



THE RIGHTS OF LANDOWNERS

Under Wisconsin
Eminent Domain Law

Procedures Under
sec. 32.05
Wisconsin Statutes

Highways, Streets, Storm & Sanitary Sewers,
Watercourses, Alleys, Airports, and Mass Transit Facilities

FOREWORD

This pamphlet is published by the Wisconsin Department of Commerce in cooperation with the Attorney General, pursuant to sec. 32.26 (6), of Wisconsin statutes. The pamphlet is to be given to property owners or their representatives by the acquiring authority prior to initiation of negotiations for property being acquired for a public project.

The material in this pamphlet provides information on how the condemnation process works in Wisconsin. It should serve as a reference for you, but it is not intended to cover every possible eventuality or every right you may have in individual cases. A further source of information is Chapter 32 of the Wisconsin statutes which contains the law that is summarized in this pamphlet.

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INTRODUCTION

In recent times there has been an increasing demand placed upon government for services in transportation, education, utilities, housing and other areas of public concern. At the same time, the available supply of land for these projects has been shrinking dramatically. Consequently, government has had to resort to its right to acquire private land for public uses even without the consent of private owners—the eminent domain power.

This power derives from the Wisconsin Constitution, Art. IX, sec. 3. The Legislature has

FEDERAL LAW

When a project is receiving federal financial assistance, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) may provide additional or different protections than those outlined in this pamphlet. You should receive supplemental information from the acquiring authority if federal law applies.

delegated this power by statute to numerous authorities and has specified the purposes for which such power can be used. Generally, departments, municipalities, boards, commissions, public officers, and various public and quasi-public corporations are delegated this power. Some of the purposes for which the Legislature has specified that condemnation can be used are highway construction or improvement, reservoirs, dams, public utility sites, waste treatment facilities, city redevelopment and energy lines.

Wisconsin has long had statutes regulating the exercise of eminent domain power. This pamphlet is intended to give citizens information about Wisconsin's eminent domain procedure, the workings of the condemnation process, and the rights of property owners in this process. It is, by necessity, of a general nature and is not a substitute for legal advice in individual cases, since many aspects of Wisconsin law cannot be covered in general terms. Another source of information for citizens is the particular authority which is acquiring the property.

The goal is to achieve equality of information for both parties during the negotiation process and to reach satisfactory settlements, equitable to both the property owner and the public.

THE LANGUAGE OF EMINENT DOMAIN

(This glossary defines terms used in the pamphlet)

Acquiring Authority

A public or quasi-public entity vested with the constitutional or statutory power to acquire private property for a public use.

Additional Items Payable

Persons displaced by the public project are to be fairly compensated by the payment of relocation assistance and assistance in the acquisition of replacement housing.

Appraisal

A written report, by a professional and disinterested person skilled in valuation, describing the property that is to be acquired and reaching a documented conclusion as to the fair market value of such property.

Award of Compensation

A document which is served upon a property owner after a refusal of a jurisdictional offer, stating the amount of just compensation. It names all persons with a record interest in the property, describes the property acquired, and includes the date of occupancy by the acquiring authority. The recording of this document passes title in the property to the acquiring authority. This term also describes the payment made to the property owner for the property. For negotiated sales, the amount of compensation is stated in the conveyance.

Condemnation Commission

A group of local residents, appointed by the circuit court of a county for fixed terms, who have the authority to determine just compensation for the property being acquired.

Date of Acquisition and Date of Evaluation

The day on which the award of compensation is recorded in the office of the register of deeds in the county where the land is located. The fair market value of the property on this day is just compensation to the property owner for the acquisition. For negotiated sales, the date of acquisition and the date of evaluation is the date the conveyance is recorded with the register of deeds.

Easement

An interest in real property which gives the acquiring authority the legal right to use the property for a specific purpose or to restrict the property owner's use of the land. Ownership and title to the property remain with the property owner.

Eminent Domain

The power of the state to acquire private property for a public use.

Fair Market Value

The amount for which property could be sold in the open market between a willing buyer and a willing seller.

Full Narrative Appraisal

A detailed and comprehensive description of the process an appraiser uses to reach a documented conclusion of a property's fair market value. The report must contain the appraiser's rationale for determining value and be documented by market data which supports the appraiser's rationale.

Incidental Expenses

Reasonable and necessary amounts, defined by statute, payable to the owner of real property acquired for a public use. Generally, incidental expenses compensate for expenses you may incur in transfer of your property to the acquiring authority. They include recording fees, mortgage prepayment penalties and other items.

Jurisdictional Offer

A written notice given by the acquiring authority to the owner of property and any mortgagee of record which informs the recipients of the proposed public use, what property is being acquired, and the amount of compensation to be paid.

