

PROPOSED CHANGES TO PROPERTY TAX ADMINISTRATION

The Challenge

The State of Wisconsin and local governments have relied on an equalization process and local assessed values to determine Wisconsin's property tax base, our largest single revenue source at \$8 billion, as the basis for aid distribution.

Historically, this has been acceptable methodology; however, all other U.S. states now utilize a more modern form of assessment that integrates fewer assessment districts and advanced technology.

With the dramatic changes in the economy affecting the incomes of local homeowners, the balance sheets of businesses, and government budgets, there is a growing expectation that we implement a system that maximizes fairness in the valuation process and provides the most accurate and transparent data possible for every property parcel in the state. Continuing to sustain a system that mixes communities that provide regular valuations with others that only estimate local values is no longer a viable option for our state.

Our Proposal

Enact legislation that centralizes property tax valuation and administration at the county level. The coordinated county administration would be required to provide annual valuation at full market value of all properties throughout Wisconsin. This would give us real time values in order to generate accurate data for official uses. The process would take five years to complete. It would be designed to be fair, to maintain the independence and autonomy of every municipal government and, simultaneously, take advantage of economies of scale by consolidating functions at the county level.

The legislation specifically would:

- Move all assessment functions to the county level within five years;
- Require annual full valuation, starting with a revaluation of all parcels within three years;
- Allow towns, villages and cities to have a voice in all assessment functions including administration, assessment and board of review;
- Maintain manufacturing assessment at the state level, but refocus DOR to certify, regulate and audit the county assessment process;
- Create new standards and licensing for property assessors to ensure the highest level of professionalism in the valuation process, and
- Establish a new system of valuation, with minimal long-term fiscal effect.