

Ad Hoc Assessment Practices Report 2011

The Wisconsin Association of Assessing Officers (WAAO) mission is to promote the public good by ensuring equitable assessments through assessor education, professional development, and public awareness. WAAO feels the three main areas of change needed in assessment practices are standardized records and contracts, education, and enforcement. This report suggests changes in the assessment profession from the reviews of workgroups and committees made up of WAAO members and non-members.

The 2010 Wisconsin Property Assessment Manual (WPAM) requires a Property Record Card (PRC) maintained for every parcel and a list of attributes to be collected for valuation (2010 WPAM 5-30&31 & 17-3). By requiring the collection of property attributes in a standardized format, all property records would contain the same information statewide. WAAO will work with the DOR to establish the minimal amount of attributes needed for each property record card and when exceptions may occur. The current requirement in the WPAM is to have records reported electronically by 2013 (2010 WPAM 17-3) to the DOR. Electronic records and standardized fields will improve the sharing of information from jurisdiction to jurisdiction. The DOR indicated they would give the results of the PAD reporting to WAAO for distribution to its members and the public. WAAO suggests the DOR not share subjective data with the public. Subjective data such as grade or CDU determination may vary by the housing stock and local factors and will not be the same from jurisdiction to jurisdiction.

Assessors are required to assess properties within ten percent of market value annually. Current law allows up to seven years for bringing assessed values to within ten percent of market value. Suggestions to improve this requirement involve the shortening of the process from once in five years to once in three years and allowing only two years to bring properties back to market value. This will require assessors to establish a market value benchmark more regularly and improve assessment accuracy statewide.

A municipality's level of assessment used to determine compliance with the above procedure should not be the only determining factor. Consideration of other statistical measurements such as the Coefficient of Dispersion (COD) and alternate methodologies in jurisdictions with limited or nonexistent sales data will improve assessments in Wisconsin.

Modifications to the exemption process are necessary to ensure uniform exemption decisions. Recommendations to enhance and create more uniformity in the exemption process are:

- 1) Standardize the decision process for exemptions
- 2) Create a statewide review authority to help eliminate the broad interpretation of exemption issues.
- 3) Require exemption laws to be reviewed by legislature every five years and all new exemption laws be required to have a sunset provision

Improved assessment practices will also need to be enforced. Without enforcement, the new requirements will have no affect. The committees suggest Assessor Certification transfer to the department regulating licensing in Wisconsin. Assessors are the only group licensed by DOR. This would eliminate the duplication of services between the DOR and the licensing authority of others.

WAAO also suggests increasing the minimum requirements for assessor certification to improve assessor skills and practices. They are as follows:

First Time Certification Requirements:

Temporary certification is not allowed.

Assessment Technician

- Must have a high school diploma or GED equivalent
- Must pass the Assessment Technician exam given by the Wisconsin Department of Revenue

Property Appraiser

- Must have a high school diploma or GED equivalent
- Must pass the Property Appraiser exam given by the Wisconsin Department of Revenue
- Successful completion of 30 hours of a fundamental course in Real Property Appraisal (example IAAO Course 101*)

Assessor I

- Must have a high school diploma or GED equivalent
- Pass the Assessor I exam given by the Wisconsin Department of Revenue.
- Successfully completed 30 hours of coursework in commercial income valuation, assessment administration, and other assessment related courses (examples IAAO Courses 101, 102, 300*)
- 4,000 hours of assessment experience at the property appraisal level or higher

Assessor II

- Must have a high school diploma or GED equivalent
 - Desirable: Bachelor's Degree, Associate Degree in Property Appraisal/Assessment, or Assessment Designations (examples IAAO CAE or AAS Designation)
- Must pass the Assessor II exam given by the Wisconsin Department of Revenue.
- Successfully completed 60 hours of coursework in commercial income valuation, 30 hours of coursework in assessment administration, and 30 hours of coursework in other assessment related courses (examples IAAO Courses 101, 102, 300, 400*)
- 4,000 hours of assessment experience at the property appraisal level or higher

