

Wisconsin Dept of Revenue State & Local Finance Newsletter December 2020



Message from John

First of all, thank you. Our customers include local government officials, business and property owners. We appreciate your continued partnership, hard work and dedication throughout a very challenging year.

Within the Wisconsin Department of Revenue's (DOR) State and Local Finance Division (SLF), we're working to assist you, however possible. Based on your recent feedback to our customer service survey, 88 percent of you are satisfied with the service and information we provide. We won't stop there!

We're working to increase our communications and expand our outreach programs to further support you. Our team works diligently to complete our processes and make helpful resources available, and we've made great additions to our team statewide in each district office. This SLF Newsletter will be the first of more to come, and I hope you find it valuable. Please share your feedback with us and let us know what you think.

As we look forward to a productive 2021, I wish you all a blessed holiday season.

John Dickert

Meet SLF's Latest Management Team Additions



Sara Regenauer joined the Wisconsin Department of Revenue (DOR) in June as Local Government Services Director in the SLF Division. Sara comes to us from the Town of Beloit where she was the Finance Director/Treasurer. Prior to that, she spent 17 years at First National Bank, 10+ of those in management/leadership roles.



Lynette Heffner joined SLF's management team in June, as the Eau Claire District Equalization Supervisor. Lynette holds a Certified Residential Appraisal License and has been in the Eau Claire Equalization Bureau since 2013. Prior to working at DOR, she had many years of experience as a Municipal Assessor with the City of Rice Lake and City of Barron.



Melody Ryddner joined SLF's management team in June, as the Milwaukee District Manufacturing & Utility Supervisor. Melody has over 22 years of SLF experience, working in various roles at the Milwaukee district office.



Heather Unger joined SLF's management team in August, as the Integration and Automation Supervisor in the Office of Technical and Assessment Services (OTAS). She is leading OTAS' technology team to coordinate SLF's systems and applications.



Important Calendar Dates

September 15

- 2020 Revised Shared Revenue estimates posted
- 2021 Original Shared Revenue estimates posted

October 1

- Chargeback and Omitted Request forms due to DOR
- DOR certifies 2020 Equalized Values for schools, technical colleges and special districts
- 2021 Exempt Computer Aid estimates posted
- 2021 Video Service Provider Aid estimates posted
- DOR sends 2020 Municipal Manufacturing Assessment fees

October 19

- DOR starts posting equated manufacturing assessment rolls and final Statement of Assessments weekly

October 31

- 2020 TID Creations and Amendments deadline to email completed documents to DOR

November 1

- DOR distributes Oil Pipeline Terminal payments
- 2021 Expenditure Restraint Budget Limit letters posted

November 9

- 2020 Virtual Assessor Meeting available

November 16

- DOR distributes Shared Revenue payments
- 2020 County and Special District Apportionment forms due to DOR

November 20

- Lottery and First Dollar maximum credit values posted
- School Levy Tax Credit and Full Disclosure Aids posted
- Forms PC-400 and PC-505 due to DOR

December 15

- 2020 Levy Limit Worksheet due to DOR

December 21

- 2020 Statement of Taxes and Tax Increment Worksheet due to DOR

December 30

- 2020 TID Project and Allocation Amendments deadline to email completed documents to DOR
- Final Municipal Assessment Report due to DOR



Law Changes Effective in 2020, 2021

[2019 Act 45](#)

This act created state law (sec. 66.0602(3)(n), Wis. Stats.), implementing a levy limit exception for political subdivisions receiving reduced utility aid payments due to a decommissioning or closed plant. Effective for property tax levies imposed in December 2020.

[2019 Act 114](#)

This act amends state law (sec. 70.365, Wis. Stats.), by adding the following statement to the Notices of Changed Assessment, effective January 1, 2021: "Under Wisconsin law, generally, the assessor may not change the assessment property based solely on the recent arm's length sale of the property without adjusting the assessed value of comparable properties in the same market area. For information on the assessment of properties that have recently sold, visit the Internet site of the Department of Revenue at: revenue.wi.gov/Pages/ERETR/data-home.aspx."

[2019 Act 140](#)

This act amends state law (sec. 70.47(2), Wis. Stats.), and the BOR meeting notice. Effective March 3, 2020.

