City of Stoughton, 207 South Forrest Street, Stoughton WI 53589

RESOLUTION OF THE COMMON COUNCIL			
Assessment at 501 E. Main St. Stoughton, WI			
Committee Action:			
Fiscal Impact:	$		
File Number:	R--2022	**Date Introduced:**	March 8, 2022

BE IT RESOLVED by the Common Council of the City of Stoughton

Whereas, the assessment at 501 E. Main St. in 2020 was land $27,700 improvements $109,600 for a total of $137,300; and,

Whereas, the assessment at 501 E. Main St. in 2021 was land $27,700 improvements $347,600 for a total of $375,300; and,

Whereas, the city assessor based the 2021 assessment on the listed purchase price of $425,000; and,

Whereas, the buyer Grand Inspired LLC paid $280,000 for the property at 501 E. Main St. recorded on Access Dane May 25, 2021; and,

Whereas, Donsing Appraisal Company hired by One Community Bank on behalf of the buyers, valued the property on April 29, 2021 from a range of $180,000-$210,000; and,

Whereas, the buyer filed a claim of an "excessive assessment" under State Statute 74.37 with the City Clerk on January 28, 2022 seeking a reduction of values totaling the 2020 year of $137,300; and,

Whereas, the buyer is seeking a refund of from the city for the additional taxes in the amount of $4,276.52; and,

Whereas, Sec. 74.37(4) (a) provides that an objection before the Board of Review is required to bring a claim of excessive assessment. It allows for an exception if the notice of changed assessment was not given; and,

Whereas, the buyer indicates she did not receive notice of a change in assessment from 2020 and did not have the opportunity to appear before the Board of Review as a result. Notice should have been mailed to the previous owner in April of 2021; and,

Now, therefore be it resolved by the Common Council of the City of Stoughton under State Statute

74.37 determines the property tax claim of an “excessive assessment” be accepted or rejected.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Tim Swadley, Mayor Date

Council Action: _____ ☐ **Override** **Vote** _____

Grand Inspired LLC
Joanne Grassman, Owner
501 E Main St.
Stoughton, WI 53589

RECEIVED
JAN 28 2022
BY

City of Stoughton
207 S Forrest St.
Stoughton, WI 53589

January 28, 2022

To Whom It May Concern:

Please consider this letter a formal written Claim on Excessive Assessment per Wisconsin Statute 74.37, to the City of Stoughton, for the taxing year 2021. The property in question is Parcel #0511-081-1201-5, located at 501 E Main St., Stoughton, WI

Circumstances of the Claim

I received the property tax bill for 501 E Main in mid-December stating the property had been valued at $375,000 for 2021 and that I owed $7,151.59 in property taxes. To that date, I had no knowledge that the assessment value had changed from 2020, had received no notice of such at any time during 2021, and had no opportunity to appeal to the Board of Review. I purchased the property on May 21, 2021. The seller's real estate agent, Joe Voell of Pure Integrity Homes, claims to have had no knowledge of an assessment value change. The Title Company, Knight Berry, charged taxes due to the seller at the 2020 tax rate and has not responded to multiple requests for additional information.

I've spoken twice with Amy at Accurate Appraisals - first when I received the tax bill and again in mid-January. She first indicated that they based the valuation on comparables. I asked to have a list of the comparable properties sent to me and Amy agreed, but I received nothing. In my next call to Amy, she indicated they based the new value on the initial asking price of the property when it was listed for sale in April of 2020. The initial asking price was $425,000 on April 17, 2020. (This initial asking price was far above a realistic selling price.) Accurate Appraisal stated that it did an external review of the property in February 2020 that indicated no changes (improvements) to the property, then valued at $137,300. In this conversation, I asked to speak to the owner of Accurate Appraisals and Amy agreed to have him call me. I have not heard anything back from them.

Due to the obvious fact that there had been no improvements made to the property and, in fact, the property had likely deteriorated from the previous year (see enclosed photos) and because the increased assessment was grossly different for comparable properties in the City (173% increase in assessed value for 501 E Main compared to 0% increase in assessed value for comparable properties - see enclosed document), I believed that a simple error had been made that went unnoticed by the City of Stoughton Board of Review. I requested a rescindment or refund of taxes from the City per Wisconsin Statute 74.33 Sharing and Charging Back of Taxes Due to Palpable Errors. Based on his conversation with City legal representation, Mayor Swadley advised that Accurate Appraisals could claim that they did not make an error because it is permissible (though not typical, nor recommended) to use a seller's asking price as evidence of an increase in assessed value. In the case of 501 E Main, they used only the seller's asking price, seemingly disregarding all other evidence that the assessed value had not increased.

Therefore, I am asserting a claim that the assessment on 501 E Main St for 2021 is excessive under Wisconsin Statute 74.37. I provide the following evidence to support this claim:

- The property tax bill for 2021 indicated an increase of $236,000 of improvements to the property from the previous year (2020 value of improvements = $109,600, 2021 value of improvements = $347,600) that clearly did not exist on January 1, 2021. See attachment #1, photos from February - May 2021.
- An appraisal completed for the financing of the initial mortgage for May, 2021 concluded an appraised value of $210,000. See attachment #2.
- Appraisals for comparable properties in the area produced no properties that saw their assessments increase while the property at 501 E Main St increased by 173%. See attachment #3.
- Accurate Appraisals based their increase on the seller's asking price for the property which clearly was out of alignment with the market value as evidenced by adjustments made over the following year. Further, Accurate Appraisals did not change assessed values for other properties based on a seller's asking price (see attachment #3 - 421 E Main St (Elsing's Second Hand Shop).