Kline Law

A special condemnation procedure provided by the Legislature for condemnations by the City of Milwaukee.

Lis Pendens

A notice filed with the register of deeds within 14 days of the jurisdictional offer to notify all interested parties that the property described is in the process of being acquired for a public use.

Litigation Expenses

The sum of the costs, disbursements and expenses including reasonable attorney, appraisal and engineering fees necessary to prepare for, or participate in, actual or anticipated proceedings before a condemnation commission or any court.

Relocation Order

An order issued by the acquiring authority describing the proposed public project. It describes the old and new locations and includes all property needed for the project. Within 20 days after its issuance it must be filed with the county clerk in the county in which the lands are located.

Severance Damages

Damages which may result when only part of a person's property is condemned. Generally, these items of damage compensate for any loss in value of the remaining property due to the acquisition.

Uneconomic Remnant

Any portion of the property remaining after a partial acquisition which is of little value or substantially impaired economic viability due to its size, shape or condition.

PART ONE BEFORE NEGOTIATIONS TO ACQUIRE PROPERTY BEGINS

After you have been contacted by the acquiring authority, you have the right to a full narrative appraisal of the property sought to be acquired. This appraisal is done by an appraiser hired or employed by the agency, and the law requires the appraiser to confer with the owner or the owner's representative, if reasonably possible, when making the appraisal. Any and all appraisals made by the acquiring authority must be provided to you.

You have the right to have your own full narrative appraisal of the property made by a qualified appraiser. The reasonable cost of this appraisal may be submitted to the acquiring authority for payment, if the appraisal meets the standards set forth in sec. 32.09 of Wisconsin statutes, but, if you have such an appraisal made and wish to be paid for its cost, it must be submitted to the authority within 60 days after you receive the authority's full narrative appraisal. Your appraisal will be considered during negotiations.

The acquiring authority is required to file a relocation order with the county clerk of the county in which your property is located, unless the appraisal estimates that compensation will be less than \$1,000 in the aggregate. This order describes the layout of the project, old and new locations, and the property interests sought to be acquired. It must be filed within 20 days after its issuance by the agency, and is available for public inspection.

If a public project, other than a town highway, involves the acquisition of any interest in any farm operation of more than five acres, the Department of Agriculture, Trade and Consumer Protection (DATCP) may be required to prepare an agricultural impact statement prior to the acquisition of any land. Even if the acquisition is less than five acres, DATCP may prepare a statement if the acquisition will have a significant effect on the farm operation.

If an environmental impact statement is required by another statute, the requirements of the agricultural impact statement may be met by the environmental impact statement. Also, if an easement for an electric transmission line, excluding a high voltage line, is being acquired over a farm operation, an agricultural impact statement is not required.

A "farm operation" is defined by law as an activity conducted primarily for the production of commodities for sale or home use in such quantity that the commodities contribute materially to the support of the farm operator.

The acquiring authority may gather the necessary information for the impact statement. DATCP must prepare the statement within 60 days after receiving the information from the acquiring authority. After preparation, the statement must be published by DATCP. For a 30 day period after publication, the acquiring authority is precluded from negotiating with the property owner or making a jurisdictional offer.

The law also requires that the agricultural impact statement be distributed by DATCP to various offices and individuals. You can obtain a copy from your local library or from any local unit of government in the area affected. You may also request a copy directly from DATCP.

PART TWO THE NEGOTIATION PERIOD

After a relocation order has been filed and appraisals are completed, the acquiring authority must attempt to negotiate with the owner or the owner's representative for purchase of the needed property. The statutes require that you be provided an informational pamphlet on eminent domain procedure before negotiation begins. If you are also displaced as a result of the acquisition, the law requires that you receive a pamphlet on relocation benefits. The owner's full narrative appraisal must be considered as a part of the negotiation. Also, any rights you may have for additional items payable (relocation benefits) can be included in the negotiations.

During negotiations, the acquiring authority must provide a map showing all property affected by the proposed project. Along with this map you must be given the names of at least 10 neighboring landowners to whom offers are being made. The names of all offerees if less than 10 owners are affected must be given. Any maps in the possession of the authority showing the property affected can be inspected, and copies will be made available at reasonable cost. At this point, condemnation is not involved, only negotiations for purchase.

If you agree to a negotiated purchase, the acquiring authority must record the conveyance with the register of deeds in the county where the land is located. Also, all owners of record should receive by certified mail the conveyance and a notice of their right to appeal within six months after the date of the recording of the conveyance. Such an appeal would challenge the amount of compensation received by the property owner. The procedure used for this appeal is described in Parts 6 and 7 of this pamphlet, except that an appeal from a negotiated price must be taken within six months. The date the conveyance is recorded is the date of acquisition.

