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### **WHAT ARE THE LEGAL REQUIREMENTS FOR MINIMUM AND MAXIMUM BID ASSESSMENTS?**

The statute establishing Business Improvement Districts (BIDs) does not identify what assessment formula must be used by a BID, only that the Operating Plan/Annual Work Plan must disclose the formula in relation to the annual budget. Case law regarding special assessments in general requires them to be fair and equitable, which does not require them to be equal for each property owner. Even in the case of a special assessment for roadwork, for example, there is long established precedent that the assessment may be based on many factors, and it commonly happens that the formula includes a discount for corner lots which have frontage on two streets.

The BID Plans in existence in Wisconsin use many different assessment formulas. Many of them are based on a per thousand value of the property, some are a flat fee for each lot, some are based on frontage foot, and many of them have minimums and maximums. It is my opinion that minimums and maximums are quite fair, because some of the BID's benefits accrue pro rata, such as increasing the value of property in the district, but some of the BID's benefits accrue one to a property. For example, generally speaking each lot only has one listing in a directory no matter how large or small, receives only one copy of a newsletter, has only one invitation to a party or a meeting, and may also only benefit in other ways regardless of the size of the lot.

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