Amount of the Claim

I'm asking that the City of Stoughton take the appropriate steps to remedy this situation and adjust the 2021 property taxes for 501 E Main such that the taxes due for 2021 are based on last year's assessed value. This is consistent with how other properties and business owners in the area were taxed. Based on 2021 mill rates and using the assessed value of $137,300 from the previous year, this would be a total tax due of $2875.07.

2021 Mill Rate*	Taxing Jurisdiction	Net Tax
.00293	Dane County	402.29
.00782	Local	1073.69
.00937	SASD	1286.50
.00081	MATC	112.59
Total		2875.07

*Source: Dane County Treasurer's Office, Mill Rates for Dane County Municipalities

As I was billed $7,151.59, I am asking for an adjustment of $4,276.52 be made to the 2021 tax bill for 501 E Main St.

I would like to be present at the meeting at which this is discussed, if it is permissible, to answer any additional questions or clarify any information. Thank you for your consideration in this matter.

Best Regards,

Joanne Grassman

Joanne Grassman, Owner
Grand Inspired LLC

1/28/22

Attachment #1

Photos of Building in Spring, 2021

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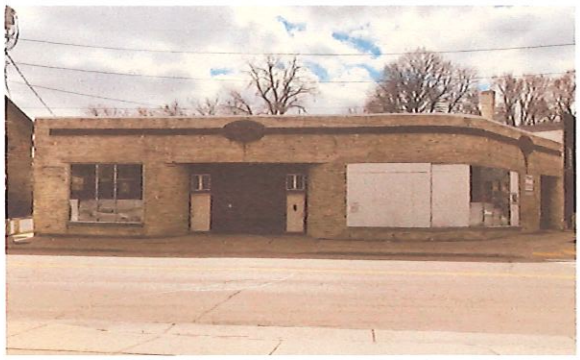
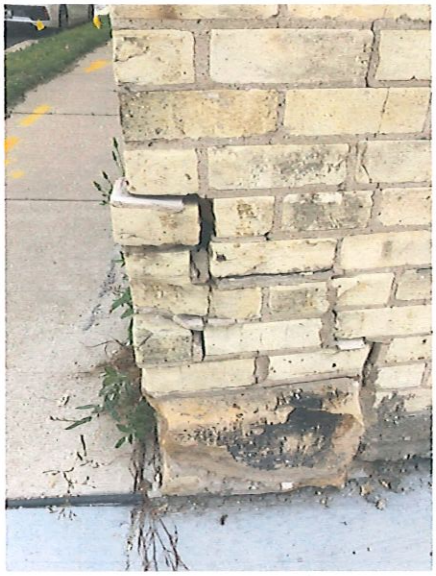
BY

Building Exterior



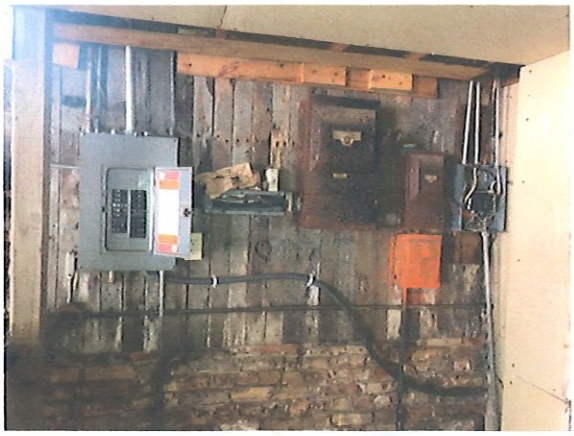


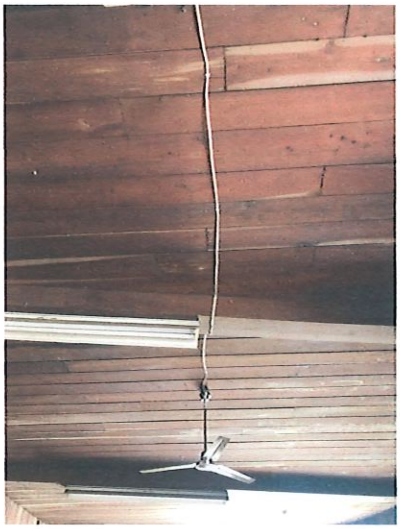
Interior Windows

Evidence of Leaking Roof & Rotten Ceiling

We replaced 1,400 of these ceiling boards.

