



Department of Administration
Budget and Management Division

Cavalier Johnson
Mayor

Preston Cole
Administration Director

Nik Kovac
Budget and Management Director

October 22, 2024

MEMORANDUM

To: Finance and Personnel Committee Members
From: Nathaniel Haack, Budget & Fiscal Policy Analyst
Subject: Appraisal Fees

Summary:

The Assessor’s Office is proposing changes to the structure of the appraisal fee. A restructuring was first proposed by the Assessor’s Office to be more transparent, fair, and accurate in levying Appraisal Fees on new construction, alterations, and additions.

Alteration permits, which constituted 93% of appraisal permits for commercial properties and 72% of residential appraisal permits in recent years, are currently charged based on construction costs, which are not inherently linked to the actual work of the Assessor’s Office. By tying these fees instead to square footage, the fee will be more clearly tied to real costs as larger footprints take more work to assess. Additionally, the charge ensures the extra departmental costs are paid by the permit holders rather than all taxpayers.

Justification:

On average, each new residential construction consumes an estimated 8 hours of time to appraise along with 1.25 hours of administrative support. Residential alterations and additions consume an average of 4 appraisal hours and 1.25 hours of administrative support. The department’s salaries were recently brought back up to market levels, whereas the fee has not been raised in at least five years. This means that the fee is no longer capturing cost recovery.

Average fees under current structure:

	Current Structure	Proposed Structure
Residential new	\$ 1,086	\$ 1,677
Commercial new	\$2,369	\$7,937
Residential alterations	\$79	\$250
Commercial alterations	\$1,325	\$2,116



The increases for alterations would be offset by eliminating appraisal fee charges for plumbing, side, decks, garages, air conditioning, fireplaces, and razing, the new fee would eliminate these additional charges that do not require significant appraisal time. These fees cost property owners over \$280,000 in 2023.

Surrounding community fees

- Menomonee Falls – Residential \$0.35/sq. foot; Commercial \$0.27-\$0.33/sq foot
- West Allis – Residential \$0.40/sq. foot; Commercial \$0.40-\$0.50/sq. foot
- Brown Deer – Residential \$0.35/sq foot; Commercial \$0.32/sq foot
- Greenfield – Residential \$0.32/sq foot; Commercial \$0.35/sq foot



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Appendix: Proposed ordinance changes

Current Language

81-6. Service Charges for Appraisal and Inspection.

Service charges for inspection and appraisal of new construction, remodeling and additions by the commissioner of assessments shall be as follows:

1. NEW CONSTRUCTION.

- a. One-family: \$264.
- b. Two-family: \$391.
- c. Multi-family: \$463 plus \$115 per unit over 2 units.
- d. Commercial, industrial or public: \$0.05 per square foot, with a minimum charge of \$572

2. ALTERATIONS AND ADDITIONS.

- a. Residential: 0.37% of construction cost, with a minimum charge of \$13.
- b. Commercial: 0.37% of construction cost, with a minimum charge of \$23.
- c. Siding, deck, garage, air conditioning, fireplace or razing: \$18.
(See s. 307-6.)

3. PLUMBING.

- a. Residential: 28% of the plumbing permit cost imposed under s. 200-33-43.
- b. Commercial: 28% of the plumbing permit cost imposed under s. 200-33-43.

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Proposed Language

81-6. Service Charge for Appraisal and Inspection.

Service charges for inspection and appraisal of new construction, remodeling and additions by the commissioner of assessments shall be as follows:

1. NEW CONSTRUCTION.

- a. Residential: \$450 per tax key.
- b. Commercial, industrial, institutional or public: \$0.45 per square foot, with a minimum of \$1,000 and a maximum of \$25,000.

2. ALTERATIONS AND ADDITIONS.

- a. Residential: \$250 per tax key.
- b. Commercial, industrial, institutional or public: \$0.25 per square foot, with a minimum of \$1,000 and a maximum of \$25,000.

