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Leveraging Artificial Intelligence (AI) to Advance Wisconsin Local Government

Wisconsin Association of Assessors
March 2, 2026

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Presentation Roadmap

- What is AI?
- AI Deployment by Wisconsin Local Units of Government
- AI Deployment in Wisconsin Property Tax Assessment
- AI Use Risks/Risk Mitigation
- AI Security/Privacy
- Employee AI Use and Training Policies
- AI Bot Pricing and Capabilities
- Reflection



What is AI?



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Part 1: Artificial Intelligence 101

AI refers to computer systems that can perform tasks **typically requiring human intelligence.**

Think of AI as a spectrum of capabilities, from simple to complex:

- Rule-based systems (like traffic lights)
- Pattern recognition (spam filters)
- Machine learning (recommendation systems)
- Advanced language processing (ChatGPT, Claude)



“Training”

- ChatGPT is “trained” on:
 - Books
 - Websites
 - Articles
 - Other written materials
- This allows ChatGPT to:
 - Learn language patterns
 - Grammar
 - Facts
 - Reasoning skills
- Many AI platforms do not have access to real-time data or the internet during a conversation

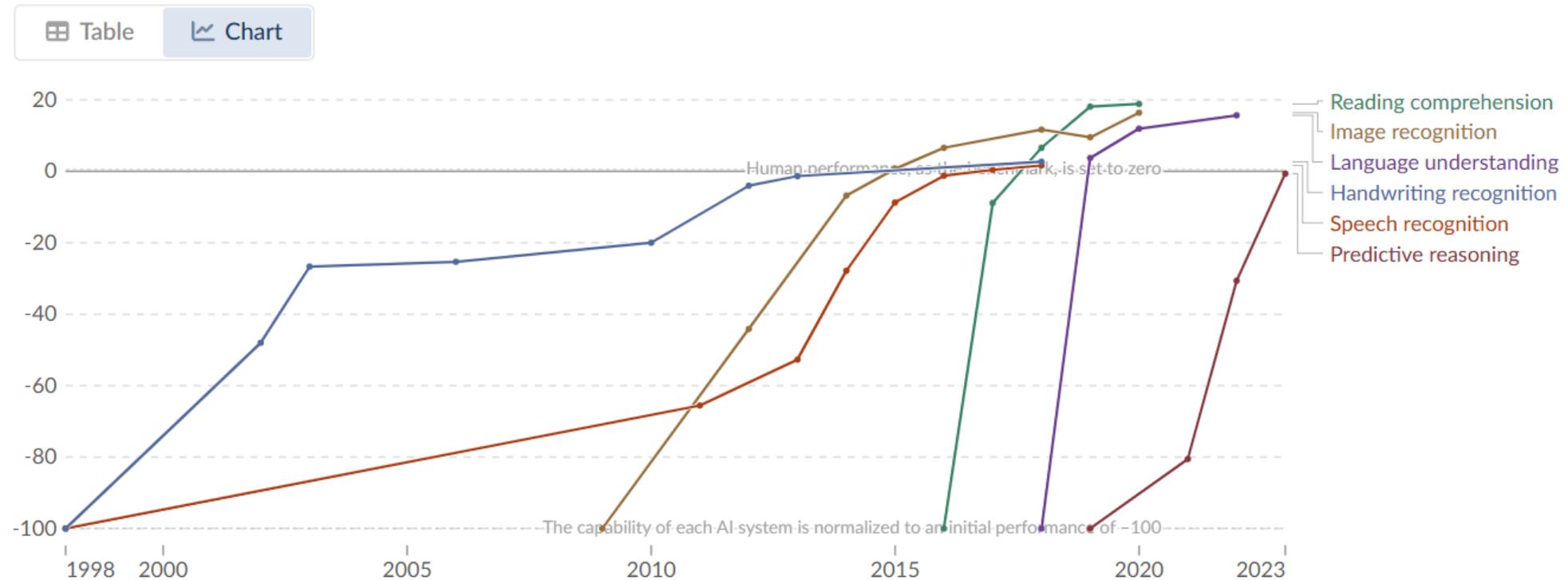


Language and image recognition capabilities of AI systems have improved rapidly.

Test scores of AI systems on various capabilities relative to human performance

Our World in Data

Within each domain, the initial performance of the AI is set to -100. Human performance is used as a baseline, set to zero. When the AI's performance crosses the zero line, it scored more points than humans.



Data source: Kiela et al. (2023) - [Learn more about this data](#)

Note: For each capability, the first year always shows a baseline of -100, even if better performance was recorded later that year.

