

Budget proposal shifts assessments to county level

By Kevin Crowe of the Journal Sentinel

A provision in Gov. Scott Walker's proposed budget would shift property assessment duties from most municipalities to counties, upending the status quo in the state.

All municipalities with populations under 39,000 would move to a countywide assessment system, while larger cities — Milwaukee, Madison, Green Bay and a dozen others — would be allowed to continue managing their own assessments. Under the plan, counties would take over assessments by Jan. 1, 2017.

The effort would consolidate a complex system of 1,851 taxing districts in the state to assessment offices at the state's 72 counties.

"We've got a proposal here that generates costs savings at the local level and at the state level," said Department of Revenue Secretary Richard Chandler. "It will also generate an improved quality of property assessments and a clear and understandable process."

The proposal follows a [Milwaukee Journal Sentinel investigation](#) that found problems with uniformity and fairness around the state. In dozens of communities, 20% or more of residential taxes were being paid by the wrong people, the investigation found.

"We've worked every year to make steady improvements to the assessments system, but we've heard there are more systemic reforms needed," Chandler said. "Your reporting last year helped highlight some of the issues that are out there with the current system."

Some city officials acknowledge there are problems with the current system of assessments. But they say that shouldn't mean cities with their own assessor's offices should have to give them up.

"We have a really excellent assessor's office and we very much want to keep control of

the assessor function within our city government," said Brookfield Mayor Steve Ponto.

Brookfield has a population of about 38,000, meaning the city would cede its assessment duties to Waukesha County under the new provision. But it has one of the largest property tax bases in the state.

"It may not be an all bad idea to have the county do assessments for (smaller municipalities)," Ponto said. "But where you have a community that has a good record on assessments and has a good staff, I don't think that should be disrupted."

Chandler acknowledged some changes to the provision in the budget are inevitable — and those might include which municipalities get to opt out of the county assessment system.

"Any time something's proposed in the budget there are discussions on the details," he said.

Questions about plan

Rob Henken, president of the Public Policy Forum, said a compelling argument can be made for smaller municipalities to get out of the assessment business.

Most municipalities in the state have [cut their assessor's offices](#) in favor of private contractors who perform the assessments for a fraction of the cost, the Journal Sentinel investigation found. An in-house department might cost \$25 per parcel to maintain, while a private company might sign a contract for \$6 per parcel.

Many of the communities already use the same contractor, so there would be efficiencies gained through consolidation, Henken said.

"Where it gets interesting is what would it look like in Milwaukee County," he said.

The City of Milwaukee assessor's office is one of the largest in the state. Milwaukee County, on the other hand, doesn't have an assessor's office.

"Should it be the county government, which doesn't do any assessing?" Henken asked.

"Or, should it be the city, which has a great deal of capacity in that department?"

Across the state, municipalities perform full property revaluations at different times;

some may go up to seven years without a revaluation. That means properties in one municipality could be valued below market rate while those in the town next door are valued above market. To date, that problem has been ironed out by the Bureau of Equalization at the state Department of Revenue.

The new law would require all properties to be assessed at 100% of market value by 2017, when counties would take over assessment duties. Counties would then have to maintain that level of assessment every year.

That change paves the way for the state to trim jobs on the equalization bureau as its services are needed less and less.

Counties would get funding for the assessments from the municipalities. As it stands, a county could charge a municipality up to 95% of the cost of performing assessments in 2015.

The 2015 baseline for costs is a red flag, said Curt Witynski, assistant director for the League of Wisconsin Municipalities. Some municipalities might be performing an expensive revaluation in 2015, while others are doing less costly maintenance work. If that is the basis for how much the municipalities have to reimburse counties for assessment services, they would be paying different prices for the same service.

There also are questions about whether the transition can be completed in the two-year time frame.

"We have some concerns about some of the details," Witynski said.

The proposal also would give the department more latitude in disciplining problem assessors. Currently, the department can only revoke an assessor's license, a punishment it has deemed too harsh to mete out in the past 10 years.

Under the new system, county-level employees would be doing most all the assessment work, so the state would have an easier time monitoring their work than the work of people in the 1,851 taxing districts across the state.

"It would end the need for some of the disciplinary actions we see now," Chandler said.

Chandler stressed open book periods — where property owners can challenge assessments — would still be held at the municipal level, and the Board of Review

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proceedings would be in at least two locations in each county, if not more.

"I think we're just trying to emphasize the dollar savings, the better product and process and a system that's more accountable to the taxpayer."



About Kevin Crowe

Kevin Crowe is a data journalist who crunches numbers on employment, demographics, campaign finance and your tax dollars.