Electrical System out of code and antiquated





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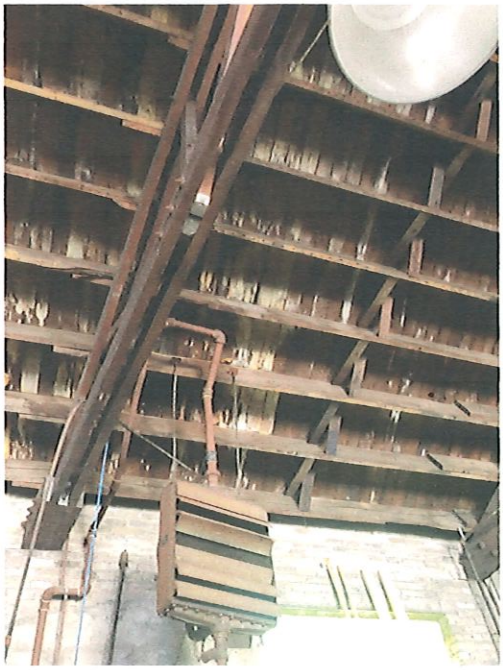
No Working Heating System



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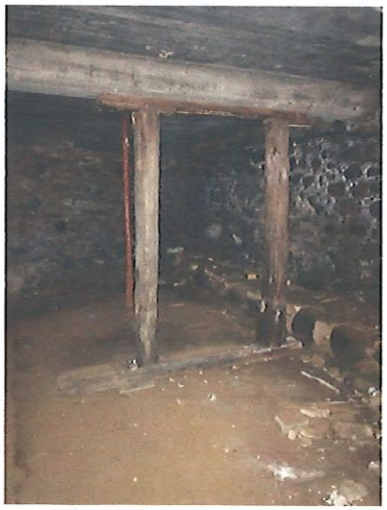
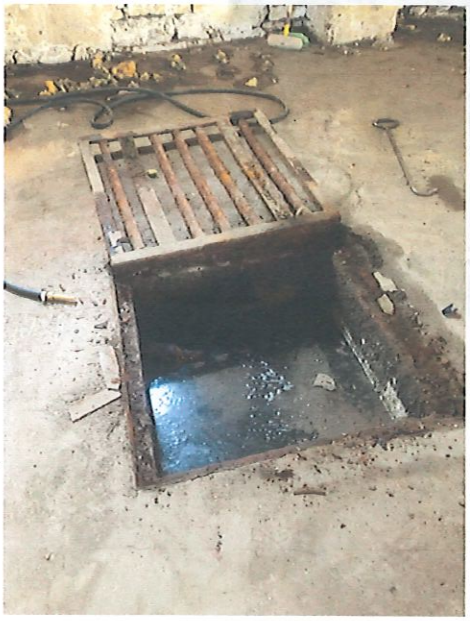
Inoperable water heaters & fixtures

Leaking water pipes & abandoned water/oil collector (6 feet deep)





All surfaces covered in mold (drywall, ceiling tiles, insulation)

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2020-2021 Property Assessment Comparisons

Attachment #3

Summary

Address	2020 Assessed Value	2021 Assessed Value	% Change	Notes
501 E Main Grand Inspired	137,300	375,300	173	5300 sq ft Condition: Poor
421 E Main Elsing's 2nd Hand	122,600	122,600	0	Seller's listing price $200,000 Condition: Fair 9,000 sq ft
144 E Main All Through The House	171,000	171,000	0	Seller's listing price $209,000 ~2,200 sq ft Condition: Fair
524 E Main Abel Contemporary Gallery	175,000	170,000	2.9%	~6,000sq ft Condition: Good
515 E Main The Lagaret	375,800	375,800	0	30,000+sq ft Condition: Excellent

Property Assessment Detail - Source: Dane County Parcels Online Database

1. 501 E Main St. : This is the only property of those listed here that saw an increase in Improved Value or Total Value.

Owner Name	GRAND INSPIRED LLC
Primary Address	501 E MAIN ST
Billing Address	3553 ORVOLD PARK DR MCFARLAND WI 53558

Assessment Detail Less –

« < Newer Older > »

Assessment Year	2021	2020
Valuation Classification	G2	G2
Assessment Acres	0.141	0.141
Land Value	$27,700.00	$27,700.00
Improved Value	$347,600.00	$109,600.00
Total Value	$375,300.00	$137,300.00
Average Assessment Ratio	0.9855	0.9901
Estimated Fair Market Value	$380,823	$138,673
Valuation Date	06/01/2021	04/27/2020

2. Elsing's Second Hand Shop: Elsing's was sold to Bryan Richgels at almost the same time as I purchased 501 E Main. It is almost double in size. The real estate listing price was also significantly more than the 2020 assessed value; however, no changes were made in improved value or total value of the property

Billing Address	421 E MAIN ST STOUGHTON WI 53589

Assessment Detail Less –

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Assessment Year	2021	2020
Valuation Classification	G2	G2
Assessment Acres	0.093	0.093
Land Value	$27,300.00	$27,300.00
Improved Value	$95,300.00	$95,300.00
Total Value	$122,600.00	$122,600.00
Average Assessment Ratio	0.9855	0.9901
Estimated Fair Market Value	$124,405	$123,826
Valuation Date	06/01/2021	04/27/2020

3. All Through The House Property: This property was also listed on the market during this time period. No changes to improved value or total value were made for 2021.

Primary Address	144 E MAIN ST
Billing Address	308 S LYNN ST STOUGHTON WI 53589

Assessment Detail Less –

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Assessment Year	2021	2020
Valuation Classification	G2	G2
Assessment Acres	0.062	0.062
Land Value	$18,000.00	$18,000.00
Improved Value	$153,000.00	$153,000.00
Total Value	$171,000.00	$171,000.00
Average Assessment Ratio	0.9855	0.9901
Estimated Fair Market Value	$173,517	$172,710
Valuation Date	06/01/2021	04/27/2020

4. Abel Contemporary Gallery: Abel is a neighboring property with approximately 3000 more square feet and renovated for retail use. The assessed value is less than half of the assessed value ascribed to 501 E Main.

