

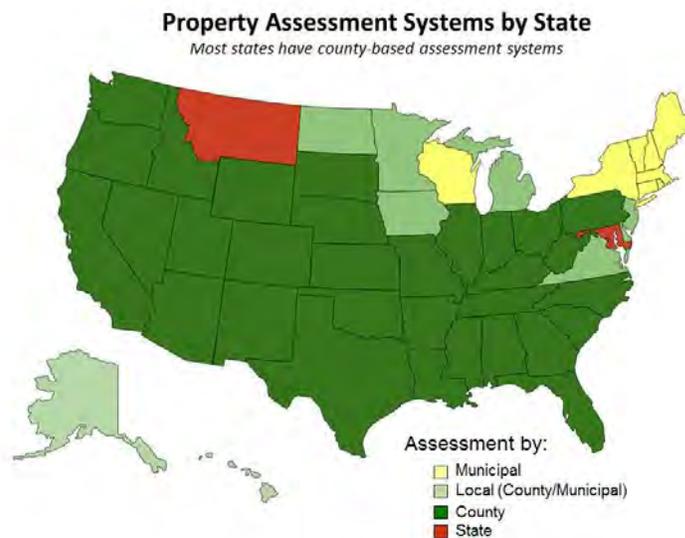
Property Assessment Reform

Making government more efficient, effective and accountable

February 11, 2015

What is being proposed?

- Move property assessment functions to a county-based model from the current municipal-only model:
 - Counties could choose to form multi-county assessment units.
 - First and second class cities could opt to do assessment themselves because they have economies of scale.
 - Manufacturing property would still be assessed by the Department of Revenue.
 - Move from 1,851 assessment units to about 90.
- Require all property to be assessed annually at full value when the reformed system is in place.
- Open Book meetings to review assessments would be held in each municipality. Board of Review meetings to resolve appeals of assessments would be held at multiple locations, with centrally available public notice.
- Forty states have county-based assessment systems.



Sources: CCH Intelliconnect, State Tax Departments

Wisconsin Has Highest Number of Assessment Jurisdictions Nationwide at 1,851 Municipal Units

What are the benefits?

- Cost savings due to economies of scale at the local level and elimination of the state's complex equalization process.
- Improved quality of property assessments.
- A clear and understandable process that strengthens accountability for property owners.
- Maintaining involvement of local government.

What will it mean for property owners?

- Property owners will see their property assessments reflect full market value every year.
- Some communities already assess property at full market value each year. Other municipalities conduct assessments that vary widely from market value. Having a consistent standard will avoid large swings in assessed value that can happen if values have not been reviewed for a number of years.
- This will improve uniformity among property owners with similar properties in the same community.
- Open Book: Property owners would continue to be able to attend an Open Book meeting in their municipality to ask their assessor for assessment changes.
- Board of Review: Property owners would continue to be able to appeal values to a county Board of Review (BOR) and have increased opportunity to attend BOR since multiple meetings would be held in several locations. BOR members would also receive annual training.

Will property taxes go up because of this?

- No. The total amount of property taxes collected will be the same as it would be with the current system.
- The budget proposal protects property taxpayers by maintaining county, municipal, and technical college levy limits at the greater of zero percent growth or the percentage change in property values due to net new construction.
- Property tax limits restrict the total amount your local government can collect in property taxes.
- The value your assessor gives your property is used to distribute the total amount of property taxes among a municipality's property owners.

What will it mean for assessors?

- Certified assessors will continue to assess property throughout the state. The county, multi-county or municipal assessment units could either directly employ assessors or contract with private assessors, as municipalities do now.

What will it mean for local governments?

- All local governments would have property assessed at full market value each year.
- Local cost savings: A county or multi-county unit can leverage economies of scale to produce more accurate and uniform values while reducing administrative costs.
 - Counties will be reimbursed by municipalities for the costs of conducting property assessment.
 - Municipalities will pay counties up to 95% of their base budgeted costs for assessment, thus ensuring a reliable funding source and overall cost savings.

What will it mean for state government?

- The state will no longer need to "equalize" local assessments, which will result in state cost savings.
- When fully phased in, this reform will result in a phased down Bureau of Equalization at the Department of Revenue, now consisting of 39.5 FTE.
- Equalization is currently needed because different communities assess property on different timetables and at different percentages of full value. Property values need to be "equalized" at a common level before tax bills and state aids can be sent out, which is a costly and complex process.