

Guide for 70.75 Reassessments

2009

Wisconsin Department of Revenue
Division of State & Local Finance
Bureau of Property Tax
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INTRODUCTION

The board of review procedures are designed to provide legal remedy and relief from excessive assessment for individual parcels of property. However, the legislature has also provided a remedy for those situations where the legality or equity of the entire assessment roll is in question.

Sec. 70.75, Wis. Stats., (www.legis.state.wi.us/rsb/Statutes.html) permits the owners of not less than 5 percent of the assessed value of all the taxable property in any taxation district to submit a written petition to the Department of Revenue. The basis of the complaint must be that the assessment of property in the taxation district is not in substantial compliance with the law and that the interest of the public will be promoted by a reassessment.

A petition for reassessment may be obtained from the Equalization District Supervisor. The District Supervisor can also answer any questions that you may have regarding the circumstances of a potential sec. 70.75, Wis. Stats., petition. Contact information is on page 4.

REASSESSMENT & REVALUATION EXPLAINED

There are many considerations which arise with regard to a revaluation or reassessment of a taxation district. Perhaps the greatest confusion lies in the misunderstanding of the terms “reassessment” and “revaluation.” These words are erroneously used interchangeably, and it is important to note the primary differences between the two.

The term “reassessment,” as it relates to sec. 70.75, Wis. Stats., means the actual doing over of the assessment roll of the year petitioned. Such action would be taken if, after a full investigation, the Department of Revenue was satisfied that a complaint appeared to have merit (See “Investigation by the Department of Revenue”). The Department will contract with an individual or firm who will prepare a new roll. The assessment roll, which is completed by the contracted individual or firm, is then a legal substitute for the original assessment roll. The Department appoints a special three-person Board of Correction to review and correct the assessment roll. All fees and expenses are paid by the Department and then charged back to the taxation district. Correction of the inequalities may be made in the subsequent year if the reassessment cannot be completed in time to take the

place of the original assessment. This results in adjustments being made in the next levy with property owners either charged additional taxes or credited with overpayments, depending on the reassessed value of their property.

The term “revaluation,” while not used specifically in sec. 70.055, Wis. Stats., usually refers to the hiring of expert help in making the assessment in a subsequent year. In this case, the assessment roll of the year petitioned is not affected.

A revaluation under sec. 70.055, Wis. Stats., is initiated when the local governing body passes a resolution declaring that it is in the public interest to employ expert help to aid in making the assessments. When a revaluation is performed under this section, the local assessor is not relieved of any responsibilities. Both the expert help and the assessor act together as an assessment board in exercising the powers and duties of the assessor during the expert’s employment. The municipality is responsible for the payment of the expert help and enforcement of the expert help contract.

Closely related to reassessment and revaluation is a “supervised assessment.” This is an alternative to a reassessment provided for under sec. 70.75 (1), Wis. Stats. Under this alternative, the Department will contract with an individual or firm who will determine the assessments for the following year. The Department supervises all work that is performed by the contracted individual or firm. Expenses are paid by the Department and then charged back to the taxation district. The effect of a supervised assessment is essentially the same as a revaluation under sec. 70.055, Wis. Stats.

A complete revaluation of all taxable real and personal property within a taxation district 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 among the properties within classes of property; (3) inequities may exist between the classes of property; (4) the governing body may desire an updating of records to show the physical characteristics of all taxable real and personal property; (5) a governing body may desire an original inventory of all its taxable property; (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. A complete revaluation may be the only remedy.

70.75 REASSESSMENT ADMINISTRATIVE PROCEDURE

Time for Application

The Department of Revenue will not take jurisdiction in any reassessment application until the assessment complained of has been completed by the assessor and the board of review has discharged its duties.

Each assessment year stands alone. You may only appeal the current year's assessment. However, you may appeal your assessment every year if you feel the value is incorrect.

Verification of Statutory Requirements

After receiving the petition for reassessment, the Department sends a copy of the petition to the clerk of the taxation district. The clerk must verify that the signers of the petition own property whose aggregate assessed value for the year complained of is not less than 5 percent of the assessed value of all taxable property in such taxation district.

If a petition does not meet the 5 percent value requirement, the Department provides notification to the first petition signor. If the property owners decide to pursue the 5 percent value requirement, the previous petition may not be reused for a subsequent submission. A new petition must be circulated to obtain a new list of original signatures. Upon receipt of any petition, the Department will proceed by sending a copy of the petition to the clerk for verification.

Hearing Conducted by the Department of Revenue

As a part of its investigation into the merits of the application for reassessment, the Department is required to hold a hearing within or near the taxation district in which the reassessment is sought. This is an administrative hearing which is basically for fact finding. Notice of the hearing specifying the time and place shall be mailed to the clerk of the taxation district and the first signer of the application for reassessment not less than 8 days before the hearing. At the hearing, testimony may be offered as to the inequity or equity of the assessment, whether or not the public interest will be promoted by a reassessment, and such other matters as may be desired by the Department. This testimony will be used to determine the focus of the second phase of the investigation.