- **Prior law...**the clerk of the board shall publish a class 1 notice, place a notice in at least 3 public places and place a notice on the door of the town hall, of the village hall, of the council chambers or of the city hall of the time and place of the first meeting of the board under sub. (3) and of the requirements under sub. (7) (aa) and (ac) to (af)
- **Current law...**the clerk of the board shall publish a class 1 notice under ch. 985 of the time and place of the first meeting of the board under sub. (3) and of the requirements under sub. (7) (aa) and (ac) to (af)

This act also amends sec. 60.307, Wis. Stats.

Term of town assessors; prior law – maximum term of three years; **current law** – maximum term of five years. Effective March 3, 2020.

[2019 Act 185](#)

This act created state law (sec. 70.47(3)(aL)2, Wis. Stats.).

Regardless of whether the 2020 assessment roll is completed at the time of the 45-day period beginning on the 4th Monday of April, the board may publish a class 1 notice under ch. 985 that the board has adjourned and will proceed under sub. (2). Only for the 2020 assessment roll. Effective April 15, 2020.

Unreimbursed Emergency Expenses

Current state law provides exceptions in the levy limit and expenditure restraint programs for unreimbursed expenses related to an emergency declared under sec. 323.10, Wis. Stats. During 2020, Governor Evers declared public health emergencies for the COVID-19 pandemic in Executive Orders 72, 82, 90 and 95.

Levy Limits

Counties and municipalities can increase their levy limit for unreimbursed expenses related to an emergency by completing the following on the Levy Limit Worksheet:

- Reporting any unreimbursed emergency expenses in Sec. D, Line G
- Attaching a detailed summary of all expenses related to the emergency
- Attaching any reimbursement determinations (ex: state (WEM) and federal (FEMA) determinations)
- Note: Counties and municipalities may increase their levy limit in the year of the emergency or the following year

Expenditure Restraint Program (ERP)

Municipalities may subtract the unreimbursed expenses related to an emergency by completing the following on the ERP Worksheet:

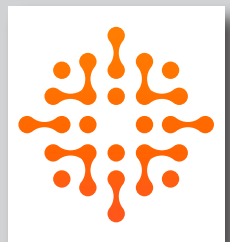
- Including all their general fund budget expenditures in Sec. A, Line 1
- Subtracting any unreimbursed emergency expenses in Sec. A, Line 5
- Note: There is no subtraction for reimbursed emergency expenses. If expended from the general fund, they must be included in the ERP Worksheet reporting.

If you have any questions, contact lgs@wisconsin.gov.

Stay Connected!

Connect with us for important up-to-date information.

- **Subscribe to DOR E-News** – select the list you'd like to hear news for (ex: municipal clerks, assessors)
- **Expanding our email lists** – if you don't see a list that fits your needs, email us at otas@wisconsin.gov and we can create a new list
- **Need training or a speaker for your event** – submit your request on DOR's [Request for Speaker](#) web page
- **Social media**
 - » Follow us on Twitter and YouTube
 - » Stay connected – we'd like to know what social media you're on



