composition, model ordinances, grants, aid program, and timing.

(12) Survey of HVAC Systems (3 Hours Appraisal)

Moderator: Jon Dobbratz, City Assessor, Waupun
Instructor: Donn Trieloff, Design Engineer, Energy Design Concepts, LLC

This course will provide a brief overview of HVAC terminology, the purpose of HVAC systems, an introduction of different types of systems, installation costs, operating costs, etc.

(13) Assessment Resources (3 Hours Appraisal)

Moderator: Russ Schwandt, City Assessor, Green Bay
Instructors: Sally Reedy, Village Assessor, Wittenberg and Bob Grota, Project Manager/MIS, Grota Appraisals

CAMA—what it is and how it can help the assessor with demonstrations on computer aided building sketches, digital photos and sales ratio analysis, including doing a sales ratio analysis by GIS.

FRIDAY, SEPTEMBER 21

8:45 Morning Session

Wes Little, City Assessor, Beloit; 1st Vice Chairman, Municipal Assessors Section, *presiding*

8:45 Business Meeting

9:00 General Session

(14) Wellness: Living The Best Way You Can (3 Hours Law/Management)

Moderator: Wes Little, City Assessor, Beloit
Instructor: Stephanie Whiting, UW-Stevens Point Outreach

Cultivating a wellness lifestyle can be the single most important influence on your health and ultimately, on your satisfaction with life.

12:00 Adjournment



**Institute
Registration
Form**

Return to:

League of Wisconsin Municipalities
202 State Street, Suite 300
Madison, WI 53703

Registration Form for 2001 Municipal Assessor's Institute

Please answer "yes" or "no" to the following questions:

Yes	No	
_____	_____	My spouse/guest will accompany me. My guest's name is: _____
_____	_____	I/We will arrive in time to attend the President's Reception on Tuesday evening.
_____	_____	I/We plan to attend the Reception Banquet on Wednesday evening.

I will attend the following sessions: (check one for each time slot.)

Tuesday:	1. _____	2. _____		
Wednesday:	3. _____	4. _____	5. _____	
Thursday a.m.:	6. _____	7. _____	8. _____	9. _____
Thursday p.m.:	10. _____	11. _____	12. _____	13. _____
Friday:	14. _____			

Name: _____
(Please type or print)

Title: _____
Address: _____
City, State, ZIP: _____

Please return form with check for \$80 (\$100 for on site registration) (\$25—spouse/guest) to the League office by Wednesday, Sept 13.



Hotel Reservation Information

Make reservations directly with the Holiday Inn, Stevens Point by calling (800) 922-7880, faxing (715) 341-8369 or returning this form to: Holiday Inn Convention Center & Expo., 1501 North Point Dr., Stevens Point, WI 54481

Note: Check-in: 3:00 p.m.: Check out: 11:00 a.m.

Circle desired room type

Room Type	Rate	Smoking or Non-smoking
Single	\$52	Smoking or Non-smoking
Double	\$82	Smoking or Non-smoking

(Plus 12.5% room and state tax. If you are tax exempt, a letter/certificate of exemption is required)

Please send confirmation to:

Name: _____
Municipality: _____
Address: _____
City/State/Zip: _____

Arrival _____ (a.m.) on Sept. _____, 2001
(p.m.)

Depart _____ (a.m.) on Sept. _____, 2001

Reservation should be made with the Holiday Inn by August 10, 2001. One night payment in advance or a credit card is required to guarantee rooms.

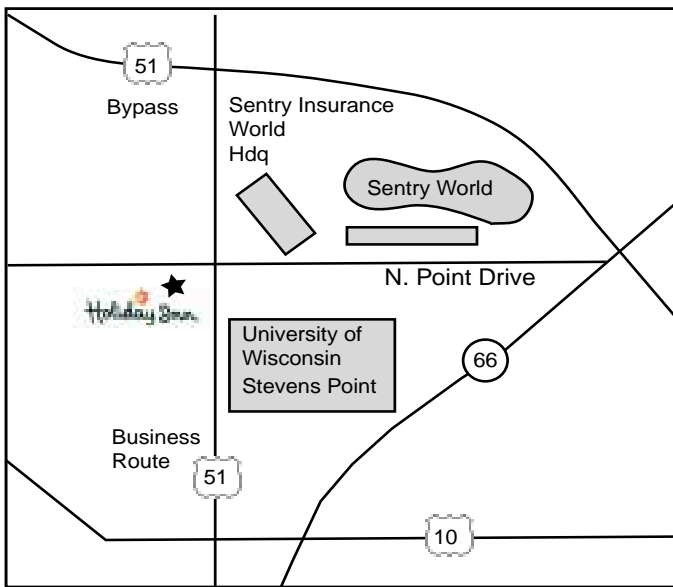
Payment Method

<input type="checkbox"/> Credit Card or	<input type="checkbox"/> Check Enclosed: \$ _____
<input type="checkbox"/> Am. Express	<input type="checkbox"/> Visa <input type="checkbox"/> MasterCard
<input type="checkbox"/> Diners Club	<input type="checkbox"/> Discover

Number: _____ Exp: _____

Signature: _____

Place an "X" through the box if you need an accommodation regarding a disability. We will contact you to make the necessary arrangements.