Primary Address	524 E MAIN ST
Billing Address	4802 COTTAGE GROVE RD MADISON WI 53716

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Assessment Detail Less –

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Assessment Year	2021	2020
Valuation Classification	G2	G2
Assessment Acres	0.188	0.188
Land Value	$29,400.00	$29,400.00
Improved Value	$145,600.00	$140,600.00
Total Value	$175,000.00	$170,000.00
Average Assessment Ratio	0.9855	0.9901
Estimated Fair Market Value	$177,576	$171,700
Valuation Date	06/01/2021	04/27/2020

5. The Lagaret: The Lagaret is a neighboring property with over 30,000 more square feet and fully renovated for event space use. The assessed value is only $500 more than the assessed value of 501 E Main

Primary Address	515 E MAIN ST
Billing Address	PO BOX 606 STOUGHTON WI 53589

Assessment Detail Less –

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Assessment Year	2021	2020
Valuation Classification	G2	G2
Assessment Acres	0.849	0.849
Land Value	$74,000.00	$74,000.00
Improved Value	$301,800.00	$301,800.00
Total Value	$375,800.00	$375,800.00
Average Assessment Ratio	0.9855	0.9901
Estimated Fair Market Value	$381,330	$379,558
Valuation Date	06/01/2021	04/27/2020

74.37 Claim on excessive assessment.

(1) DEFINITION. In this section, a "claim for an excessive assessment" or an "action for an excessive assessment" means a claim or action, respectively, by an aggrieved person to recover that amount of general property tax imposed because the assessment of property was excessive.

(2) CLAIM.

(a) A claim for an excessive assessment may be filed against the taxation district, or the county that has a county assessor system, which collected the tax.

(b) A claim filed under this section shall meet all of the following conditions:

1. Be in writing.

2. State the alleged circumstances giving rise to the claim.

3. State as accurately as possible the amount of the claim.

4. Be signed by the claimant or his or her agent.

5. Be served on the clerk of the taxation district, or the clerk of the county that has a county assessor system, in the manner prescribed in s. 801.11 (4) by January 31 of the year in which the tax based upon the contested assessment is payable.

(3) ACTION ON CLAIM.

(a) In this subsection, to "disallow" a claim means either to deny the claim in whole or in part or to fail to take final action on the claim within 90 days after the claim is filed.

(b) The taxation district or county that has a county assessor system shall notify the claimant by certified or registered mail whether the claim is allowed or disallowed within 90 days after the claim is filed.

(c) If the governing body of the taxation district or county that has a county assessor system determines that a tax has been paid which was based on an excessive assessment, and that the claim for an excessive assessment has complied with all legal requirements, the governing body shall allow the claim. The taxation district or county treasurer shall pay the claim not later than 90 days after the claim is allowed.

(d) If the taxation district or county disallows the claim, the claimant may commence an action in circuit court to recover the amount of the claim not allowed. The action shall be commenced within 90 days after the claimant receives notice by registered or certified mail that the claim is disallowed.

(4) CONDITIONS.

(a) No claim or action for an excessive assessment may be brought under this section unless the procedures for objecting to assessments under s. 70.47, except under s. 70.47 (13), have been complied with. This paragraph does not apply if notice under s. 70.365 was not given.

(b) No claim or action for an excessive assessment may be brought or maintained under this section unless the tax for which the claim is filed, or any authorized installment of the tax, is timely paid under s. 74.11 or 74.12. This paragraph does not apply to taxes due and payable in 2020 if paid by October 1, 2020, or by any installment date for which taxes are due after October 1, 2020, nor to taxes due and payable in 2021 if paid by October 1, 2021, or by any installment date for which taxes are due after October 1, 2021.

(c) No claim or action for an excessive assessment may be brought or maintained under this section if the assessment of the property for the same year is contested under s. 70.47 (13) or 70.85. No assessment may be contested under s. 70.47 (13) or 70.85 if a claim is brought and maintained under this section based on the same assessment.

(5) INTEREST. The amount of a claim filed under sub. (2) or an action commenced under sub. (3) may include interest at the average annual discount rate determined by the last auction of 6-month U.S. treasury bills before the objection per day for the period of time between the time when the tax was due and the date that the claim was paid.

(7) COMPENSATION. If taxes are refunded under sub. (3), the governing body of the taxation district or county that has a county assessor system may proceed under s. 74.41.

History: 1987 a. 378; 1989 a. 104; 1993 a. 292; 1995 a. 408; 2007 a. 86; 2017 a. 207 s. 5; 2017 a. 358; 2019 a. 185; 2021 a. 80.

Sections 70.47 (13), 70.85, and 74.37 provide the exclusive method to challenge a municipality's bases for assessment of individual parcels. All require appeal to the board of review prior to court action. There is no alternative procedure to challenge an assessment's compliance with the uniformity clause. Hermann v. Town of Delavan, 215 Wis. 2d 370, 572 N.W.2d 855 (1998), 96-0171.

Claimants who never received notice of a changed assessment under s. 70.365 were exempt from the obligation to proceed before the board of review. However, they were required to meet the January 31 filing date in sub. (2), regardless of the fact that they never received the notice. Reese v. City of Pewaukee, 2002 WI App 67, 252 Wis. 2d 361, 642 N.W.2d 596, 01-0850.