All witnesses will be sworn in and the testimony will be tape recorded. Anyone testifying will be asked to:

1. State name and address.
2. State whether for or against a reassessment.
3. State whether a formal objection was made before the local board of review regarding the assessment in the assessment roll for the year under investigation.
4. Present testimony that directly relates to proving or disproving the need for a reassessment.

Investigation by the Department of Revenue

The hearing is only part of the considerations taken into account by the Department. Subsequent to the hearing, a full investigation is made which includes reviewing testimony presented, existing assessment records and valuation procedures.

This multi-faceted field investigation awards points in several categories. The focus of that investigation is a review of overall assessment equity, based on statutory requirements and accepted assessment practices.

The maximum possible score is 100. Scores at or below 70 points indicate assessments or assessment practices that may result in inequality between or within classes of property. The categories and possible points are as follows:

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| 1. Assessment Equity | |
| • Uniformity between classes
(e.g. residential vs. commercial etc.) | 15 Pts. Max. |
| • Uniformity within classes
(e.g. among residential property owners) | 45 Pts. Max. |
| 2. Assessor / Municipal related components | |
| • Property data and record cards | 10 Pts. Max. |
| • Classification | 5.5 Pts. Max |
| • Valuation | 17.5 Pts. Max. |
| • Administration & Public Relations | 7 Pts. Max |
| TOTAL | 100 Pts. Max. |

Uniformity between classes of property measures the relative difference in level of assessment between the major assessment classes comparing the highest and lowest assessment ratios of those classes. To determine uniformity within assessment classes, the Department conducts the following.

1. Sample Selection: A statistically relevant sample of parcels from the assessment roll being petitioned is selected in each major class for further analysis. Recent arm's length sales of properties are included

in the sample. If a sufficient number of sales are available, there is no need for sample properties.

2. **Sales and Sample Review:** Department appraisers analyze sale properties for potential time adjustments and any physical changes since the sale date and determine market value estimates for each sample parcel.
3. **Dispersion Studies:** A detailed analysis comparing current assessments to the adjusted sales values or sample appraisals results in an array of assessment ratios. Statistical indicators (Coefficient of Dispersion and Coefficient of Concentration) which measure the uniformity of the assessment ratios are evaluated.

Finally, assessor-related and municipal-related points are awarded based on interviews with the assessor and clerk, and reviews of local records. A detailed investigation report provides the basis of these interviews, and identifies the point value for each. Points can vary depending on the number of positive responses to interview questions.

1. **Existing Record Cards and Maps:** An evaluation is made of the data base contained on the record cards relative to land and improvements. The real estate record cards are of vital importance; if a taxation district has adequate records available, it is often possible for the local assessor to correct inequities in the subsequent assessment rolls.
2. **Valuation Procedures:** The valuation procedures, as they pertain to real and personal property, are analyzed. For example, the method used in valuing land with respect to classification, frontages, etc., are examined; personal property assessment compliance and audit procedures are considered.

As previously stated, the law requires that all costs incurred by the Department in connection with a reassessment or special supervision under sec. 70.75, Wis. Stats., shall be borne by the taxation district.

Final Determination and Order

The interests of the public and all information in the files and records of the Department, as well as the testimony given at the hearing and the results of the field investigation are considered before final determination is made regarding any application for reassessment. In issuing such determination and order, the Department has five alternatives:

1. It may order a reassessment of all or of any part of the taxable property in the taxation district pursuant to sec. 70.75 (1), Wis. Stats. The Department will contract with an individual or firm who will prepare a new roll. All work of the contracted entity is supervised by the Department. All fees and expenses are paid by the Department and then charged back to the taxation district.
2. It may order a special supervision of succeeding assessments pursuant to sec. 70.75 (3), Wis. Stats. An order under this option would result in a complete revaluation in a year that is subsequent to the year petitioned. The Department will contract with an individual or firm who will conduct the revaluation. All work of the contracted entity is supervised by the Department. All fees and expenses are paid by the Department and then charged back to the taxation district.
3. It may order a correction of specific assessments that are not in substantial compliance with the law pursuant to sec. 73.06, Wis. Stats. Any corrections would impact a year that is subsequent to the year petitioned.
4. It may deny the petition for reassessment for the reason that the year petitioned is in substantial compliance with the law and a reassessment is not in the public interest.
5. It may dismiss the petition if, before an order is issued, the municipality enacts a resolution to employ expert help under sec. 70.055, Wis. Stats., and hires the expert help using the standard contract specified by the Department.

EQUALIZATION DISTRICT OFFICES

District Office contact numbers and addresses can be found at

<http://www.revenue.wi.gov/faqs/slf/sups.html>.