Assessor III

- All requirements of Assessor II certification plus
- Must have Bachelor's Degree
- Must pass the Assessor III exam given by the Wisconsin Department of Revenue.
- Assessor III can sign the assessment roll

Requirements for Recertification (for each 5-year cycle)

Assessment Technician

- Must attend at least 4 of 5 DOR Annual Updates
- 30 hours total DOR approved appraisal continuing education

Property Appraiser

- Must attend at least 4 of 5 DOR Annual Updates
- 45 hours total DOR approved continuing education. 30 hours appraisal & 15 hours law.

Assessor I

- Must attend at least 4 of 5 DOR Annual Updates
- 60 hours total DOR approved continuing education 30 hours appraisal & 30 hours law/management.

Assessor II

- Must attend at least 4 of 5 DOR Annual Updates
- 60 hours total DOR approved continuing education 30 hours appraisal & 30 hours law/management.

Assessor III

- Must attend at least 4 of 5 DOR Annual Updates
- 60 hours total DOR approved continuing education 30 hours appraisal & 30 hours law/management.

Recommendations for new assessor certification are to go into effect as of the date of adoption. Any assessor who is currently certified will remain certified, as long as they meet the recertification requirements for their certification level. Municipalities would have to budget for the continuing education needs of their assessment staff. The recommendations are in two categories. Category One is for first-time certification. Category Two is for those already certified and wish to remain certified. The dates for these recommendations to go into effect are different for Categories One and Two. We recommend that certified individuals be allowed one additional certification cycle for recertification because there may be some certified assessors that would need the extra time in order to fulfill the coursework and continuing education requirements.

Any individual must satisfy the new recertification requirements to obtain recertification. There is no opting out provision, such as retaking the exam.

An individual must have at least an Assessor I certification in order to sign the assessment roll in municipalities with less than \$50,000,000 in equalized commercial value. Municipalities with \$50,000,000 or more equalized commercial value requires an Assessor II certification. The DOR is to review and update the list of municipality certification requirements annually.

Any course equivalency determination is by the Department of Revenue, after proper submission of successful completion of the coursework. The DOR will retain determination of qualifying courses and equivalents. The DOR will determine the communities required to have an Assessor II or III to sign the roll. The DOR currently does the course certification and assessor level requirements for communities.

Excessive experience requirements are not included because they are problematic. Those that wish to get experience before certification would likely find it very difficult to get experience hours, much like appraiser candidates do now. We want to make certification reasonably attainable, not onerous.

WAAO would like to suggest the first hearing of the Board of Review (BOR) be within 45 days before or after the second Monday of May. This would better enable multi-jurisdictional assessors

to hold the first meeting of the BOR over a longer period and still meet the requirements of BOR hearings.

Some of the changes WAAO recommends will cost more. Annual market value assessments will produce higher quality valuations but may be at a higher cost. Some suggestions on how to fund the higher costs of an improved assessment process are:

- 1) Increase the real estate transfer fee and require any transfer of real estate be recorded
- 2) Monies used for the Land Information Program under WI Stats S. 16.967 be used for assessment purposes
- 3) Remove the assessment costs from all State calculations related to the local levy limits allowing jurisdictions the ability to increase the rate to cover the added expenses
- 4) Research the possibility of Federal funding
- 5) Assessment fee for permit related processes
- 6) Have all taxing entities, schools, vocational schools, State, County, and special districts pay for the cost of assessment services.

Respectfully Submitted,

2010-2011 WAAO Board of Directors

**IAAO Course Titles*

Course 101—Fundamentals of Real Property Appraisal

Course 102—Income Approach to Valuation

Course 112—Income Approach to Valuation II

Course 300—Fundamentals of Mass Appraisal

Course 400—Assessment Administration