2012 Guide for Property Owners

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Preface

The questions and answers in this booklet provide information about property assessment and taxation in Wisconsin. The narrative provides general information and does not deal with legal details. Should you want additional information about your assessment, contact your local assessor.

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Guide for Property Owners

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Introduction

What is "General Property?"

"General Property" is defined by statute as including all taxable "real" and "personal" property except that which is taxed under special provisions, such as utility, Forest Crop, Woodland Tax, and Managed Forest property.

The terms "real property," "real estate," and "land" include the land and all buildings, improvements, fixtures, and rights and privileges connected with the land.

The term "personal property" includes all goods, wares, merchandise, chattels, and effects of any nature or description having any marketable value and not included in the term "real property."

Under general property tax law all property as defined above is taxable unless expressly exempted by the legislature.

Some of the more common types of property that are exempt by law are the following:

- State and municipal property
- Public and private school property
- Cemeteries
- Property used for abatement of air and water pollution
- Household furniture and furnishings
- Manufacturing machinery specific processing equipment
- Apparel and musical instruments for personal use
- Money, bonds, and stocks
- Motor vehicles and aircraft
- Livestock, inventories, and merchant's stocks
- Computers and electronic peripheral equipment

Special assessments for local purposes such as sewers, water, streets, etc., are not described in this booklet since they are not "general taxes."

What are the components of the general property tax?

There are two basic components in any tax: the base and the rate. By multiplying the base times the rate, the amount of tax is determined.

In the property tax, the base is the value of all taxable property in the district. The clerk calculates the rate after the governing body of the town, village, or city determines how much money must be raised from the property tax. In Wisconsin the town, village, or city treasurer collects property taxes not only for its own purposes, but also for the school, the county and the state.

Who determines the assessed value of the taxable property?

The assessor of each taxation district determines the assessed value of all taxable property, with the exception of manufacturing property. The Department of Revenue makes the annual assessment of all manufacturing property in the state.

What is the difference between assessed value and equalized value?

The assessed value is the value placed on each parcel of real property and on each individual's taxable personal property by the local assessor. State law provides that all non-agricultural assessments must be based upon the market value of property as of January 1. State law recognizes that every municipality cannot be assessed exactly at market value each year. The law allows each municipality to be within 10 percent of market value, provided there is equity between the taxpayers of the municipality.

The assessed values determined by the local assessor are recorded in the assessment roll. The assessment roll is open for public inspection. Assessed values are used to determine how much of the property tax will be charged to each property owner.

Because assessors in different taxing districts value property at different percentages of market value, it is necessary for the Department of Revenue to convert the assessed values, by taxing jurisdiction, to a uniform level. These uniform values are called equalized values because all the various local levels of assessment have been equalized and all non-agricultural property has been valued on an equal basis, namely 100 percent of market value. The equalized values are used for apportioning county property taxes, public school taxes, vocational school taxes, and for distributing property tax relief.

The assessed value is important for maintaining equity among individual taxpayers within the municipality while the equalized value maintains equity between municipalities and counties. In summary, equalized values are not only used to distribute the state levy among the counties, but also the equalized values distribute each county's levy among the municipalities in that county. The assessed values are used to distribute the municipality's tax burden among the individual property owners.

What is the difference between full value and equalized value?

Practically, there is none. Both of these terms represent the current market value of the total taxable property within the boundaries of a county, a town, a city, a village, a school district, or a special unit such as a sanitary or sewer district, etc. The term equalized value serves to identify the full value estimate certified by the Department of Revenue.

How are the equalized values used?

The equalized values are used by the taxing jurisdictions (i.e., school districts, counties, state, etc.) to apportion their tax levies among municipalities. "Apportioning" is the process of dividing the tax levies for each taxing jurisdiction among all of the municipalities which contain territory in the jurisdiction, based upon the total value of each district. A state levy, for example, would be apportioned among all of the municipalities in the state; an

individual county's levy among all of the municipalities in the county; and a school levy among all of the municipalities in the school district.

The value of all property in different municipalities but in the same taxing jurisdiction must be known to calculate how much of the total tax levy to apportion to each municipality. The values determined by local assessors cannot be used to apportion levies among different municipalities. To do so would violate the rule of uniformity, because the assessed values are not comparable among municipalities, whereas the equalized values are all at market value.

A simple mathematical example may illustrate more clearly how equalized values are used. Assume that a county has within its borders three primary assessment districts: Town, City, and Village. A County wishes to levy a property tax in the amount of $40,000. Since the county has no assessment roll of its own it will apportion the total levy among the three primary assessment districts by sending a bill to each of them. The assessed and the equalized value of the three primary assessment districts and the county are shown below.

Since the county levy is a levy on property, it follows that the most logical way to apportion that levy among the districts is according to the proportionate amount of property in each district.

