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# What is a Revaluation and how is My Assessment Affected?

## What is an assessment and what is its purpose?

An assessment is the value placed upon taxable real and personal property by the assessor. This figure determines the portion of the local property tax levy that the property will bear.

## How are assessments made?

The assessment of properties in all classes (except agricultural) should bear a direct relationship to the amount that a typical purchaser would pay for the property under ordinary circumstances. Assessments should be uniform "at the full value which could ordinarily be obtained therefore at private sale" (Section 70.32, Wis. Stats.). This standard applies to residential, commercial, forest, other class property (farm buildings and farm sites) and the manufacturing class (state-assessed). The two new classes beginning in 2004 are undeveloped (formerly swamp & waste) and agricultural forest, which are assessed at 50% of their full value. Agricultural property is assessed at a use value. Personal Property (for persons, firms or corporations who run a business) is assessed at its true cash value.

## How are assessments made for agricultural properties?

The Wisconsin legislature revised portions of section 70.32, Wis. Stats. in 1995 to change the way agricultural land is assessed. The assessed value is now based on the land's *use* in agriculture, rather than its fair market value. This process is referred to as *use-value assessment*. In 1998, the Department of Revenue began publishing Use-value Guidelines for agricultural land in Wisconsin. Assessors use the guideline to calculate assessments for agricultural land. "Agricultural land" is defined in section 70.32(2)(c)1., Wis. Stats., as "land, exclusive of buildings and improvements, that is devoted primarily to agricultural use." Buildings and improvements on a farm (such as houses, barns, and silos, along with the land necessary for their location and convenience) are classified "Other" and are assessed at fair market value.

## What is a revaluation?

A revaluation is the determination of new values within a municipality for taxation purposes. A revaluation can vary in authority, frequency, form and the conditions under which it is performed. Therefore section 70.05(5), Wis. Stats., requires each municipality to assess property within ten percent of *full* value at least once every five years. A revaluation can also be done annually, or periodically as deemed necessary to best serve the public interest.

## Revaluations are expensive. Are they really necessary?

A complete revaluation of all taxable real and personal property within a municipality is periodically necessary. There may be several reasons for this: (1) the current assessment may not have been made in substantial compliance with the law; (2) inequities may exist *within* classes of property; (3) inequities may exist *between* classes of property; (4) the governing body may desire an updating of records to show the physical characteristics of all its taxable real and personal property; (5) a governing body may desire an original inventory of all its taxable property; or (6) the assessment level may not be in compliance with current law, which requires each major class of property to be within 10% of the state's equalized value for the corresponding major class.

When inequities happen, some property owners are paying more than their fair share of the property taxes and some are paying less. A complete reassessment or revaluation may be the only remedy. Most property owners are willing to pay the expenses of a revaluation to be assured that all are paying their fair share of property taxes.

## Do taxes go up after a revaluation?

If the total levy remains the same, only those properties that are not presently paying their fair share of the tax burden will pay more taxes after a revaluation. Properties presently paying more than their fair share will pay less. The purpose of a revaluation is to distribute the tax burden fairly and equitably among the taxable properties in the municipality in accordance with the law. The purpose is *not* to increase taxes. Tax increases are directly related to the budgetary needs of the taxing jurisdictions.

*(If your percent change in value after the revaluation is less than the average percent change, your percentage share of the total municipal taxes will likely go down. This is because your percent share of the municipality value is less than the prior year. Conversely if your percent change in value after the revaluation is more than the average percent change, your percent share of the total municipal taxes will likely go 'up because your percent share of the municipality value is more than the in the prior year)*

## Will the tax rate remain the same per $1,000 of assessed value after the revaluation?

Not necessarily. If the assessed values established by a revaluation are greater than they were before and the tax levy is the same, then the tax rate will be less. For example, if the tax levy remains unchanged and the total assessed value of the taxation district is doubled, the tax rate will be cut in half.

### Before Revaluation

If the total levy the municipality pays to the State is $200,000 and the Municipality Assessed Value is $4,000,000 then the levy tax rate is .05 or 5%

### After Revaluation

If the total Levy the municipality pays to the State remains at $200,000 and the Municipality Assessed Value after the revaluation is now $8,000,000 then the levy tax rate is now .025 or 2.5%

*(Due to the budgetary process, your municipality may require an additional tax levy due to increases in state, municipal, school, county or other taxing district costs. However, the increase would not be a result of the revaluation changes in value and would have affected your tax bill even if the revaluation did not occur)*

## What is the Open Book?

The Open Book is a period of time where the completed assessment roll is "open" for public inspection so you may compare your assessed value with other properties. There will be sales books listing recent improved property and vacant land sales. No appointment is needed to view these. If a taxpayer has any questions regarding their assessment, you may schedule an appointment to talk one-on-one with an assessor where you can discuss how your assessment was developed, verify the physical attributes of your property, express any concerns or present new evidence that you feel should be considered in determining the assessed value. If you wish to appeal your assessment, it is recommended that you attend the Open Book prior to scheduling an appointment for the Board of Review. Property and assessment information can also be found on our website at: www.assessordata.org.

## What is the Board of Review?

The Board of Review is held after the Open Book. Taxpayers who feel their assessment doesn't reflect the actual market value of their property may appear before the Board of Review to formally object to their assessed value. Taxpayers present evidence as to what they feel the market value should be and the assessor presents evidence on how the assessment was derived. The Board hears the evidence and makes a final decision on the assessed value of the property. NOTE: You must provide written or oral notice of your intent to file an objection with the municipal Clerk at least 48 hours before the Board of Review's first scheduled meeting. You can obtain an objection form from your municipal Clerk. The objection form must be filed with the Clerk during the first 2 hours of the Board's first scheduled meeting. Make sure you file a completed form or the Board may refuse to act on your appeal.

## How is property data kept current after a revaluation?

Assessments can only be as accurate as the data on which they are based. It is not possible to arrive at equitable assessments using inaccurate and incomplete data. Therefore, maintaining property records is essential to maintaining assessments. Because property characteristics are continually changing, record cards must be updated on an annual basis to account for new construction, remodeling, land splits, and demolitions. If the record cards are not properly maintained, they will no longer aid the assessor in making defensible assessments, and the benefits of the revaluation will soon be lost.

To help maintain property records, the assessor is furnished with data from all real estate transfer returns. Real estate transfer returns are confidential documents. Market data from the transfer returns should be analyzed and posted on the property record cards. The assessor should also be notified of all building permits, which alert the assessor to changes in property characteristics. In addition, it will be necessary for the assessor to periodically inspect all properties and update the property record cards to reflect current conditions.

*Parts per the Guide to the Property Assessment Process for Wisconsin Municipal Officials April, 2011*
*http://www.dor.state.wi.us/pubs/slf/pb062.pdf*