While certiorari review of an assessment is limited to the review of the board of assessment's record, sub. (3) (d) allows the court to proceed without regard to any determination made at an earlier proceeding. The assessor's assessment is presumed correct only if the challenging party does not present significant contrary evidence. The court may hear new evidence and can enter a judgment if it is in the best interest of the parties. Bloomer Housing Limited Partnership v. City of Bloomer, 2002 WI App 252, 257 Wis. 2d 883, 653 N.W.2d 309, 01-3495.

After *Nankin,* the state-wide application of this section must prevail over any statutes that would defeat its implementation. Special rules help harmonize provisions that were once fully compatible with this section but, as a result of Nankin, conflict with this section. U.S. Bank National Association v. City of Milwaukee, 2003 WI App 220, 267 Wis. 2d 718, 672 N.W.2d 722, 03-0724.

When a taxpayer brings an action to recover excessive taxes under this section, the least favorable outcome for the taxpayer, and the best possible outcome for the taxation authority, is for the court to conclude there were no excessive taxes. The court cannot impose a greater tax burden than the one the taxation authority already agreed to when it accepted the taxpayer's payment. Although the court need not defer to the board of review's determination, and there is a statutory presumption that the assessor's determination is correct, when the board of review reduces the original assessment the court cannot reinstate the assessor's original assessment. Trailwood Ventures, LLC v. Village of Kronenwetter, 2009 WI App 18, 315 Wis. 2d 791, 762 N.W.2d 841, 08-1221.

When a city assessor correctly applies the Property Assessment Manual and statutes, and there is no significant evidence to the contrary, courts will reject a party's challenge to the assessment. Allright Properties, Inc. v. City of Milwaukee, 2009 WI App 46, 317 Wis. 2d 228, 767 N.W.2d 567, 08-0510.

Under s. 70.49 (2), each assessment "shall, in all actions and proceedings involving such values, be presumptive evidence that all such properties have been justly and equitably assessed." For a taxpayer to challenge the assessment, the taxpayer is required to present sufficient evidence to persuade the circuit court that the assessed value is probably not the fair market value of the property. A failure to provide that persuasive evidence would entitle the city to judgment based on the statutory presumption. Bonstores Realty One, LLC v. City of Wauwatosa, 2013 WI App 131, 351 Wis. 2d 439, 839 N.W.2d 893, 12-1754.

Under sub. (4), a taxpayer must challenge an assessment in front of the board of review before filing an excessive assessment claim, unless the taxing authority failed to provide a notice of assessment under circumstances where notice was required. Under s. 70.365, a notice of assessment is required only when the property's assessed value has changed. After reading these statutes, it should have been clear to the taxpayer that: 1) because it did not receive a notice of assessment, its property's assessed value for 2011 would be unchanged from 2010; and 2) if the taxpayer wanted to challenge the 2011 assessment, it needed to object before the board of review. These requirements did not violate the taxpayer's rights to due process. Northbrook Wisconsin, LLC v. City of Niagara, 2014 WI App 22, 352 Wis. 2d 657, 843 N.W.2d 851, 13-1322.

Under sub. (3) (b), a taxing district has 90 days after a claim for excessive assessment has been filed to either allow it or disallow it. If the taxing authority fails to act on the claim within 90 days, the claim is deemed disallowed under sub. (3) (a). A statutory limitation period does not commence once a claim is deemed disallowed under a statute that requires receipt of notice of the disallowance to trigger the limitation period. As the claimant in this case never received notice of the disallowance of its claim by certified or registered mail, the 90-day limitation period was not triggered and the action was timely commenced. Walgreen Co. v. City of Oshkosh, 2014 WI App 54, 354 Wis. 2d 17, 848 N.W.2d 314, 13-1610.

The plaintiffs were entitled to a hearing to contest their tax assessment even though they did not permit a tax assessor to enter the interior of their home. Milewski v. Town of Dover, 2017 WI 79, 377 Wis. 2d 38, 899 N.W.2d 303, 15-1523.

Over Assessed? Appealing Home Tax Assessments. McAdams. Wis. Law. July 2011.

74.39 Court-ordered reassessment.

(1) COURT MAY ORDER. Except as provided in sub. (3), in any action under s. 74.35 (3) or 74.37 (3), if the court determines that a reassessment of the property upon which the taxes were paid is necessary, the court, before entering judgment, shall continue the action to permit reassessment of the property. If, based on the reassessment, the court determines that the amount of taxes paid by the plaintiff is not excessive, judgment shall be entered for the defendant. If, based on the reassessment, the court determines that the amount of taxes paid by the plaintiff is excessive, judgment shall be entered for the plaintiff for the amount of the excessive taxes paid.

(2) CHALLENGE OF REASSESSMENT. The validity of a reassessment under sub. (1) may be challenged under s. 75.54. A reassessment under s. 75.54 shall be made by the assessor of the assessment district in which the property to be reassessed is located.

(3) EXCEPTION. The court may proceed to judgment without ordering a reassessment under sub. (1), if the court finds that to do so is in the best interests of all parties to the action and if the court is able to determine the amount of unlawful taxes with reasonable certainty.

History: 1987 a. 378.