If the assessed values were used, the apportionment of the county levy would be as follows:

Town	28.4%	of	$40,000	=	$ 11,360
City	60.8%	of	$40,000	=	$ 24,320
Village	10.8%	of	$40,000	=	$ 4,320
Total County Levy					$ 40,000

By using the equalized values, the apportionment of the county levy is changed substantially as follows:

Town	25.0%	of	$40,000	=	$ 10,000
City	62.5%	of	$40,000	=	$ 25,000
Village	12.5%	of	$40,000	=	$ 5,000
Total County Levy					$ 40,000

	Local Assessed Value	% to County Total of Assessed Value	Full Value or Equalized Value	% to County Total of Equalized Value	Ratio of Assessed to Equalized Value
Town	$2,100,000	28.4%	$2,000,000	25.0%	105%
City	$4,500,000	60.8%	$5,000,000	62.5%	90%
Village	$800,000	10.8%	$1,000,000	12.5%	80%
Total for County	$7,400,000	100.0%	$8,000,000	100.0%	

Before the establishment of a state equalized program, some local taxation districts engaged in competitive under-valuation because it was apparent that the district with the lowest "level" of assessments received a lower county tax apportionment. While the illustration above relates only to the apportionment of the county tax, the apportionment of school tax, sanitary districts and other apportionments follow a similar pattern. There are over 100 statutory uses of equalized values.

Does each municipality make its own property tax laws?

No. Article VIII of the State Constitution requires that the taxation of property shall be uniform. Article VII also provides the following property taxation standards:

- Taxes shall be levied on property classified as forest as prescribed by the legislature.
- The taxation of agricultural land and undeveloped land, as defined by law, need not be uniform with the taxation of other real property.

Therefore, the state legislature enacts all the laws pertaining to property tax assessments and tax collection. Law permits certain minor variations but these variations do not affect the basic method whereby the assessment is determined.

Laws regarding exemptions from the general property tax are also exclusively determined by the state legislature. The state property tax assessment laws are covered in Chapter 70 of the Wisconsin Statutes.

Assessment Process

What is an assessment and what is its purpose?

An assessment is the value placed upon your property by the assessor. This value determines what portion of the local property tax levy will be borne by your property.

What are special assessments?

Your tax bill may contain a special assessment for some type of public work, such as sewer, water, street, alley, sidewalk, etc. The assessor does not make special assessments. They are based on the cost of the improvement or the repair and billed only to properties benefiting from the work. If you have a question about a special assessment, you should contact your local clerk.

What is meant by assessment classification?

Wisconsin law requires the assessor to classify land on the basis of use. Sometimes this involves a judgment of the predominant use. Effective January 1, 2004 Wisconsin Act 33 renamed the swamp and waste class of property to undeveloped and created the agricultural forest class of property. The eight statutory classifications for real property are now: (1) residential, (2) commercial, (3) manufacturing, (4) agricultural, (5) undeveloped, (5m) agricultural forest, (6) productive forest land, and (7) other. Classification is important

since it affects the assessed value of land classified as agricultural, undeveloped, and agricultural forest.

How are assessments made for property classified as residential, commercial, manufacturing, productive forest, and "other"?

Residential, commercial, manufacturing, productive forest land, and "other" should be assessed based on 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).

How are assessments made for property classified as undeveloped and agricultural forest?

Undeveloped land and "agricultural forest" land are assessed at 50% of full value. After determining the full value of qualifying undeveloped land and "agricultural forest" land in accordance with Section 70.32(1), Wis. Stats., state case law, and professionally accepted appraisal practices, the value is reduced by 50% under Section 70.32(4), Wis. Stats.

"Undeveloped land" includes areas commonly called marshes, swamps, thickets, bogs, or wet meadows. This class also includes fallow tillable land (assuming agricultural use is the land's highest and best use), road right of way, ponds, depleted gravel pits, and land that, because of soil or site conditions, is not producing or capable of producing commercial forest products.

Effective for the 2005 assessment year, 2003 Wisconsin Act 230 amended the definition of "agricultural forest."

Section 70.32(2)(c)1d, Wis. Stats. now defines "agricultural forest" as land that is producing or is capable of producing commercial forest products, if the land satisfies any of the following conditions:

a. The forest land is contiguous to a parcel that has been classified in whole as agricultural land. The forest land and the contiguous agricultural parcel must have the same owner. Contiguous includes separated only by a road.
b. The forest land is located on a parcel that contains agricultural land for the January 1, 2004 assessment, and on January 1 of the current assessment year.
c. The forest land is located on a parcel where at least 50 percent of the acreage was converted to agricultural land for the January 1, 2005, assessment year or thereafter.

Please refer to the *Agricultural Guide* for classification examples http://www.revenue.wi.gov/html/govpub.html#property

How are assessments made for property classified as agricultural?