OurWorldinData.org/artificial-intelligence | CC BY



THE MOST POPULAR Generative AI Tools

Top 15 generative AI tools
with highest web traffic
in March 2024

Gemini
133M

Poe
43M

perplexity
40M

Claude
32M

DeepAI
31M

Copilot
26M

IMAGE

Midjourney
25M

Prezi
18M

NightCafe
14M

Leonardo AI
14M

Gamma
12M

Pixel
10M

VIDEO

Runway
9M

Ideogram
9M



ChatGPT

2.3B VISITS

OpenAI's ChatGPT is reported to have
more than 200 million weekly active
users as of August 2024.



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ART DIRECTION + DESIGN: Sabrina Lam

Source: World Bank Group, "Who
on Earth is Using Generative AI?"



1. ChatGPT - OpenAI (2015)
 - Industry leader
2. Gemini - Google (1998)
 - Now embedded in Google Search
3. Poe - Quora (2009)
 - Many chatbots and tools in one place
4. Perplexity - Perplexity AI (2022)
 - Cites links within the text response
5. Claude - Anthropic (2021)
 - "Harmless and helpful"
6. DeepAI - DeepAI (2017)
 - AI image generation, AI image editing, and AI characters for interactive conversations
7. Copilot - Microsoft (1975)
 - Built on GPT-4



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LATEST ARTIFICIAL INTELLIGENCE STARTUPS

CREATOR ECONOMY



HUMAN INTERFACE



DECENTRALIZE



INFRASTRUCTURE



TEXT GENERATOR



SPATIAL COMPUTING



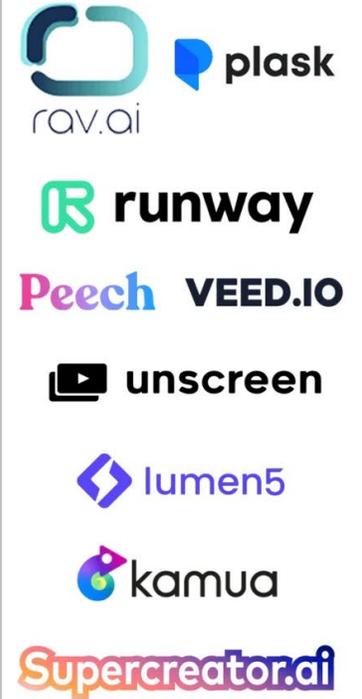
SALES & CUSTOMER SUPPORT



MARKETING



VIDEO MAKER



CODE GENERATION

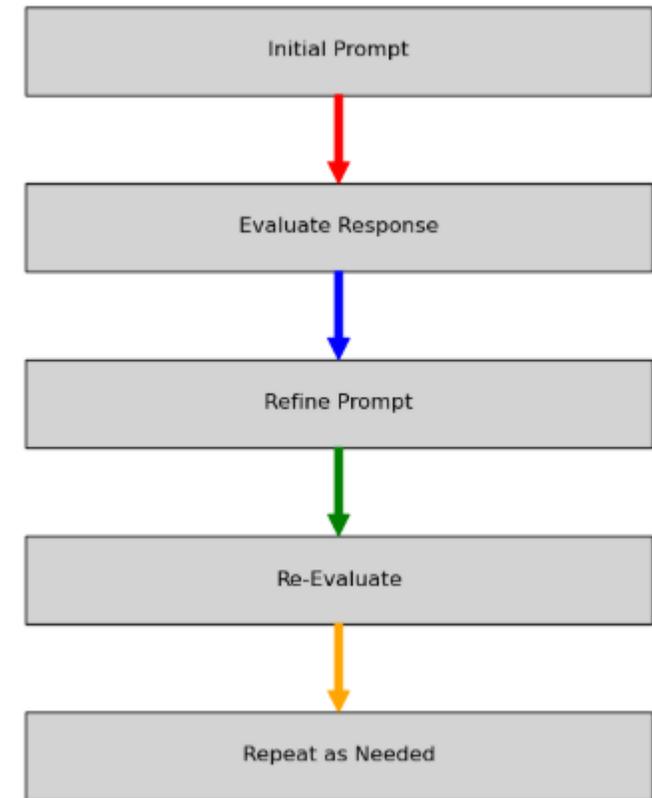


Source: JonasCleveland.com



Iterative AI Prompting Process

- Not just a means for getting an answer to a question (i.e. Google)
- Process of continual refinement
 - **Improves Accuracy:** Helps the AI better understand your intent.
 - **Reduces Hallucinations:** Clarifies ambiguous or vague instructions.
 - **Enhances Relevance:** Tailors the response to your audience or context.
 - **Boosts Creativity:** Encourages exploration of different angles or formats.