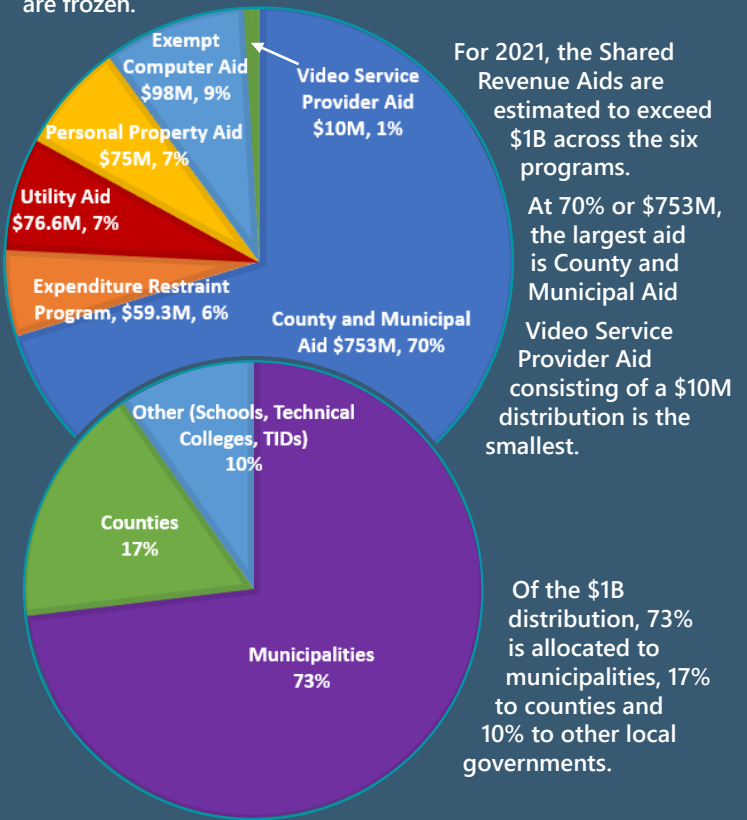
Shared Revenue Programs

The Local Government Services Bureau (LGS) administers six Shared Revenue programs under state law (Wis. ch. 79). LGS sent 2021 Shared Revenue estimates to local governments for these programs from August 15 through October 1, 2020.

- **County and Municipal Aid** – base aid provided to every Wisconsin municipality and county
- **Utility Aid** – helps counties and municipalities pay for services provided to utility property that is exempt from property taxes and subject to the license fee under sec. 76.28 or 76.29, Wis. Stats.
- **Expenditure Restraint Program Aid** – paid only to qualifying municipalities if their local tax rate exceeds five mills and they limit their general fund budget increase to no more than inflation plus a growth factor
- **Exempt Computer Aid** – distributed to taxing jurisdictions to compensate for computers, cash registers and fax machines that are exempt from property taxes under sec. 70.11 (39) and (39m), Wis. Stats.
- **Personal Property Aid** – for each taxing jurisdiction to compensate for locally assessed machinery, tools and patterns personal property that is exempt from property taxes under sec. 70.111(27)(b), Wis. Stats.
- **Video Service Provider Aid** – first distribution was July 2020 – to municipalities that impose a video service (cable) provider fee on cable companies under sec. 66.0420(7), Wis. Stats.

2021 Shared Revenue Aids Estimates

Absent a law change, there likely will not be much variation to this distribution breakdown, as annual reporting is required for the Utility Aid and Expenditure Restraint Programs, while the other aids are frozen.



From the Equalization Bureau

2020 Equalized Values

Wisconsin's 2020 total statewide equalized property values as of January 1, 2020 was \$613 Billion, a \$32.2 Billion (6 percent) increase over the prior year.

- **\$22.9 Billion** – due to market value increases (4%)
- **\$9.6 Billion** – due to new construction (2%)
- **Note:** Racine and St. Croix counties had the largest increase at 9%

Property Type	2020 Equalized Value	Percent Change from 2019
Real Estate	\$ 603,038,663,300	6%
Personal Property	\$ 10,098,244,200	3%
Total Equalized Value	\$ 613,136,907,500	6%

70.05 Compliance

Under state law, a municipality's assessed value of major classes of property must be within 10 percent of full value once every five years to remain in compliance (sec. 70.05, Wis. Stats.). If the municipality is out of compliance, DOR will send:

- **First notice** – for the 5th year
- **Second notice** – for the 6th year
- **Order a supervised assessment/revaluation** – for the 7th year

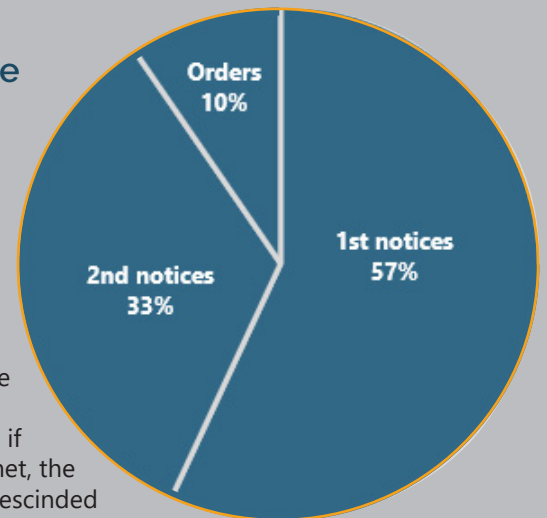
DOR sent 209 preliminary non-compliance notices to municipalities on October 30, 2020

We are actively working with the 70 municipalities that received a 2nd notice to complete a revaluation in 2021 to obtain compliance with sec. 70.05 in 2021. All orders were based on estimated values, while DOR awaits their final 2020 Municipal Assessment Report and Statement of Assessment.

Note: As of December 1, 2020 – 13 orders have been resolved.

70.05 Non-Compliance Notices

Some municipalities received a notice based on estimated data. DOR will redetermine their compliance once final data is available, and if compliance is met, the notices will be rescinded when DOR issues Final 2020 Compliance in February, 2021.