PART THREE PARTIAL ACQUISITIONS AND EASEMENTS

If only a part of your property is acquired, other than for an easement, two different calculations may be made to determine the fair market value of the part acquired. In such partial acquisitions, fair market value is the greater amount of either the fair market value of the part acquired or the difference between the value of your property before the acquisition and its value after, giving effect to severance damages set forth in sec. 32.09 of Wisconsin Statutes.

If only part of your property is acquired and you are left with an uneconomic remnant, the acquiring authority must also offer to acquire the uneconomic remnant. You must consent to the acquisition in order for the remnant to be acquired.

When an easement over your property is acquired, the compensation required is the difference between the value of your property immediately before the date of evaluation and its value immediately after the date of evaluation. Severance damages may also be paid where such damages exist and are allowed by statute.

If your land is zoned or used for agricultural purposes and an easement is acquired for a high voltage transmission line or a fuel pipeline, you will be entitled to choose between a lump sum payment for the easement or an annual payment representing just compensation for the acquiring of the easement for one year. The acquiring authority should be able to answer any questions on your eligibility for this choice and the terms of each alternative. Sec. 32.09 (6r) (a), (b), and (c) of Wisconsin statutes details the law on lump sum versus annual payments.

PART FOUR THE JURISDICTIONAL OFFER TO PURCHASE

If negotiations do not lead to a purchase of the needed interest by the acquiring authority, a jurisdictional offer must be given to the owner and to any mortgagee of record. You will receive the notice by personal service or by certified mail.

This very important document will provide you with vital information on the acquisition of your property. Items that must be included are a statement of the nature of the project, a description of the property to be acquired, and a statement of the proposed date the acquiring authority will occupy the property. Included in the document is the amount of compensation to be paid for your property, including a statement that any additional items payable may be claimed for relocation assistance. An owner has 20 days from the receipt of this offer to accept or reject it.

Within fourteen days from the day you receive the jurisdictional offer, a lis pendens will be filed with the register of deeds in the county where the property is located. The lis pendens provides notice to any interested party of the possibility that the property may be acquired for a public use.

If you accept the jurisdictional offer, title will be transferred and you will be paid the amount specified in the offer within 60 days. This 60 day period can be extended by mutual written consent of the property owner and the acquiring authority. Incidental expenses for which you may be eligible under sec. 32.195 of the statutes relating to transfer of your property to the acquiring authority will also be paid. If the property owners of record reject the jurisdictional offer

in writing, or do not act upon it within the 20 day period, the acquiring authority may make an award of compensation.

PART FIVE THE AWARD OF COMPENSATION

This procedure allows the acquiring authority, after the jurisdictional offer is rejected or not accepted, to make a written declaration stating the amount of compensation to be paid, the description of the property, the date of occupancy and other information. The amount of compensation offered must be equal to or more than the amount of the jurisdictional offer. You will receive a copy of the award by personal service or certified mail.

You will then receive payment for your property, by check, for the amount of compensation provided in the award less any outstanding tax liens and prorated taxes. The acquiring authority may mail the check to you or deposit it with the clerk of the circuit court for your benefit. After payment is made, the award will be recorded with the register of deeds in the county where the land is located. This action passes title to the property to the acquiring authority. This date becomes the "date of acquisition" and any questions as to the value of your property will be resolved based on the value on this date.

PART SIX HEARING BEFORE THE COUNTY CONDEMNATION COMMISSION

As of the date of acquisition, a property owner may appeal to the county condemnation commission from the amount of an award within two years, or from the amount of a conveyance within six months. This is accomplished by applying to the circuit court or county judge in the county where the land is located. Alternatively, this procedure may be waived and a property owner may appeal directly to circuit court. (See Part 7)

A county will have six to 12 commissioners, depending on the county population. They are local individuals, residents of the county or adjoining county, and are appointed by the circuit court. They serve staggered three year terms and generally sit in groups of three.

Within seven days after the chairperson of the commission is notified of the petition by the judge, three of the commissioners are selected to hear the case. The hearing date, time, and place are fixed by the chairperson, and will not be less than 20 days nor more than 30 days from the day the court assigned the petition to the chairperson. At least 10 days prior notice will be given to all parties. The commission proceedings are more informal than court proceedings, and are governed by statute. The amount of the jurisdictional offer or award of compensation cannot, by law, be disclosed to the commission. You have a right to appear and to present evidence. A majority of the members have the power to make all decisions. Within 10 days after the end of the hearing, a written award is made and filed with the clerk of circuit court. The clerk will notify the parties of the award.