AI Iterative Process

Feature	Googling	AI (Iterative Process)
Interaction Style	One-shot	Multi-turn, adaptive
Personalization	Low	High
Context Awareness	None	Builds over time
Learning Support	Passive	Active, exploratory
Decision-Making Utility	Informational	Analytical and collaborative



INNOVATION > ENTERPRISE TECH

20 Mind-Blowing AI Statistics Everyone Must Know About Now

By [Bernard Marr](#), Contributor.

[Follow Author](#)

Published Jun 03, 2025, 01:37am EDT, Updated Jun 03, 2025, 06:37am EDT

78% of American organizations use AI; up from 55% in 2024

46% of Americans trust AI

92% of students use generative AI; up from 66% in 2024

66% of people regularly use AI

AI Deployment by Wisconsin Local Government



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AI Benefits to Wisconsin Local Government

- ✓ Providing constituent information and education
- ✓ Enhancing policy setting
- ✓ Improving service delivery
- ✓ Improving health and safety regulatory processes
- ✓ Increasing financial resources
- ✓ Expanding program analysis and evaluation



AI Use in Wisconsin Local Government

Generative AI

- Report writing
- Grant writing
- Obtain feedback on completed work
- Create agendas
- Draft resolutions/ordinance
- Analyze ordinance/application compliance
- Prepare/summarize e-mails
- Obtain “expert” opinion

General AI

- Police bodycam footage review
- Streamline open records requests
- Provide automated alerts
- Transcribe/analyze meetings
- Make traffic lights “smart”
- Assessing property



Deploying Generative AI to Benefit Wisconsin Local Governments

- Report writing
 - Grant writing
 - Obtaining feedback on completed work
 - Creating agendas
 - Resolution/policy drafting
 - Writing and sorting emails
 - Gaining “Expert” opinion
- Provide public information and education
 - Enhance policy setting
 - Improve service delivery
 - Increase financial resources
 - Expand program analysis and evaluation

Deploying Generative AI to Benefit Wisconsin Local Government Employees

- Overcome writer's block and brainstorm
- Create outlines
- Draft and write papers/documents/reports/grant applications
- Edit and proofread
- Paraphrase and rewrite
- Provide research assistance

- Enhance creativity
- Manage citations and references
- Translate languages
- Provide feedback and suggestions
- Summarize content
- Collaborate and co-author



AI Deployment in Wisconsin Property Tax Assessment



Tax Assessors and AI

- Computer- Assisted Aerial Intelligence
 - Combination of high-resolution aerial imagery and AI “change detection” software
 - Fly Dane 2024 - Ayres
 - AI compares historical satellite or fly-over images with current ones
 - Vexcel Elements
 - Flags new structures
 - Identifies over 40 property attributes
 - Roof material
 - Building footprint
 - Pools



Tax Assessors and AI

- Wis. Stat. Section 70.32 – properties to be assessed at fair market value
- Computer-Assisted Mass Appraisal (CAMA) Systems
 - Used by many municipalities
 - Employs machine learning algorithms to verify sales data
 - Ratio studies to ensure similar homes are taxes at same % of market value
 - Identifies outliers
- Predictive Modeling
 - City of Madison and South Milwaukee
 - Automated Valuation Models (AVMs) – Catalis/Tyler Technologies
 - AI-driven analysis of recent sales across a region with adjustments
 - School district boundaries
 - Proximity to highways
 - Determines five best comparable properties for residential structures
 - Reduces human bias



Automated Valuation Models v. Human-based Appraisal

Aspect	AVM	Appraisal
Methodology	AVMs use algorithms and models to analyze property data, generating valuations automatically.	Appraisers conduct physical inspections and consider various factors to determine property value.
Accuracy	AVMs provide quick estimates but may not always accurately reflect market value, especially in unique or changing markets.	Appraisals offer thorough assessments, considering both objective and subjective factors for potentially more accurate valuations.
Cost and Time	AVMs are faster and cost-effective as they automate valuation without onsite inspections.	Traditional appraisals involve hiring appraisers for onsite inspections, taking days to weeks to complete.
Regulatory Requirements	AVMs lack regulatory standards, not always meeting lender or agency requirements for mortgage transactions.	Appraisals adhere to regulatory standards, often required by lenders for mortgage transactions.