From the Manufacturing & Utility Bureau

Utility Tax Billed

In 2020, DOR billed utilities over \$400 Million in taxes and license fees, which are paid to the state.

- **Ad Valorem** – includes airlines, oil and gas pipelines, and railroads
- **Telco** – meaning telephone companies
- **Gross Revenue License Fees** – includes rural electric, municipal and private light, heat and power companies

Manufacturing Assessed Value Statistics

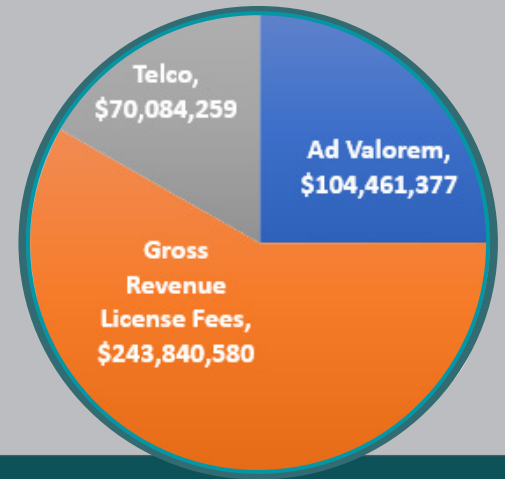
The 2020 total manufacturing assessed values (real estate and personal property) had a percentage change of 4.69 percent from 2019, with a value increase of over \$895 Million. There are a total of 19,682 parcels/accounts.

Net new construction (NNC) accounted for 57 percent of the change in real estate value. NNC was 52 percent of the total manufacturing change.

Thirty-five percent of the total real estate change for the year was attributable to market change. The market change was about 1.75 percent of the total real estate value in 2020.

Utility Tax Billed

Gross revenue license fees were 58 percent of the total utility taxes billed



2020 Mfg. Assessed Value Statistics

Property Type	2020	2019	% Chg
Real estate	16,707,710,800	15,892,213,200	5.13
Personal property	3,287,235,500	3,207,276,500	2.49
All Property	19,994,946,300	19,099,489,700	4.69

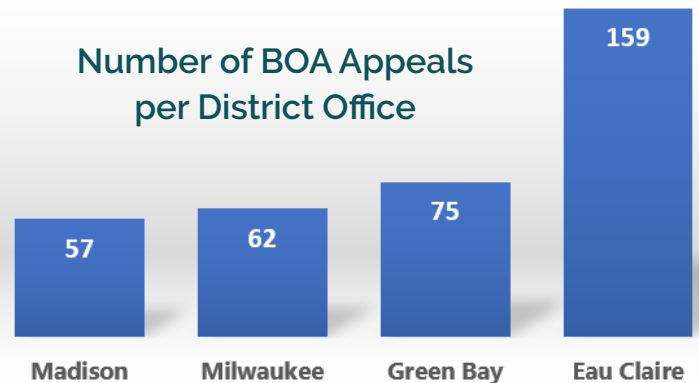
Board of Assessor Update

DOR received 353 Board of Assessor (BOA) appeals for manufacturing property in 2020. The largest number of appeals were submitted by companies within the frac sand industry within our Eau Claire district area.

DOR must provide determinations by April 1, 2021.

Review the [Guide to Manufacturing BOA Appeals](#) for more information.

Number of BOA Appeals per District Office



From the Office of Technical & Assessment Services

2021 Property Assessment Information

DOR recently received questions from local governments that are preparing for the 2021 assessment year

Local governments are asking how the COVID-19 pandemic may impact assessed values. This will vary by municipality. A primary factor is whether the municipality is conducting a 2021 maintenance assessment type (value updates only for changes in property use/classification and for physical property changes) or a 2021 revaluation assessment type (updates for all factors impacting value-property use, physical changes, real estate market, etc.).

Visit our website for [2021 property assessment common questions](#) and other COVID-19 information.

DOR Annual Assessor Meeting

The [2020 DOR Annual Assessor Meeting](#) is on our website. Assessors must take the quiz by February 1, 2021 to receive [certification credit](#).

Wisconsin Property Assessment Manual

2021 Wisconsin Property Assessment Manual will be available on our [website](#) on December 16, 2020.

For our reports and interactive data, visit DOR's [Reports](#) web page.

Happy Holidays to you from State and Local Finance