When a court finds an assessment excessive, under sub. (3) it must order a reassessment unless it finds that: 1) proceeding to judgment is in the parties' best interests; and 2) the court is able to determine the amount of unlawful taxes with reasonable certainty. In this case, the circuit court made both of these findings but failed to explain the reasoning behind its decision. When a circuit court fails to explain its reasoning, the appellate court may search the record to determine whether it supports the court's discretionary decision. West Capitol, Inc. v. Village of Sister Bay, 2014 WI App 52, 354 Wis. 2d 130, 848 N.W.2d 875, 13-1458.

74.41 Charging back refunded or rescinded taxes; sharing certain collected taxes.

(1) SUBMISSION OF REFUNDED OR RESCINDED TAXES TO DEPARTMENT. By October 1 of each year, the clerk of a taxation district may submit to the department of revenue, on a form prescribed by the department of revenue, a listing of all general property taxes on the taxation district's tax roll that, subject to subs. (1m) and (2), meet any of the following conditions:

(a) Have been refunded to taxpayers under s. 70.511.

(b) Have been rescinded or refunded to taxpayers under s. 74.33.

(bm) Have been refunded or collected under s. 70.43.

(bn) Have been rescinded or refunded to taxpayers under s. 70.74 or 75.25 (2).

(c) Have been refunded to taxpayers under s. 74.35 or 74.37.

(1m) AMOUNT COLLECTED FROM PROPERTY IN A TAX INCREMENTAL DISTRICT. A tax may not be included on a form submitted under sub. (1) if the tax was levied on property within a tax incremental district, as defined in s. 60.85 (1) (n) or 66.1105 (2) (k), unless the current value of the tax incremental district is lower than the tax incremental base, as defined in s. 60.85 (1) (m) or 66.1105 (2) (j), in the assessment year for which the tax was refunded, rescinded, collected, or corrected under sub. (1) (a) to (c).

(2) AMOUNT REQUIRED FOR SUBMISSION. A tax may be included on a form submitted under sub. (1) only if all of the following apply:

(b) The tax under sub. (1) for any single description of property in the tax roll for any one year is $250 or more.

(bm) The tax under sub. (1) was refunded or rescinded for any of the 5 assessment years immediately preceding the year in which the form under sub. (1) is submitted or refunded or rescinded because of a court determination and submitted under sub. (1) no later than one year after the date of the court's determination.

(4) CHARGE-BACK AMOUNT DETERMINED. The department of revenue shall, by the November 15 following submission of the form under sub. (1), determine the amount of rescinded or refunded taxes to be charged back to, and collected from, each taxing jurisdiction for which taxes were collected by the taxation district and determine the amount of taxes collected under s. 74.33 to be shared with each taxing jurisdiction for which taxes were collected by the taxation district. Except for interest on refunds under s. 70.511 (2) (b) that is paid with respect to property that was assessed under s. 70.995 and that is not paid by the department of administration under s. 70.511 (2) (bm), the amount determined may not include any interest. The determination of the department of revenue under this subsection is reviewable only under s. 227.53.

(5) NOTICE AND PAYMENT.

(a) The department of revenue shall certify to the clerk of the taxation district the amount determined to be charged back or shared under sub. (4) and shall furnish a copy of the certification to each affected taxing jurisdiction.

(b) Each taxing jurisdiction to which an amount is charged back under sub. (4) shall pay the amount certified under par. (a) to the taxation district treasurer by February 15 of the year following the determination under sub. (4). By February 15 of the year following the determination under sub. (4), the taxation district treasurer shall pay the amounts to be shared with other taxing jurisdictions.

(6) NO EFFECT ON MILL RATE LIMITS. A tax levied by a taxation jurisdiction to fund an amount which the taxing jurisdiction is required to pay under sub. (5) shall not be considered in determining whether the taxing jurisdiction is in compliance with any statutorily imposed mill rate limit.

History: 1987 a. 378; 1991 a. 39; 1995 a. 408; 2001 a. 16; 2005 a. 405; 2015 a. 317; 2017 a. 17.

74.42 Charge back of personal property taxes; subsequent distributions.

(1) CHARGE BACK. No earlier than February 2 and no later than April 1, the taxation district treasurer may charge back to each taxing jurisdiction within the taxation district, except this state, its proportionate share of those personal property taxes for which the taxation district settled in full the previous year, which were delinquent at the time of settlement, which have not been collected in the intervening year, and which remain delinquent, if the taxes are owed by an entity that has ceased operations, or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll. At the same time, if there are charge-backs, the taxation district treasurer shall charge back to the county the state's proportionate share of those taxes. No later than the first May 1 after receipt of a notice of a charge-back, the taxing jurisdiction shall pay to the taxation district treasurer the amount due, and the state shall pay to the proper county treasurer the amount due.

(2) SUBSEQUENT DISTRIBUTIONS. An amount equal to any delinquent personal property taxes charged back under sub. (1) which are subsequently collected by the taxation district, minus the cost of collecting those taxes, shall be proportionately distributed to each taxing jurisdiction to which the delinquent taxes were charged back under sub. (1). Distributions under this subsection shall be made on May 15, August 15, November 15 and February 15.

History: 1987 a. 378; 1989 a. 104; 1991 a. 39; 1995 a. 278; 2009 a. 171.