Source: Matellio

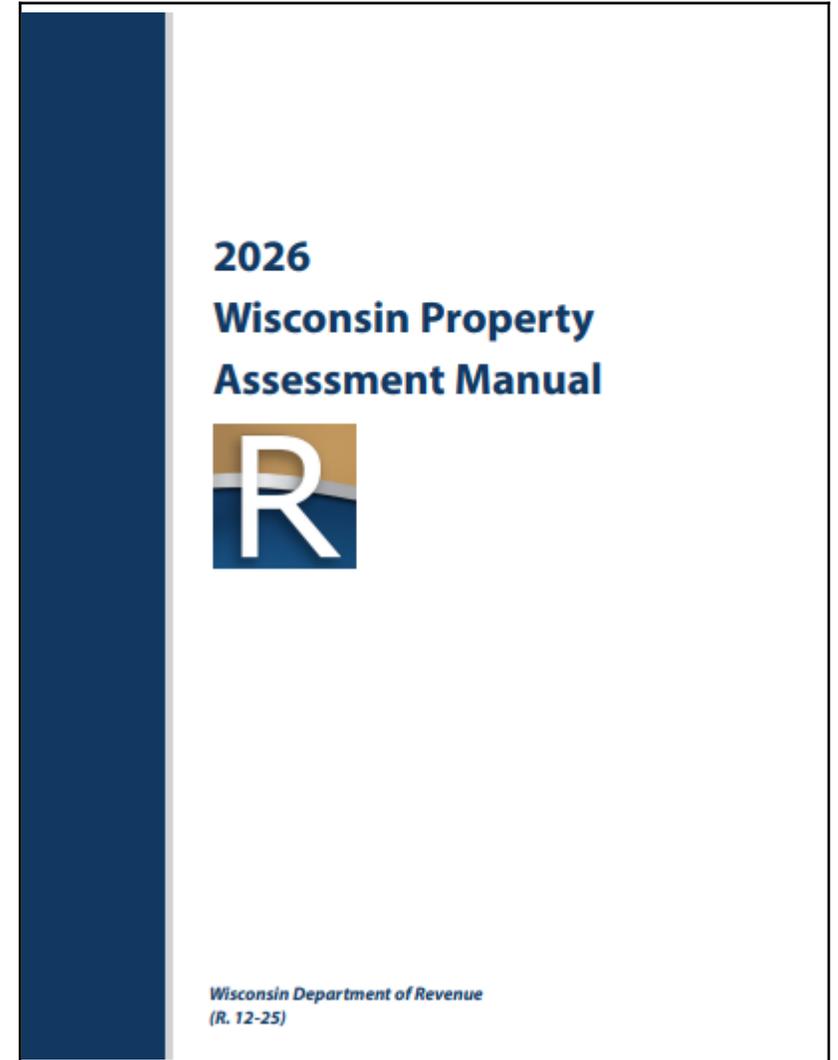
Tax Assessors and AI

- 2024 Governor’s Task Force on AI
- “Closing the feedback loop”
- Assessors using AI to draft “evidence packages” for property taxpayers
 - Milwaukee County – Microsoft CoPilot
 - Summarizes BOR proceedings
 - AI driven letters explaining why a valuation changed
 - Cites specific market trends
 - Lists comparable sales in plain English
 - C3 AI Property Appraisal



Tax Assessors and AI

- Board of Review preparation
 - AI can summarize complex statutes and DOR guides
 - Wis. Stat. Chapters 66, 70, 73, 74, 77
 - 2026 Wisconsin Property Assessment Manual
 - Help prepare for appeals
 - Identify potential outliers in the tax roll before challenge
 - Summarize BOR proceedings
 - Generate “reasons for decisions”
 - City of Milwaukee



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DOR and AI

- MyDORGov portal updated as of March 2026
 - Uses AI for data validation of XML rolls
 - Detects mathematical inconsistencies
 - Compares property classification against aerial photography
 - System flags potential errors before final tax bills are printed



[Login](#) | [Help](#)

DOR's e-filing system for local government finance and property assessment forms.

Provide Assessment Data System

- [System login](#)
- [PAD Manual](#)
- [Property type codes/definitions](#)
- [View Assessments Instructions](#)
- [2022 XML file Schema Layout](#)
- [Submit Test PAD XML file](#) - select "Yes" for "Is this a test file?"



