



G.J. Miesbauer & Associates, Inc.
RIGHT OF WAY ACQUISITION SPECIALISTS

OWNERS GUIDELINES FOR APPRAISALS

A Local Public Agency (Acquiring Agency) has provided you, the owner, with a written offer to purchase property owned by you that is needed for a public project. Also provided was a copy of the appraisal report upon which the offer was based. Wisconsin law allows the acquiring agency to pay for an owner's appraisal. Wisconsin Statutes section 32.05(2)(b) states in part:

The owner may obtain an appraisal by a qualified appraiser of all property proposed to be acquired, and submit the reasonable costs of the appraisal to the condemnor for payment. The owner shall submit a full narrative appraisal to the condemnor within 60 days after the owner receives the condemnor's appraisal. If the owner does not accept a negotiated offer under sub. (2a) or the jurisdictional offer under sub. (3), the owner may use an appraisal prepared under this paragraph in any subsequent appeal.

The cost of your appraisal will be paid by the acquiring agency provided the following conditions are met.

QUALIFIED APPRAISER

Under Wisconsin law you are entitled to obtain your own appraisal by a "qualified" appraiser. It is recommended that you select an appraiser that is certified by the State of Wisconsin. These appraisers have demonstrated that they have the experience and education to prepare an acceptable appraisal. They also are obligated to prepare an appraisal which meets the Uniform Standards of Professional Appraisal Practice.

REASONABLE COSTS

- The acquiring agency will only pay for the cost of an appraisal which it determines to be "reasonable." Costs will be considered reasonable if they are comparable to fees charged for similar work performed by other qualified appraisers.
- In order for the acquiring agency to determine the reasonableness of the appraisal fee, the appraiser must submit a detailed breakdown of the time involved. For example, the appraiser must indicate the dates and hours spent inspecting the subject property, inspecting and verifying comparable sales, drafting the report, etc. and indicate the hourly rate charged. The appraisal and bill should be submitted to the owner or the owner's designated representative, who must provide 2 copies to the acquiring agency within the 60-day limits.
- The reasonableness of the fee will be judged by the complexity of the appraisal problem and the independent analysis and data provided by the appraiser.

FEES THAT WILL NOT BE PAID

- Consultation with the owner or his/her representative or attorney unless it occurs during the actual property inspection or while gathering additional property data.
- Time spent reviewing the acquiring agency appraisal is not reimbursable unless it is for gathering data that is either accepted or used in the development of an independent opinion of value.
- The entire payment can be denied if the appraisal does not meet the owners appraisal guidelines



FULL NARRATIVE APPRAISAL

A “full narrative appraisal” is a detailed and comprehensive report. It describes the property to be acquired and provides a documented conclusion of its fair market value. The report must contain the appraiser’s rationale for determining value and must be documented by market data which supports the appraiser’s rationale.

The acquiring agency will also accept abbreviated reports as a “full narrative appraisal”. This exception is made to avoid unnecessary expenditure of public funds on appraisal fees for minor right of way parcels where the costs of acquisition are relatively small. As a minimum the appraiser may do the following:

- Specifically state which parts of the agency’s appraisal he/she is accepting as his/her own opinion
- Accept the agency’s appraisal or provide a complete market approach which includes a direct comparison of the property to specific comparable sales with an analysis of differences.
- Completely support and justify all differences of opinion for any other items.
- Allocate total damages for land, improvement and damages to the remainder as appropriate, according to Wis Stats.

60 DAY TIME LIMIT

Wisconsin statutes require that your appraisal be delivered to the acquiring agency or be postmarked within 60 days after you received a copy of the state’s appraisal.

THE ACQUIRING AGENCY CANNOT PAY FOR THE COST OF AN APRAISAL RECEIVED OR POSTMARKED AFTER 60 DAYS.

REDUCE YOUR RISKS

In order to reduce your risk, you may want to consider the following:

- Avoid appraisers who want to be paid in advance or will not provide an estimate of the appraisal fee.
- Discuss the estimated appraisal fee with the acquiring fee negotiator before hiring an appraiser.
- Ask your appraiser to sign a written agreement that requires them to comply with the acquiring agency guidelines with respect to the billing and preparation of a full narrative appraisal report which provides that the appraiser will agree not to charge you a fee that exceeds the amount determined reasonable by the acquiring agency.

Most appraisers have no trouble meeting these conditions, and the cost of the appraisal is routinely paid. There have been some exceptions, however, where appraisers have not followed the guidelines or have charged unreasonably high fees. When this happens, the acquiring agency may refuse to pay the fee or it may only pay an amount which it determines to be a reasonable fee for the appraisal service performed.

The final choice of an appraiser is yours. Any agreement for appraisal services is solely between you, the owner, and the appraiser. The ultimate responsibility for payment of the fee charged by the appraiser rests solely with you. The acquiring agency’s statutory responsibility to pay the reasonable cost of an appraisal is not subject to or affected by an agreement reached between you the appraiser.

The information contained in these guidelines is offered to avoid any misunderstanding between you and the acquiring agency regarding payment of the appraisal fee. Hopefully, we can avoid a situation where the acquiring agency will not pay a part of any of the fee that you have been charged for an appraisal.

If you have any questions regarding these guidelines, please contact G.J. Miesbauer & Associates, Inc.