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REVENUE DEPT: MOVE ASSESSMENT SYSTEM TO COUNTIES FOR TAX FAIRNESS

The state Department of Revenue wants to overhaul Wisconsin's complicated property tax assessment process, streamlining the system by moving the responsibility from the state's 1,851 municipalities to its 72 counties.

The aim: better uniformity across the state in valuations and more accuracy and transparency for taxpayers.

Revenue Secretary Roger Ervin and staff have been holding informational hearings with local officials and other stakeholders around the state to get feedback. A bill is currently in drafting with the hopes of getting the change through the Legislature during floor session this spring. A final bill is expected early next year.

Besides shifting the assessment duties to the counties, the changes proposed include, according to a memo by Ervin:

- Replacing the current two-tiered property valuation system with a single-value system. Counties would be required to update the value for each parcel in its jurisdiction annually.
- Designating a county assessment administrator in each county reporting to Revenue. Counties would have the option of employing the assessors in-house or contracting for the service. Counties could join together in shared assessment districts.
- Eliminating the state-level equalization process and bring all property assessments to full-market value. Revenue would have audit authority over the county valuation process. Revenue has developed a Web-based data system, the Integrated Property Assessment System, to allow the analysis county values to determine adherence to the state's requirements.
- Requiring assessors to meet stricter certification requirements to meet International Association of Assessing Officers standards.
- Phasing in the changes over five years.
- And allowing counties to exempt assessment costs from state-imposed levy limits.

*See Ervin's memo:
<http://www.dor.state.wi.us/news/propchgpropdtl.pdf>

Gov. Jim Doyle included the program in the 2009-11 budget, but it was identified as policy by the Legislative Fiscal Bureau and removed by the Joint Finance Committee. But the proposal has been tried before. Kenosha County operated a county assessment system beginning in

1972, but it was abandoned in 1995.

Linda Barth, executive assistant at the Department of Revenue, said the time is ripe for the change. She said going to a county assessment system would offer better uniformity across the state in valuations.

“We have technology to help get the work done more efficiently, citizens who want to know what value of homes are and that they’re being assessed fairly,” Barth said. “They’d be assured they’re paying their fair share and their neighbor is paying their fair share.”

Barth said efficiencies will be gained on both the state and local levels.

“We envision a system where every parcel would be on a Web site, with all of the parcel information on the Web site, and then you can compare and contrast with other parts of the state with similar attributes,” Barth said. “It would help people to feel there is accuracy and transparency in the system.”

Nationwide, 31 states have a county assessment system. Nine, including Minnesota, Iowa, Illinois, Michigan and Indiana, use a system that involves counties and municipalities. Wisconsin is the only state that relies solely on a municipal assessment system.

SKEPTICISM ON THE MOVE

Legislative leaders contacted for comment said they wanted more time to review the proposal and get input from their local officials.

Still to be determined is how the change would be funded. While the proposal outlined by the department does offer counties exemptions from levy limits for assessment costs, some are doubtful county officials will be inclined to ask taxpayers to pony up for the expense.

Another plan that’s been floated, according to sources familiar with the proposal, would allow counties to charge municipalities for the assessment costs.

Dan Thompson, executive director for the League of Wisconsin Municipalities, said the group’s board of directors won’t meet to take a position on the proposal until February. While he applauds the department for looking to modernize the system, he’s expecting some skepticism from his members.

“Nobody’s alleging this is going to save any money,” Thompson said. “It’s tax fairness issue, but historically there is trouble persuading taxpayers to pay more for tax fairness.

“Persuading taxpayers they should pay more money so we’ll have a more professional level of assessment in this state, I think that’s a tough sell.”

Peter Weissenfluh, legislative director of the Wisconsin Association of Assessing Officers, said the group is withholding judgment until it sees the details.

“We are always interested in always improving the assessment process, and we are very

interested in looking at the actual plan,” he said. “I think a lot of our members are just concerned about what that might look like, what it might mean to them individually.”

See slides from Ervin’s presentation on the proposal:

<http://www.dor.state.wi.us/news/ctyassprop.pdf>