AI Risks and Risk Mitigation



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AI Risks in Tax Assessing

- Output is only as good as the information the AI bot trained on
- *Zillow Zestimate* example
 - Relies on public records and user-submitted data
 - Cannot see inside the home or business
 - Upgrades may be missed unless captured in updated tax assessment
 - Graded as “average” even if distressed interior
 - Higher error rate if older neighborhood or rural with custom homes
 - “Cookie-cutter” bias
 - Higher error rate for homes not on the market – up to 7.5% error rate
 - Only 40-60% of Zestimates fall within 5% of actual sale price
 - Market lag and data errors
 - Zillow “iBuying” division lost \$880 million



Incorrect Information (Hallucinations) Risk

The problem: Incorrect/false information

Example: False court case citations

The solution: mitigate the risk of incorrect information from AI by:

- ✓ Always fact checking AI
- ✓ Citing official sources
- ✓ Knowing that you are responsible for the work you produce (not AI)



Hallucinations

“The AI is not pulling from a database, it is **guessing** the next word based on statistical patterns in its training data. That means that what it produces is not necessarily true (in fact, one of many surprises about LLMs are how often they are right, given this), but, even when it provides false information, it likely sounds plausible. That makes it hard to tell when it is making things up.”

-Ethan Mollick, Professor and Co-Director of Generative AI Labs at Wharton

May 5

TECHNOLOGY

A.I. Is Getting More Powerful, but Its Hallucinations Are Getting Worse

A new wave of “reasoning” systems from companies like OpenAI is producing incorrect information more often. Even the companies don’t know why.

By Cade Metz and Karen Weise

PRINT EDITION A.I. Hallucinations Are Getting Worse | May 9, 2025, Page B1



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Copyright Infringement Risk

The problem: Image generation using original sources

The solution: mitigate the risk of AI copyright infringement by:

- ✓ Fact checking and finding original sources
- ✓ Using AI-generated images carefully



Bias Risk

- **Training data bias:** reflect viewpoints towards certain regions
- **Cultural bias:** reflect Western norms; misrepresent cultural diversity
- **Gender bias:** reflect gender stereotypes (doctors vs. teachers)
- **Racial and ethnic bias:** perpetuate stereotypes or underrepresent minority perspectives
- **Confirmation bias:** response may align with user's inputs
- **Political bias:** may favor certain political perspectives
- **Socioeconomic bias:** may reflect more affluent societies or classes
- **Accessibility bias:** underrepresent less mainstream info sources
- **Language bias:** AI models perform better using English
- **Recency bias:** may favor outdated information





Prompt: please provide me with a photo of University of Wisconsin Extension teammates celebrating the success of a project



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AI Security and Privacy



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AI Security and Privacy

Data Security

- Purchase “Enterprise Chat” AI bot
b/c/ enterprise chat versions will not use your data for training
 - UW: Microsoft CoPilot & Google Gemini Enterprise Chat Versions
 - \$30/user per month
- Don’t use confidential information in prompts
 - Data can be used to train the model
 - Data is then available to others
 - Anonymize data

Data Privacy

- Don't use AI bots at home for governmental business
- If using ChatGPT or another bot at home for personal purposes:
 - When opening an AI account, go to settings and select “no” to question allowing data to be used for training
 - ChatGPT will still save data for thirty days but will not share
- AI prompts may be subject to disclosure under Public Records Law

Employee AI Use and Training Policies



Developing AI Use Policies and Training Programs

• Use Policies

- ✓ Define who may use AI in their work
- ✓ Identify training thresholds for use
- ✓ Identify types of training required
- ✓ Define which AI platforms may be used/not used
- ✓ Identify appropriate security settings
- ✓ Define whether and to what extent employees may use AI outputs
- ✓ Define data types prohibited from use in prompts
- ✓ Define discipline process for failure to follow policy

• Training Programs

- Develop training programs focused on:
 - What is AI
 - How AI can be deployed to benefit governmental operations and improve constituent service
 - AI risks and mitigation strategies
 - Security and privacy
 - AI use policy compliance



Part 6: AI Use Policies

- ✓ Define who may use AI in their work
 - ✓ Identify training thresholds for use
 - ✓ Identify the types of training required
- ✓ Define which AI platforms may be used/not used
 - ✓ Identify appropriate security settings
- ✓ Define whether and to what extent employees may use AI outputs
- ✓ Define data types prohibited from use in prompts
 - ✓ Confidential data such as SS#'s, phone numbers and addresses, etc.
 - ✓ Individual health information such as vaccination records
- ✓ Define discipline process for failure to follow policy