Grand Inspired, LLC
Joanne Grassman

501 East Main Street
Stoughton, Wisconsin

May 5, 2021

Prepared for One Community Bank
MS File# 210419030
Loan# 13698

Donsing Appraisal, LLC

Donsing Appraisal, LLC

May 5, 2021

One Community Bank
Attn: Commercial Loans
5990 US Highway 51
McFarland, WI 53558

Re: Grand Inspired, LLC
Joanne Grassman
501 East Main Street
Stoughton, WI 53589
MS File# 210419030
Loan# 13698

Dear Sirs,

As per your request, I have examined and appraised the captioned property with the goal of developing an opinion of the current "As Is" market value of the fee simple ownership interest in the subject property as of April 29, 2021.

The subject is an existing single occupant industrial building on one parcel of land. It is located in central Stoughton, Wisconsin.

Note that the building has an advanced age with extensive general aging. A full structural and physical inspection and a comprehensive remodeling plan are recommended.

It should be noted that this appraisal was performed solely on behalf of One Community Bank which is the appraisal client. Intended users are limited to One Community Bank, its parent, affiliates, and subsidiaries. Mountainseed AMC is acting as an agent for the appraisal client.

The purpose and intended use of the appraisal is to assist in documenting value for loan underwriting, risk classification and decision-making by a federally regulated financial institution relating to a pending loan relationship. The use of this report by other parties or for any other purpose is prohibited. The appraiser is not responsible for any unauthorized use of this report or for any unauthorized alterations of this report.

This report has been prepared in accordance with the written expressed minimum appraisal standards of the appraisal client.

(608) 238-1710 donsingt@chorus.net
7614 Knights Circle, Middleton, WI 53562

This document is intended to be an appraisal report and is in conformance with the applicable edition of the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation. Every effort has been made to conform to the requirements of the Federal Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989.

It is not intended to be an investment guide or comfort for potential buyers; they must rely on their own separate evaluation of the property and its financial potential. The loan applicant and any subsequent buyers are not third- party beneficiaries. No liability to such parties is intended or accepted.

Unless otherwise stated, no third- party report of the physical condition of the property has been supplied to the appraiser. The appraiser has performed a cursory inspection of the property which was not comprehensive in nature. Any undisclosed or undiscovered physical problems may adversely impact on value. This appraisal assumes that no additional adverse conditions exist. Interested parties are recommended to retain a professional inspection service in this regard.

No repairs or alterations to the property are needed to attain the appraised value unless specifically stated in the report.

No effort has been made to evaluate the property regarding local and/or state building codes. The impact of any problem in this regard may adversely affect the value estimate. Additionally, no investigation was made of the title or any liabilities against the property appraised.

The appraisal client and any subsequent users of this report are hereby cautioned that the final value estimates shown are based on certain facts, assumptions and analyses are specified in the body of the report. Any change in these items may significantly affect value. The reader is advised to read the report in its entirety and to evaluate these facts, assumptions, and analyses relative to their needs.

A Due Diligence review of this report is mandatory on the part of the appraisal client. The use of the report in any manner indicates that the client and subsequent parties accept the analysis and its underlying data.

This appraisal report contains 108 pages exclusive of the letter of transmittal. The validity of the value conclusion is dependent on the report being communicated in its entirety.

Based on the facts, assumptions, and analyses contained in the attached appraisal report, the current “As Is” market value of the fee simple ownership interest in the subject property as of April 29, 2021 is estimated to be:

Two Hundred Ten Thousand Dollars
$210,000

The property has a range of potential current “As Is” values of from $180,000 to $210,000 with any price point within that range being reasonable. The exact price will be a function of the motivations, capabilities, and intentions of the participants to the transaction. The value conclusion assumes that no undue influences exist.

Note that these values are predicated on an exposure of from three to nine months using standard marketing efforts. That estimate is dynamic and can be expected to change over time.

The users of this report are cautioned that the conclusion of value is an opinion and not a statement of fact.

The undersigned has personally inspected the appraised property and has completed the investigation, analysis, and report. Also, the undersigned certifies as to their professional qualifications and competency necessary to complete this appraisal report in an appropriate manner. Neither my engagement to make this appraisal or any future appraisals for this client nor any compensation, therefore, are contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Sincerely,

Thomas B. Donsing, SRPA
Wisconsin Certified
General Appraiser #76-10

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Summary of Important Facts and Conclusions

Address:	501 East Main Street Stoughton, Wisconsin
Appraisal Client:	One Community Bank Commercial Loans
Loan Applicant:	Grand Inspired, LLC Joanne Grassman
Property Description:	
Type:	Single occupant general industrial
Building area:	
Gross:	5,358 square feet
Net:	5,358 square feet
Efficiency:	100.0%
Year built:	e1920
Construction:	Masonry
Effective age:	65 years
Remaining economic Life:	35 years
Parking stalls:	e2
Parking ratio:	0.37 stalls per 1,000 SF NLA
Site area:	6,160 square feet (0.141 acres)
Site coverage ratio:	87.0%
Zoning:	“CB” (Central Business)
Flood status:	Zone X
Personal property:	None
Sales history (5 year):	None known
Marketing period:	3-9 months
Property Rights Appraised:	Fee simple
Highest and Best Use:	Low intensity retail or general commercial Hold for redevelopment

Financial Indicators:

Current Gross Rental Income:		$0
Projected Gross Rental Income:		$22,772
Projected Additional Rent:		8,037
Gross Potential Project Income:		$30,809
Less-Vacancy Allowance	8.0%	-2,465
Effective Gross Income		$28,344
Expenses	38.1%	-10,805
Adjustment for RE Tax	0.0%	0
Adjusted Net Operating Income		$17,539
Divide—Overall Capitalization Rate		0.0835
Capitalized Value		$210,047
Rounded		$210,000

Proposed Sales Price: **$ 280,000**

Indicated Values:

Income Capitalization Approach: **$ 210,000**

Cost Approach:

Site	**$ 50,000**
Improvements	**160,000**
Total	**$ 210,000**

Market Comparison Approach: **$ 200,000**
Range: **$ 180,000 to $210,000**

Final Value Estimate: **$ 210,000**

Effective Date of the Valuation: April 29, 2021

Comments: The subject is an old freestanding industrial building on one parcel of land. It is located in central Stoughton, Wisconsin.

The appraisal request includes other lands. They have been removed from the transaction by means of an addendum to the offer to purchase.

Note that the building has an advanced age with extensive general aging. A full structural and physical inspection and a comprehensive remodeling plan are recommended.

From: Ryan G. Braithwaite
To: Tim Swadley
Cc: Candee Christen
Subject: RE: Grassman excessive assessment claim
Date: Thursday, February 17, 2022 3:35:16 PM

Tim-

Here are some of my thoughts regarding the claim and the applicable statutes:

Re: Grand Inspired LLC Excessive Assessment Claim (Grassman)

The City has received a claim of excessive assessment involving the property at 501 E. Main Street. This claim is governed by Sec. 74.37 Wis. Stats. Pursuant to statute, the City has 90 days from January 28, 2022, to approve or deny the claim.

The claim involves the 2021 assessment. The property was assessed at $137,300 as of January 1, 2020. The assessment was increased to $375,300 for January 1, 2021. According to the claimant, the increase was based on the listing of the property in April of 2020 for $425,000.

The claimant is asking for a refund of the additional taxes in the amount of $4,276.52.

If the claim is denied the claimant may file an action in circuit court. This is somewhat unlikely given the amount of taxes at issue.

Grand Inspired purchased the property on May 21, 2021, for $280,000. The owner indicates she did not receive notice of a change in assessment from 2020 and did not have the opportunity to appear before the Board of Review as a result. Based on the timing of the sale, notice should have been mailed to the previous owner in April of 2021.

Sec. 74.37(4)(a) provides that an objection before the Board of Review is required to bring a claim of excessive assessment. It allows for an exception if the notice of changed assessment was not given.

> No claim or action for an excessive assessment may be brought under this section unless the procedures for objecting to assessments under s. 70.47, except under s. 70.47 (13), have been complied with. This paragraph does not apply if notice under s. 70.365 was not given.

Wis. Stat. § 70.32(1) requires that real property be valued "at the full value which could ordinarily be obtained therefor at private sale." Wis. Stat. § 70.32(1). When valuing property,

> the assessor shall consider recent arm's-length sales of the property to be assessed if according to professionally acceptable appraisal practices those sales conform to recent arm's-length sales of reasonably comparable property; recent arm's-length sales of reasonably comparable property; and all factors that, according to professionally acceptable appraisal practices, affect the value of the property to be assessed.

Id.

The third-tier approach requires assessors to consider "all factors" affecting "the value of the property to be assessed." Those factors include "cost, depreciation, replacement value, income, industrial conditions, location and occupancy, sales of like property, book value, amount of insurance carried, value asserted in a prospectus and appraisals produced by the owner." *Adams Outdoor Advertising, Ltd. v. City of Madison*, 2006 WI 104, ¶ 35, 294 Wis. 2d 441, 717 N.W.2d 803. Notably, "this hierarchy of appraisal methods does not permit an assessor to use an appraisal method when insufficient data exist to perform an accurate valuation under that method. To the contrary, an assessor must not appraise a property using unreliable data." *Regency West Apts. LLC v. City of Racine*, 2016 WI 99, ¶ 26, 372 Wis. 2d 282, 888 N.W.2d 611.

Under the circumstances presented the Council could conclude that the claimant did not have an opportunity to appeal the assessment to the Board of Review and allow the claim to proceed. The Council could also conclude that notice would have been provided to the prior owner and that notice was sufficient for purposes of the statute, such that the claim would be denied.

With regard to valuation, the Council could conclude that the assessment was not excessive based on the use of the listing price as a third-tier approach to value. Listings are not commonly used to establish value.
As a middle-ground, the claim could be granted in part based on the May 2021 sale price of $280,000. Although the sale occurred after the assessment date of January 1, 2021, it can still serve as the best evidence of value where appropriate. However, the City Assessor website does currently state that sales after the New Year will not be used to determine the new value in 2021.
The claim could also be approved at the 2020 assessment amount of $137,300. The claimant indicates that other comparable properties in the area did not have their assessments increased for 2021.

-Ryan

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From: Ryan G. Braithwaite
Sent: Thursday, February 17, 2022 3:24 PM
To: 'Tim Swadley' <TSwadley@ci.stoughton.wi.us>
Cc: 'Candee Christen' <CChristen@ci.stoughton.wi.us>
Subject: RE: Grassman excessive assessment claim

Tim-

Attached please find the draft resolution.

-Ryan

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