

SPONSOR(S): ALD. SPIKER

AMENDMENT 5A

DEPARTMENT(S)	EFFECT		
	BUDGET	TAX LEVY	TAX RATE PER \$1,000
ASSESSOR	\$+0	\$+0	\$+0.000

AMENDMENT INTENT

Add \$807,715 for the purchase of geo-referenced digital sketches (\$666,715 one-time purchase) and computer software for assessment valuation accuracy (\$141,000 over a 5-year license) to the Assessor's Office Assessment Software capital account to purchase software that will support geo-referenced digital sketches and computer software for assessment valuation accuracy. Reduce City Hall Foundation & Hollow Walk capital account by the corresponding amount.

BACKGROUND

1. The tax levy is an essential source of revenue for the City, and property taxes are based on valuation of properties. Accurate size data and accurate comparable sales data are essential requirements for the accurate valuation of homes. Both software requests in the allocation are valuation accuracy tools for building access to and increasing capacity of digital information.
2. Geo-referenced digital sketches will provide the Assessor's Office with essential tools to increase efficiency, improve data accuracy, and enable more equitable assessments. Increased accuracy of property assessments will benefit residents, as well as other City departments. Use of this software will also increase the safety of Assessor's Office staff members and eliminate the costs associated with onsite inspections. Use of sketches will also aid in compliance with Wisconsin Department of Revenue guideline of having all data in a digital format.
3. Historically, jurisdictions that adopt a parcel desktop review approach that heavily leverages imagery analysis (i.e. geo-referenced digital sketches) and GIS, recognize a lift in tax revenue in the range of \$40-\$70 per parcel. The City has approximately 165,000 parcels. When the metric of \$40 per property is used, indications are that the City may generate an additional \$6.6 million in revenue which will enable a reduction in the overall tax rate.
4. A contractor will create the geo-referenced digital sketches for each parcel. The sketches will be uploaded to the City's GIS software, allowing other departments, such as the Police and Fire Departments or Department of Neighborhood Services, to locate properties in specific detail to assist in their work. The cost of contracted services for geo-referenced digital sketches is a one-time expenditure of \$666,715.

5. Spatialest computer software provides accurate sales comparison data, which can be integrated with the present CAMA system that assessors use. The sales data will also be available to the public for property owners to view the accuracy of their assessments. Making the data available for the public increases transparency and empowers residents.
6. Spatialest software has proven to increase accuracy of assessments and to reduce appeals by 50% in other jurisdictions that have implemented its use. Reducing appeals will further reduce operating costs related to appeals and increase efficiency in the Assessor's Office.
7. The initial cost of the Spatialest software is \$141,000 over a 5-year license.
8. Improving data accuracy will provide a more fair and equitable approach to property valuation. Maintaining accurate data about properties and assessing every property fairly is a benefit to every property owner. Spreading out the tax burden fairly is also a benefit for all property owners. Capturing all assessable property assists the City by reducing the tax rate for all taxpayers. This is especially important in areas of the city that are experiencing higher than average value changes.

DISCUSSION

1. This amendment provides the Assessor's Office with \$807,715 for the purchase of geo-referenced digital sketches (\$666,715 one-time purchase) and computer software for assessment valuation accuracy (\$141,000 over a 5-year license).
2. Use of purchases will increase accuracy of assessed properties.
3. Use of this software may generate an additional \$6.6 million in revenue, which will enable a reduction in the overall tax rate.

EFFECT

1. The budget effect of this amendment is \$0.
2. The tax-levy effect of this amendment is \$0, for a tax-rate impact of \$0.000 per \$1,000 assessed valuation.

Prepared by: Heather Wolfgram
Legislative Reference Bureau
Revised: October 27, 2021

OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2022 PROPOSED BUDGET

By Ald. Spiker

CAPITAL IMPROVEMENTS

Add \$807,715 to the Assessor's Office Assessment Software capital account to purchase software that will support geo-referenced digital sketches and computer software for assessment valuation accuracy. Reduce City Hall Foundation & Hollow Walk capital account by corresponding amount.

<u>BUDGET</u>	<u>TAX LEVY</u>	<u>TAX RATE EFFECT</u>
<u>EFFECT</u>	<u>EFFECT</u>	<u>(PER \$1,000 A.V.)</u>

Capital Improvements Budget	\$+0	\$+0	\$+0.000
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BMD-2 PAGE AND LINE NUMBER	DETAILED AMENDMENT	CHANGE IN 2022 POSITIONS OR UNITS COLUMN		CHANGE IN 2022 AMOUNT COLUMN	
		NUMBER TO BE CHANGED	AMOUNT OF CHANGE	AMOUNT TO BE CHANGED	AMOUNT OF CHANGE
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS				
	ASSESSOR'S OFFICE				
450.6-5	Assessment Software New Borrowing	--	--	--	\$+807,715
	DEPARTMENT OF PUBLIC WORKS				
	DPW-INFRASTRUCTURE SERVICES DIVISION				
	BUILDINGS PROJECTS				
450.29-10	City Hall Foundation & Hollow Walk New Borrowing	--	--	\$10,000,000	\$-807,715

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