Contact: Margaret Forrester 715-234-7082 EXT 5212
 Instructor: JENNIE SANDERS
 Location: WITC - Rice Lake
 Date(s): October 26 & 27, 2001
 Hours: 7.0 Program Hours Appraisal & 8.0 Program Hours Law/Management

**Desktop Underwriter /
 Limited Appraisal Reports**

Sponsor: Chippewa Valley Technical College
 Contact: Jack O'Connell 715-833-6339
 Instructor: JACQUELYN LAHN
 Location: CVTC - Eau Claire
 Date(s): November 3, 2001-01
 Hours: 8.0 Program Hours Law/ Management

**Appraisal/Assessor - Waterfront
 And Recreation Properties**

Sponsor: Northeast Wisconsin Technical College
 Contact: Richard Hopfensperger 920-498-6306
 Instructor: PETER LIPTACK
 Location: NWTC - Green Bay
 Date(s): November 17 & December 1, 2001
 Hours: 15.0 Program Hours Appraisal

Standards Of Professional Appraisal Practice

Sponsor: Wisconsin Indianhead Technical College
 Contact: Margaret Forrester 715-234-7082 EXT 5212
 Instructor: LYNN GREGORASH
 Location: WITC - Rice Lake
 Date(s): December 11 & 13, 2001
 Hours: 10 Program Hours Appraisal & 5 Program Hours Law/Management

Education Opportunities

Standards Of Appraisal Practice

Sponsor: Waukesha County Technical College
 Contact: Ted Wysocki 262-691-5228
 Instructor: OSSIE JOHNSON & BERNARD SALER
 Location: WCTC - Pewaukee
 Date(s): August 21,23 & 25, 2001
 Hours: 12 Program Hours Appraisal & 6 Program Hours Law/Management

Wisconsin Property Tax Litigation 2001:

What Every Assessor Needs To Know

Sponsor: League of Wisconsin Municipalities
 Contact: Sherry Lee 608-267-2380

Instructor: ROBERT HOROWITZ
 Location: Stevens Point, WI
 Date(s): September 19, 2001
 Hours: 3.0 Program Hours Law/Management

Re Appraisal: Wooded Property

Sponsor: Wisconsin Indianhead Technical College
 Contact: Margaret Forrester 715-234-7082 EXT 5212
 Instructor: JEFF GROESCHL
 Location: WITC - Shell Lake
 Date(s): October 20, 2001
 Hours: 8.0 Program Hours Appraisal

Assessor Certification Study Course

Sponsor: Wisconsin Indianhead Technical College

2000–2001 Calendar	
Sep 9-12 2001	IAAO Conference Miami, Florida
Sep 18-21 2001	Municipal Assessors Institute Stevens Point
Sep 19 2001	WAAO Business Meeting Stevens Point
Oct 15-18 2001	Executive Board Mtg Raintree Resort, Wi Dells
Oct 19 2001	Dec AVOW Deadline

MEMBERSHIP APPLICATION FORM

WAAO Membership Classifications

REGULAR MEMBERSHIP: Open to officers, officials and employees of governmental bodies whose duties are directly related to property tax assessment and administration.

ASSOCIATE MEMBERSHIP: Open to officers, officials and employees of governmental bodies not covered by regular membership and to officials, administrators, and employees of educational institutions.

SUBSCRIBING MEMBERSHIP: Open to any individual not eligible for regular or associate membership AND who is interested in the science of property assessment and taxation and who subscribes to the purpose of the Association.

Both of these organizations are dedicated to **professionalism in assessment**. They share the common mission of improving the quality of assessment through education, involvement and commitment to the assessment process. The Wisconsin Association of Assessing Officers specifically addresses the needs of the Wisconsin Assessor. The International Association of Assessing Officers provides a broad perspective of activity in our industry.

We encourage you to become actively involved in assessment administration by becoming a member of these organizations.

For further information on the WAAO, call or write Joan Spencer, 630 S. Central Avenue, P. O. Box 727, Marshfield, WI 54449-0727. phone (715)384-3856. For information on the IAAO, call or write to IAAO, 130 East Randolph Street, Chicago, IL, (0601-62170. phone (312) 819-6100, Fax (312)819-6149, <http://www.iaao.org>.

This form can be used for joining either the IAAO or the WAAO. Please check the appropriate area, enclose a check and send to the appropriate address indicated above.

Check	Dues (Annual)								
<input type="checkbox"/>	New Member	<input type="checkbox"/>	Membership Renewal						
<input type="checkbox"/>	WAAO \$25 Regular	<input type="checkbox"/>	\$20 Associate	<input type="checkbox"/>	\$20 Student	<input type="checkbox"/>	\$15 Retired	<input type="checkbox"/>	\$50 Subscribing (August 1 through July 31)
<input type="checkbox"/>	IAAO \$130 (First year, first time members \$105, or \$65 by signing up through IAAO Rep. Wayne Ballweg (608) 524-6404								

Name: _____ Title: _____

Jurisdiction: Town Village, City of: _____ Phone Number: _____

Address: _____ City: _____ State: _____ Zip Code: _____

e-mail: _____

Signature: _____ Fax Number: _____

WAAO
c/o Joan Spencer, Secretary/Treasurer
630 S. Central Avenue
P.O. Box 727
Marshfield, WI 54449-0727