Should the commission's award exceed the amount paid by the acquiring authority, and if neither party appeals from the award of the commission to the circuit court, interest is paid on the amount of the increase for the period from the date of acquisition until the date of the commission award, if the amount of the increase is paid within 14 days of the commission award.

If you or the acquiring authority are dissatisfied with the award of the condemnation commission, either can appeal to the circuit court of the county where the property is located. This must be done within 60 days of the filing of the condemnation commission's award. In case of such appeal by you or the acquiring authority, the amount of compensation awarded by the commission is not paid pending outcome of the appeal.

PART SEVEN APPEAL OF JUST COMPENSATION TO CIRCUIT COURT

As of the date of acquisition, a property owner has two years to appeal from the amount of an award of damages, or six months to appeal from the amount of a conveyance. An owner may choose to go first to the condemnation commission (see Part 6), or go directly to circuit court.

The statutes require certain notices and papers to be filed to accomplish an appeal. It would be advisable to secure legal counsel to aid you in your appeal. The procedure may be found in sec. 32.05 (9) of Wisconsin statutes.

You have a right to a jury trial on the issue of just compensation. The measure of just compensation is the fair market value of the property acquired from you as of the date of acquisition, as calculated under sec. 32.09, stats.

You have the right to appeal from the judgment of the circuit court to the court of appeals within six months of the notice of the entry of judgment of the circuit court.

PART EIGHT ACTION TO CONTEST THE RIGHT OF CONDEMNATION

This action challenges the right of the authority to condemn the property described in the jurisdictional offer. This action must be commenced in circuit court within 40 days from the postmark of the certified letter containing notice of the jurisdictional offer.

If you do not challenge the acquiring authority's right to acquire your property within this 40 day period, you will lose your right to do so.

In addition, if you accept and retain any money awarded for your property, you may not challenge the acquiring authority's right to acquire.

In this proceeding, you may challenge any defects in the procedure the authority has used and the "public" nature and necessity of the proposed use.

PART NINE LITIGATION EXPENSES AND COSTS

The law provides for the payment of litigation expenses by the acquiring authority under any one of the following circumstances:

- if it is determined by a court that the acquiring authority does not have the right to condemn;
- if the award of the condemnation commission is greater than the jurisdictional offer, or the highest written offer prior to the jurisdictional offer, by at least \$700. and 15%, and the award is not appealed;
- if the jury verdict approved by the court exceeds the jurisdictional offer or the highest written offer prior to the jurisdictional offer, by at least \$700. and 15%.
- if the property owner appeals an award of the condemnation commission which exceeds the jurisdictional offer or the highest written offer prior to the jurisdictional offer, by at least \$700. and 15%, and the court-approved jury verdict exceeds the award of the condemnation commission by at least \$700. and 15%;
- if the acquiring authority appeals an award of the condemnation commission, and the court-approved jury verdict is \$700. and 15% greater than the jurisdictional offer or the highest written offer prior to the jurisdictional offer;
- if the property owner appeals an award of the condemnation commission which is not 15% greater than the jurisdictional offer or the highest written offer prior to the jurisdictional offer, and court-approved jury verdict is at least \$700 and 15% higher than the jurisdictional offer or highest written offer prior to the jurisdictional offer.

Unless you come under one of these specific categories, you will not be able to recover litigation expenses from the acquiring authority.

The Legislature has provided “costs” (statutorily determined payments to successful parties in proceedings challenging just compensation) to litigants who are successful but who do not fit into any of the categories mentioned above. If the just compensation awarded by the court or condemnation commission exceeds the jurisdictional offer or the highest written offer prior to the jurisdictional offer, the property owner will be deemed the “successful” party. You may be required to pay “costs” to the acquiring authority if you are unsuccessful in challenging the compensation you have received or the acquiring authority’s right to acquire the property. “Costs” are defined in Ch. 814 of Wisconsin statutes.

PART TEN OCCUPANCY

No occupant may be required to move from a dwelling or move a business or farm without at least 90 days’ written notice from the acquiring authority. An occupant shall have rent free use of the property for 30 days beginning with the 1st or 15th day of the month after title vests in an agency, whichever is sooner. Rent charged for use of a property between the date of acquisition

and the date of displacement may not exceed the economic rent, the rent paid by a tenant to the former owner or the occupant's financial means if a dwelling, whichever is less.

The acquiring authority may not require the persons who occupied the premises on the date title vested in the acquiring authority to vacate until a comparable replacement property is made available. If you damage or destroy any acquired property after the date that title vests in the acquiring authority, you may be liable for the damage.

