



## County Assessment Proposal

- **Accurate: Adjusted Annually at Market Value**
- **Fair: Consistent Statewide Valuation Process**
- **Efficient: 72 Counties vs. 1851 Municipalities**

# Current Assessment Process Challenges

## ■ Inefficient

- 1851 municipalities
- No economies of scale
- Paper driven process - minimal electronic analysis / integration

## ■ Inconsistent

- Assessment contracts: often verbal/non-existent or incomplete as it relates to assessment standards
- Data collection & application

## ■ Unfair

- Minimal annual revaluations: often 6-10 years between revaluations

## ■ Complex

- Municipality: determines property value & individual tax burden
- State: determines district total value & district tax burden

# County Assessment Process Opportunities

## ■ Efficient

- From over 1800 assessment jurisdictions to less than 100
- All assessment data electronic
- Electronic analysis / integration

## ■ Consistent

- Standardization of contracts and data collection
- DOR audits every county with ability to require corrections
- Board of Tax Exemptions provide guidance & information for Assessment Manual

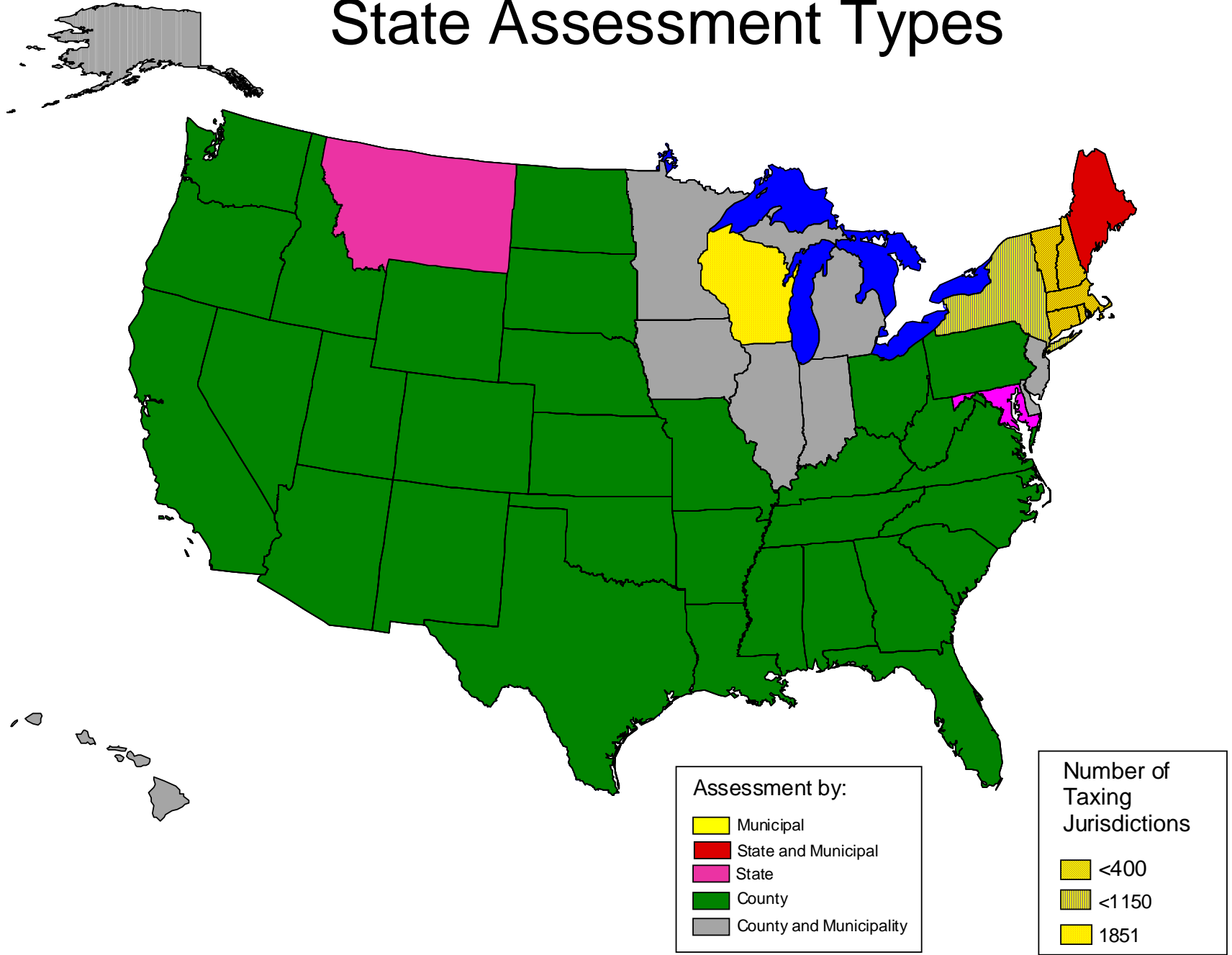
## ■ Fair

- Annual updates – Responsive to market changes

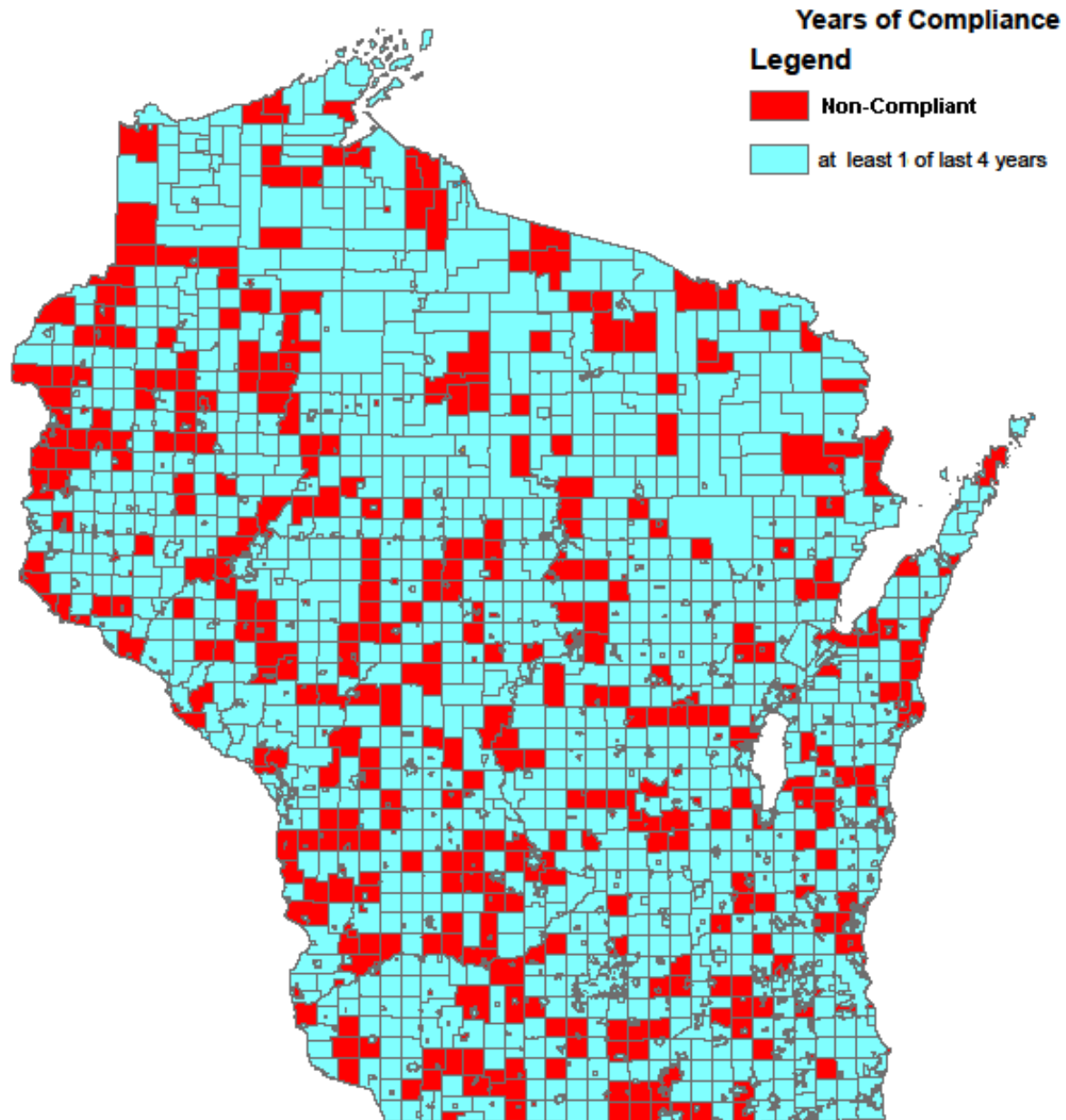
## ■ Transparent

- County: determines property value, individual & district tax burden

# State Assessment Types



# All Major Property Classes Assessed Within 10% of Full Value



# County Assessment Implementation

## ■ Years 1 to 3

- County Assessment offices created
- All municipalities required to upgrade parcel detail and assess at Market Value within 3 years

