



# State of Wisconsin • DEPARTMENT OF REVENUE

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## County Property Assessment – Modernizing Wisconsin's System

### **Challenges with Existing Assessment System**

- Inequity. It's not uncommon for gaps to exist between assessed values and full market values. As a result, a two-tier assessment system is required with distinct local and state-level (equalized) values. The two step process can lead to significant errors that can only be corrected by a labor-intensive statutory process. The corrections may not be realized by taxpayers for several years after the errors are corrected.
- Non-uniformity. Local property assessments are often updated only once every 5-10 years. Taxpayers within municipalities are over- or under-taxed based on outdated property assessments compared to other property values within the same municipality.
- Inefficiency. Wisconsin has the highest number of assessment districts in the nation (most states have less than 100 assessment districts). With each of Wisconsin's 1,851 municipalities responsible for their own assessments, integration and economies of scale are absent.

### **Proposal for Change**

- Single-Value County Assessment. Technology and administration consolidation will allow the two-tier property assessment process in Wisconsin to be replaced by a single-value system. Counties will be responsible for annually updating values for each property in Wisconsin. Each county will designate a County Assessment Administrator who will be responsible for the timely and accurate completion of the process and report information to the Department of Revenue (Department). The county will have the option of employing the individuals responsible for the assessment function as county staff or contracting for such services.
- Eliminate Equalization. The state-level equalization process will transition to an audit role of the county valuation process. If the Department determines that the county's values adhere to the state's requirements, the Department will accept the values as the district's full, equalized, value. The Department has developed a web-based data system called the Integrated Property Assessment System (IPAS) that will allow the Department to analyze the county's values in order to determine adherence to the state's requirements.
- Counties Could Consolidate. Counties could join together in shared assessment districts.
- Five-Year Phase-in. Shift to county assessment over a 5-year period. All municipalities will be required to update all assessments in adherence with state requirements. Municipalities will provide counties with complete, electronic, current, property records for commencement of county assessment.
- Electronic Property Assessment System. Wisconsin will automate the collection and analysis of assessment data that is consistent with industry standards in practice throughout the United States. Such processes will allow full integration of data across counties and municipalities.
- Boards of Review at County Level. With municipal representation, the board of review process that evaluates assessment disputes would move to the county level.
- Increased Assessor Certification Requirements. Assessors will be held to stricter requirements and assessing standards specified by law and the *Wisconsin Property Assessment Manual*.
- Exempt County Costs from Levy Limit. County assessment costs would be exempt from local levy limits.

### **Benefits for Local Governments**

- Seamless Valuation – No Surprises. DOR will not determine separate equalized values. Values developed by counties will be full-value and will be used to apportion taxes and state aides. Such a process will provide municipalities, tax incremental districts, counties, and school districts with valuation information earlier in the year given the full values will originate from the county.
- Professional Assessment Staff. Assessors employed based on professional standards and held accountable.
- Automation. Computer-assisted systems will aid assessment process. Much-improved ability to identify and utilize comparable sales data from neighboring jurisdictions.
- Economies of Scale. Consolidation will foster more accurate, timely assessments and pooling of resources.

### **Benefits for Taxpayers**

- Fair assessments, property taxes and aid distributions.
- Eliminate inconsistent levels of assessment across state.
- Greater transparency in assessment and appeals process.