APPRAISAL GUIDELINES and AGREEMENT

Wisconsin Department of Transportation

Division of Transportation System Development
APPRAISAL GUIDELINES
for
PROPERTY OWNERS

The Wisconsin Department of Transportation (WisDOT) has provided you with a written offer to purchase property that is needed for a highway improvement project. WisDOT also provided you with a copy of an appraisal upon which that offer is based. Wisconsin state statutes provide you the right to obtain your own appraisal of the proposed WisDOT acquisition. The following information is provided to assist you in understanding that right.

Wisconsin statute, 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 may 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.

QUALIFIED APPRAISER

We recommended that you select an appraiser who is certified by the state of Wisconsin. These appraisers have demonstrated that they have the experience and education to prepare an acceptable appraisal. They are also obligated to prepare an appraisal that conforms with the Uniform Standards of Professional Appraisal Practice. However, the ultimate choice of the appraiser is yours. WisDOT will not recommend appraisers, and it is your responsibility to ask for references if you would like to do so. Appraisers may be located in the phone listings under “Real Estate Appraisers.”

REASONABLE COSTS

WisDOT will only reimburse fees for an appraisal that are determined to be reasonable. Fees will be considered reimbursable if:

a. The appraisal meets all WisDOT appraisal requirements;
b. The analysis and presentation of appraisal data are documented with logical and reasonable conclusions of value;
c. The billed fees are comparable to fees charged for similar work performed by other qualified appraisers within the same market area, as determined by WisDOT; and,
d. The reasonableness of the fee will also be judged by the complexity of the appraisal problem and the independent analysis and data provided by the appraiser.
In order for WisDOT to determine the reasonableness of the appraisal fee, the appraiser must submit a detailed breakdown of the time involved. 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. It is the owner’s responsibility to ensure the appraisal invoice contains these items. The appraisal report and bill must be submitted to WisDOT within the 60-day limit as specified in the original written offer.

**FEES THAT WILL NOT BE REIMBURSED:**

- 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 WisDOT appraisal.
- The entire payment can be denied if the appraisal does not meet the requirements under these guidelines.

**FULL NARRATIVE APPRAISAL**

A “full narrative appraisal” is a detailed and comprehensive appraisal report. It describes the property to be acquired and provides a documented conclusion of its fair market value and, if applicable, any damages to the remaining property. The appraisal report must contain the appraiser’s rationale for determining the damage estimate that must be based on market data contained within the appraisal. The report will typically be similar in scope and format to the appraisal report provided you by WisDOT.

**60-DAY TIME LIMIT**

Wisconsin statutes require that your appraisal must be delivered to WisDOT or be postmarked within 60 days after you receive the WisDOT appraisal. Receipt of the WisDOT appraisal is considered to have been accomplished either upon the date of personal delivery or three(3) days following the date of postmark. The accompanying offer will specify the due date.

All appraisals mailed by WisDOT are sent USPS certified mail requiring a signature upon delivery. Attempted deliveries are recorded. Failure to accept or retrieve the mailing once notified will not extend the 60-day period. The 60 days run consecutively without interruption. Failure to return an appraisal within 60 days does not mean an appraisal cannot be submitted for consideration, only that it will not be paid for by WisDOT.

**WISDOT CANNOT PAY FOR THE COST OF AN APPRAISAL RECEIVED OR POSTMARKED AFTER 60 DAYS - NO EXCEPTIONS**

Rev. March 2008
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.
• Make contacts with appraisers early in the process to ensure their availability.
• Discuss the estimated appraisal fee with the WisDOT negotiator before hiring an appraiser.
• Ask your appraiser to sign a written agreement that requires them to comply with these guidelines. A sample of such an agreement is attached for your consideration and use.
• Ask your appraiser, in the agreement, to allow you adequate time to review the appraisal prior to the 60-day deadline.

Most appraisers have no trouble meeting these conditions, and the cost of the appraisal is routinely paid. There have been some instances, however, where appraisers have not followed the guidelines or have charged unreasonably high fees. When this happens, WisDOT may deny reimbursement of the fee or may pay only the portion determined to be reasonable for the appraisal service performed.

Any agreement for appraisal services is strictly between you and the appraiser. The ultimate responsibility for payment of the fee charged by the appraiser rests solely with you. WisDOT’s statutory responsibility to pay the reasonable cost of an appraisal is not subject to or affected by an agreement reached between you and your appraiser.

The information contained in these guidelines is offered to help prevent any potential misunderstanding between you and WisDOT regarding the reimbursement of appraisal fees.

Your ability to obtain your own appraisal is a statutory right, to be exercised or not, at your discretion.

NOTE: If you have any questions regarding these guidelines, please contact the regional WisDOT Real Estate section.
APPRAISAL GUIDELINES
for
PROPERTY OWNERS’ APPRAISERS

You have been contacted by a property owner to provide an appraisal of property that is needed for a highway improvement project. Taking into consideration the effect of a highway improvement project, Wisconsin law provides the property owner the right to obtain their own appraisal of the proposed WisDOT acquisition. The law also allows the State to pay for an owner’s appraisal. The following information is provided to assist you in understanding the provisions of this law as you prepare an appraisal for a property owner.

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Rev. March 2008
For the appraisal fee specified above, appraiser and owner, both identified above, agree that the appraiser shall provide the owner with two copies of a full narrative appraisal (as defined in the “Appraiser Guidelines” which are given to the property owner and are made a part of this agreement by reference) in writing of the identified and described property.

Appraiser shall deliver to the owner the appraisal reports no later than the specified due date to enable the owner to file for payment of the fee within the 60 days prescribed by Section 32.05(2)(b), Wisconsin Statutes. Failure to deliver the appraisal by the required date shall void this agreement. However, untimeliness on the part of the owner in delivering the appraisal report to the Wisconsin Department of Transportation shall not void the payment due the appraiser by the owner.

Owner agrees to pay appraiser for the services rendered within 30 days of acceptance of the report. The property owner is not liable for payment of any amount over the amount considered reasonable for the appraisal and paid by the Wisconsin Department of Transportation.

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<tr>
<th>Appraiser Name</th>
<th>Owner Name</th>
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<tbody>
<tr>
<td>Address</td>
<td>Address of Real Estate to be Appraised</td>
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<tr>
<td>City, State, Zip Code</td>
<td>City, State, Zip Code</td>
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<td>Appraisal Report Due Date</td>
<td>Appraisal Fee</td>
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<tr>
<td>Description of Property to be Appraised</td>
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(Agreement Date)  (Owner Signature)

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