## ■ Year 4

- Municipalities no longer assess
- County Assessment offices first publish assessment rolls
- Functioning County Board of Assessors & Board of Review
- DOR begins to adopt County Values as full / equalized value

## ■ Year 5

- Assessment functions completed by County except manufacturing
- DOR audits Counties' processes to verify standards & uniformity
- Statewide County Assessment: All Counties at full / equalized value

# County Assessment Detail

- Structure
- Valuation
- Regulatory

# County Assessment Detail

## Structure

- County Assessment Administrator
  - 1 for each County
  - Responsible for timely & accurate completion of process & reporting of information to DOR
- No municipal exceptions
- Multiple counties may combine
- May employ county staff or contract
  - Regardless of employment type, all facets of assessment process standardized throughout state - specified by statute or Wisconsin Property Assessment Manual (WPAM)



# County Assessment Detail

## Structure – Annual County Process

- End of February
  - Assessors validation & verification of sales complete
  - Information submitted to DOR
  - Enables County & State to commence modeling
- Early April
  - Preliminary numbers complete – submitted to DOR
  - DOR preliminary review – feedback to assessors
- 2<sup>nd</sup> Monday in May - Assessments complete & notices mailed
  - County provides totals to DOR & all taxation districts
  - Opportunity for municipalities / school districts to review
- 2<sup>nd</sup> Monday in June - County Board of Assessors commences
- 2<sup>nd</sup> Monday in July - County Board of Review commences
- August 1: Final changes provided to DOR
- August 15: DOR Certifies Full Values

# County Assessment Detail

## Structure - County Assessment Administrators

- Discover, list & value all property within jurisdiction
- Determine value on annual basis - full value subject to taxation
- Manufacturing & utilities remain with DOR

# County Assessment Detail

## Structure – Appeal Process

### 1. County Board of Assessors (BOA)

- Similar to current BOA statutes for 1st class cities
- Members: County Assessment Administrator's office
- Appeals required by second Monday in June
- Appeal of BOA determination to county board of review

### 2. County Board of Review (BOR)

- Similar to current BOR statutes
- Representatives from Town, Village, & City
- No members may be from same municipality

### 3. Circuit Court

# County Assessment Detail

## Structure – Board of Tax Exemptions

- Process for County Assessors to seek guidance
- Taxation improved through this uniform process
- Board's guidance placed into WPAM
- Guidance not binding

# County Assessment Detail

## Valuation – Transition Period

- Years 1 to 3 – Municipalities required to conduct state defined revaluation
  - According to state standard contract
  - Data collection – interior inspections required
  - Photos & sketches of all improvements
  - Use of WPAM – Volume 2 for listing / codes
  - Electronic records required & provided to DOR
  - Municipal to County
    - ✓ Years 1 to 3: Counties create Assessment Administrator Office
    - ✓ Revaluation in year 1 or 2: Full value maintenance until turned over to county in 3<sup>rd</sup> year
    - ✓ 3<sup>rd</sup> Year: Records & data to county after assessments complete
    - ✓ 4<sup>th</sup> & 5<sup>th</sup> year: County assumes assessment function

# County Assessment Detail

## Valuation – Full Value

- Annual valuation – full value subject to taxation
  - Counties begin with up-to-date property data
  - Recent sales analyzed to annually project value
  - Uniform & accurate valuation of property requires correct, complete, & up-to-date property data
- Maintaining Property Data – IAAO Standards
  - Assessors must collect & maintain property data
    - ✓ ownership, location, size, use, physical characteristics, sales prices, rents, costs & operating expenses
  - On-site inspection of 20% of properties annually
    - ✓ Check measurements, additions/deletions, photograph
  - Long Term: digital image technology augments field inspection

