Proposal to Eliminate Local Assessment a Double Whammy for Citizens

The Wisconsin Towns Association is adamantly opposed to the proposal in the Governor’s budget to remove property assessment responsibility from local municipalities to county government. According to Lee Engelbrecht, WTA President, “The best decisions are those made closest to the people. This proposal is another Madison mandate to erode this principle that has been tried before and failed.”

In addition to the attack on local government, citizens would be impacted by the double whammy of greater costs and a lesser product. The current proposal requires full market value assessment every year. The Milwaukee Journal Sentinel reported that “an in-house department might cost $25 per parcel to maintain, while a private company might sign a contract for $6 per parcel.” Part of the efficiency accrues from not assessing at full market value annually by using the equalized value system. Equalized value provides for equitable taxes across jurisdictions, while allowing for complete revaluations to be minimized and maintenance years to be maximized. Because maintenance is much less expensive than revaluation, the average per parcel costs are much less relative to in-house departments that typically maintain market value assessment.

If the proposed change becomes reality, using the MJS reported numbers, Waupaca County will be shocked with a cost increase from $246,462 on its 41,077 parcels to $1.03 million, a 317% increase. When the per parcel costs for the City of La Crosse are applied to all of La Crosse County, their costs skyrocket to $1.24 million, a 403% increase.

Private market efficiency is another factor for the great deal currently enjoyed by taxpayers. Hundreds of private sector assessors compete with each other. Towns leverage the private sector to hire the highest quality assessors at the most reasonable cost. The budget proposal will negatively affect competition and kill private sector jobs.

Mike Koles, WTA Executive Director states, “Citizens will not only enjoy greater costs, but will have less access to engaging in a productive dialogue with Board of Review members. Currently, Boards of Review are held in your Town, frequently convened on weekends to accommodate constituents, and comprised of your peers who understand the real estate in your community. Under the proposal, the Board of Review will be held in two locations in the County, miles and often over an hour away from your home, and will be comprised of people who will not be as familiar with your property and community’s real estate.”

Koles further noted, “The WTA meets monthly with and provides education in collaboration with the Department of Revenue to foster continued improvement in the assessment process. We’re hopeful that the sledgehammer approach that is a double whammy for citizens will be replaced with more reasoned scalpel techniques that rely on more effective assessor oversight and education.”