



CK ✓
SK ✓
TT ✓
JY ✓

22 EAST MIFFLIN STREET, SUITE 900
MADISON, WI 53703
TOLL FREE: 1.866.404.2700
PHONE: 608.663.7188
FAX: 608.663.7189
www.wicounties.org

COUNTYWIDE ASSESSMENT

Under current law, there is a two-step process for valuing property in the state for the purpose of levying property taxes. First, local assessors determine the assessed values for individual properties, except for manufacturing property, in each municipality. Assessed values are used for apportioning property taxes on tax bills to individual properties within municipalities.

Second, the state Department of Revenue (DOR) estimates the full market or equalized value of all property in each district. Equalized values are used to apportion the levies of overlying districts (for example, schools and counties) to the municipalities within them and also to distribute certain state aids. The state values are needed because municipalities assess property at varying percentages of market value. The Department also assesses all manufacturing property within the state.

Under current law, a county board may vote to create a county assessor system that is responsible for conducting property tax assessments for all non-manufacturing property located within the county. Currently, no county has such a system; however, Kenosha County used a countywide assessment system between 1974 and 1995. Kenosha County discontinued the program when state funding was eliminated.

The Department of Revenue is proposing legislation that would:

- Require counties to assume all assessment functions within five years.
- Require annual full valuation, starting with a revaluation of all parcels within three years, and eliminate equalization. The Department would audit county assessments to ensure that a county's values adhere to state requirements.
- Establish an electronic property assessment system.
- Allow counties to consolidate assessment responsibilities and/or contract with existing municipal assessors to provide assessment services.
- Allow towns, villages and cities to have a voice in all assessment functions including administration, assessment, and board of review. The board of review would operate at the county level.
- Maintain manufacturing assessment at the state level, but shift the Department's responsibility to certifying, regulating, and auditing the county assessment process.
- Create new standards and licensing for property assessors, including a requirement that those holding the newly-created position of county assessment administrator be certified by the Department.

- Exempt the cost of county assessment services from the current levy limits. Under the Department's proposed legislation, municipalities that had been responsible for assessments would not have to reduce their levies by a corresponding amount for the first five years of the new system.

CURRENT STATUS: The Department has a draft bill that it is circulating, but so far, no legislators have stepped forward to serve as author and formally introduce the measure. The Department would like the bill to be adopted in the current legislative session, which ends in March.

REQUESTED ACTION: County officials should ask their legislators to support additional research on this issue, including the creation of a Legislative Council study committee to study assessment practices and proposed changes to the system.

TALKING POINTS:

- The Department's proposal creates a new mandate for counties with no new funding from the state. This mandate is in addition to existing state mandates in areas such as human services for which state funding is inadequate and counties are already struggling to fund with property taxes. While the Department's proposal exempts the costs of countywide assessment from current levy limits, many county leaders believe there is public opposition to further property tax increases. WCA has consistently opposed the creation of new unfunded mandates by the state.
- Some officials believe that the Department overestimates the cost savings and efficiencies that may be achieved. The Wisconsin Towns Association and Wisconsin Assessors Association state that there are about 500 assessors statewide who provide services to the state's 1,851 municipalities. Moving from roughly 500 assessors to 100 does not provide the same scale of efficiencies that the Department projects.
- Many of the reforms proposed by the Department could be enacted short of shifting the burden of assessments to counties from municipalities. The state could, for example, require all communities to assess at full market value and to revalue property more frequently, as the bill proposes. The Department could also seek legislation to certify and more closely regulate assessors and assessment practices.