# County Assessment Detail

## Valuation, cont.

### ■ County Process Detail

- Data collection process
  - ✓ Routine review of all property characteristics
  - ✓ Sale validation & verification
- Maintaining property data
  - ✓ Property inspection rate
  - ✓ Building permit collection & analysis
- Annual valuation process – analysis of data
  - ✓ Collection / analysis of income, expense & other market data
  - ✓ Valuation models, testing & quality assurance
  - ✓ Time series analysis
  - ✓ Statistical process & results, e.g. coefficient of dispersion

# County Assessment Detail

## Valuation, cont.

- DOR Audit – Annual Compliance Review
  - Values & processes adhere to statutes & WPAM
    - ✓ Data collection process
    - ✓ Maintaining property data
    - ✓ Annual valuation process – analysis of data
  - County values accepted as full, equalized
  - County values will determine apportionment



# County Assessment Detail

## Regulatory

### ■ Assessor Certification

#### ➤ WPAM

- ✓ certification requirements for County assessment personnel
- ✓ facilitate changes as assessment / appraisal industry changes

#### ➤ Testing for ability to comply – IAAO Courses

#### ➤ Certification hearing & discipline process:

1. Written reprimand
2. Temporary suspend certification
3. Permanently revoke certification

DOR will publish suspensions & revocations

# County Assessment Detail

## Regulatory

### ■ Assessor Certification – IAAO Assessment Administrator

#### General qualifications

##### **Education†**

*Minimum:* High school diploma or equivalent

*Desirable:* Bachelor's degree in public administration, business administration, finance, economics or some college and experience equivalent to education.

AAS or CAE designation

##### **Experience**

Increasingly responsible positions in an assessor's office, supervisory experience

##### **Skills and knowledge**

Understanding of appraisal principles and property tax laws and regulations; proficiency in problem-solving, interpreting statutory requirements, conducting good public relations, and maintaining effective group and interpersonal relationships

#### Courses for entry††

All level 100 (General Appraisal) & level 200 (Specialty Appraisal) courses

Course 400—Assessment Administration

Course 402—Tax Policy

Course 500—Assessment of Personal Property\*

Course 600—Principles and Techniques of Cadastral Mapping

Workshop 151—Standards of Practice & Professional Ethics

#### Mandatory continuing education††

Course 300—Fundamentals of Mass Appraisal

Course 310—Applications of Mass Appraisal Fundamentals

# County Assessment Detail

## Regulatory

### ■ Assessor Certification – IAAO Real Property Appraiser

#### **Education†**

*Minimum:* High school diploma or equivalent

*Desirable:* Bachelor's degree in mathematics, communications, economics, statistics, accounting, finance, computer science, business administration, or real estate *or* some college and experience equivalent to bachelor's degree

#### **Skills and knowledge\*\***

*Minimum:* Mastery of all three approaches to value

#### *Minimum:*

Course 101—Fundamentals of Real Property Appraisal

Course 102—Income Approach to Valuation

Course 500—Assessment of Personal Property\*

Workshop 151—Standards of Practice & Professional Ethics

#### *Desirable*

Course 112—Income Approach to Valuation II

Course 201—Appraisal of Land

Course 300—Fundamentals of Mass Appraisal

Workshop 161—Marshall & Swift Cost Approach—Residential

# County Assessment Detail

## Regulatory

- Wisconsin Property Assessment Manual
  - Acceptable standards & methods of valuation, information collection & analysis
  - Require standards published through national accredited institutions (Appraisal Institute & IAAO)

# County Assessment Detail

## Regulatory, cont.

### ■ Electronic

- Statutes will require electronic submission of information to DOR
- DOR has developed an Integrated Property Assessment System (IPAS)
  - ✓ Will allow DOR to analyze the County's values & processes
  - ✓ Determine adherence to requirements
  - ✓ County adheres to requirements = DOR approve & adopt County's values as district's full value, i.e. equalized
  - ✓ Process will eliminate the current two-tier valuation process

# County Assessment Detail

## Regulatory, cont.

### ■ Enforcement

- County's values unsatisfactory
  - ✓ DOR order special supervision for subsequent year where any DOR costs are charged to county
- County's values unacceptable
  - ✓ DOR can issue an "equalization order" on aggregate level (class totals versus individual property values) for inequities
  - ✓ Adjusted aggregate value represent equalized
  - ✓ Followed by order for county to correct in subsequent year with any DOR costs charged to county