Employee AI Use Policies

- Creates critical operational and legal safety net in three primary ways

#1 - Strengthens “Discretionary Act” immunity defense

- The Law – Wis. Stat. § 893.04 provides immunity for decisions involving judgement (“discretionary risk”)
- The risk: Employee using AI might create argument decision was delegated to AI
 - “Ministerial duties” are not protected
- The benefit: Policy mandating “human-in-the-loop review ensures final decision is made by employee and is “discretionary”



Employee AI Use Policies

- #2 – Ensures Public Records Law compliance
 - The Law: Wis. Stat. §§ 19.31 – 19.39 generally requires “complete” public access to local governments records w/few exceptions
 - The risk: without policy, employees may delete prompts and outputs that are likely public records covered by the law
 - The benefit: AI policy can provide clear direction on archiving and retention
 - Local government Record Disposition Authorizations (RDAs)



Employee AI Use Policies

- #3 - Protecting PII Data
 - The law: federal (ERISA) and state laws (Wis. Stat. § 134.98) requires local governments to protection personally identifiable information (PII) and sensitive health data
 - The risk: free versions of AI bots “train” from data uploaded or included in prompts
 - PII could be inadvertently released when summarizing a sensitive legal memo or confidential citizen data
 - The benefit: AI use policies can set data boundaries for local governmental staff



Extension AI Training for Local Government

- AI 101 trainings being offered to local units of government
 - 2.5 hours with hands-on training with required pre-exercises
 - Four primary training modules
 - Local governments trained to date require employee training as part of AI use policies
 - Very positive training evaluations
- Advanced AI 201 and 301 training courses in development
 - To be offered beginning in August 2025



AI Pricing

AI Service	Tier	Annual Billing (Per User/Mo)	Monthly Billing (Per User/Mo)	Key Notes
Microsoft 365 Copilot	Enterprise	\$30.00	~\$31.50	Requires M365 E3/E5 or Business plan.
Google Gemini	Enterprise	\$30.00	\$36.00	Requires Google Workspace plan.
Google Gemini	Business	\$20.00	\$24.00	Lower usage limits than Enterprise.
ChatGPT	Enterprise	Contact Sales	N/A	Reported ~\$60/user (150 seat minimum).
ChatGPT	Team	\$25.00	\$30.00	Self-serve; minimum 2 users.
Claude	Enterprise	Contact Sales	N/A	Custom quote; high-security features.
Claude	Team	\$25.00	\$30.00	Minimum 5 users.



AI Bot Pricing and Capabilities



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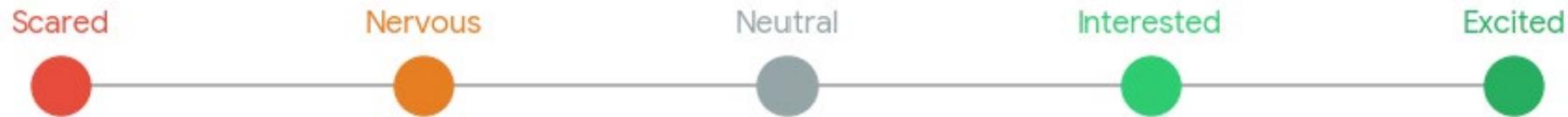
“Big Five” AI Bots and Capabilities

AI Bot	Best For	Primary 2026 Model	Reasoning Mode	Context Window
ChatGPT	General All-Rounder	GPT-5.2	"Thinking" (o2)	400,000 Tokens
Claude	Writing & Coding	Claude 4.5 Opus	Extended Logic	1,000,000 Tokens
Gemini	Google Ecosystem	Gemini 3.1 Pro	Deep Think	2,000,000 Tokens
Copilot	Microsoft Office	M365 v. 2026	Graph Reasoning	128,000 Tokens
Perplexity	Research & Search	Sonar-3 (Custom)	Deep Research	64,000 Tokens



Time for Reflection

- How do you feel about using AI in your:
 - Governmental work?
 - Personal life?



- How will you use AI in the next week? Month?
- What steps will you take to protect data privacy and security?





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Understanding AI: A Forum for Local Government

Gain a Clear Understanding of
How Local Governments Can Use AI



Register Now!

Multiple Dates in March 2026

*Select from Four Convenient Locations
Throughout the State of Wisconsin*

Wisconsin Dells | Oshkosh |
Eau Claire | Lac du Flambeau

Cost: \$50 (Includes lunch and refreshments)



Register at
go.wisc.edu/aiforum



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