The assessed value of agricultural land is based on its *use* in agriculture, rather than its fair market value. This valuation standard is referred to as *use value assessment*. The

Department of Revenue publishes Use Value Guidelines for agricultural land in Wisconsin, which assessors use to calculate assessments for agricultural land. "Agricultural land" is defined in Section 70.32(2)(c)1g, Wis. Stats. as "land exclusive of buildings and improvements and the land necessary for their location and convenience that is devoted primarily to agricultural use as defined by rule." Buildings and improvements on a farm such as barns, houses, and silos, together with the land necessary for their location and convenience, are separately classified and continue to be assessed at fair market value.

Who makes the assessment?

The assessor of manufacturing property is the Department of Revenue. For all other property (residential, agricultural, etc.) the assessor is appointed or elected at the local level. Wisconsin law also provides for establishing county assessors. Currently, there is no county with a county assessor system.

When the assessor has completed the assessments, the assessor's affidavit is signed and attached to the assessment roll as required by law. Both are then turned over to the Board of Review.

Must the assessor have special training for the job?

Statutes require assessors be certified by the Department of Revenue. Certification involves an exam that tests the individuals' knowledge of appraisal and assessment law and administration. While there is no formal training required, assessors must show that they have acquired the knowledge essential to do a satisfactory job through successful completion of the certification examination.

In addition, many full-time assessors in Wisconsin are active in professional organizations with established professional standards for assessors and appraisers.

The *Wisconsin Property Assessment Manual* specifies technical, procedural, and administrative practices. It also defines procedures, policies, legal decisions, and assessor performance expectations.

The 2010 *Wisconsin Property Assessment Manual* prescribed new standards to take effect in 2012 and 2013. The new standards are:

1. Technical Standards from the International Association of Assessing Officers which deal with issues such as mass appraisal, public relations, and sales ratio studies.
2. *Uniform Standards of Professional Appraisal Practice* from the Appraisal Foundation. These standards focus on practices that promote public trust and on communicating in a manner that is meaningful and not misleading.

Can the assessment on my property be changed even if the assessor has never been inside the building?

An interior inspection will result in a better quality assessment and is the recommended practice. However, it is not always possible to do this. The law requires that property be valued from actual view or from the best information that can be practicably obtained.

It is also important to remember that Wisconsin has an annual assessment. This means that each year's assessment is a "new" assessment. The assessor is not obligated to keep the same assessment year after year but rather has a duty to keep all property at market value. Therefore, the assessor may change your assessment because of building permits or sales activity even though an actual inspection of the property has not been made.

How much is assessed if a building is under construction as of January 1?

The assessor obtains this information best through an on-site inspection and recording the data on the appropriate property record card. An on-site inspection will reveal new or remodeled improvements not previously recorded. If the property owner started new or remodeled improvements before January 1 (the assessment day) and finished after January 1, the assessor should find out how much was completed as of January 1 and value the uncompleted improvements along with the existing improvements as of that date.

For example, assume a property is worth $90,000. However, as of January 1, the property owner has begun an addition, but has only laid the foundation. The property should be appraised at the $90,000 plus the value of the foundation as of January 1. In such a case, the value of the foundation should be determined by the cost of construction and could possibly be verified with construction receipts or the building permit.

If a non-agricultural property sells, is the assessor required to base the assessment on the sale price?

The assessor must review the sale and make the decision in accordance with Wisconsin statutes and Wisconsin case law.

Will my assessment change if I repair and maintain my home?

Normal home repairs and maintenance generally prevent property values from falling and usually do not warrant a change in the assessment. Allowing your property to deteriorate, however, could cause its market value to decrease and may eventually be reflected in a lower assessment.

Will my assessment change if I improve my property?

Because the law provides that the assessment be based upon the market value of the improvement, the real question is how much the total value of the building and land has changed due to the improvement. The cost may not be the true measure of any change in market value. However, under many circumstances, a prudent property owner will calculate that the change in value due to remodeling will approximate the cost of such

work. If there is an increase in market value, it should be reflected in an increase in assessed value.

Will I be notified if there is a change in my assessment?

According to Section 70.365 Wis. Stats., whenever an assessor changes the total assessment of any real property or any improvements taxed as personal property under Section 77.84(1), Wis. Stats. by any amount, the owner must be notified. However, failure to receive a notice does ***not*** affect the validity of the changed assessment.

The notice must be in writing and mailed at least 15 days prior to the Board of Review meeting (or meeting of the Board of Assessors if one exists). The notice contains the amount of the changed assessment and the time, date, and place of the local Board of Review (or Board of Assessors) meeting. The notice must include information notifying the owner of the procedures to be used to object to the assessment. The notice requirement does not apply to personal property assessed under Chapter 70.

How can I find out about my assessment?

Each property is described in books called assessment rolls that are open for examination at the office of the clerk or the assessor during regular office hours. In many districts each property is identified by a parcel number that also appears on your tax bill. Your name should also appear on the assessment roll opposite the legal description of your property. Properties other than your own may be viewed as well. Personal Property rolls are generally kept in alphabetical order by name of the owner.

How can I decide whether my assessment is equitable?

If the "assessment ratio" of your property is similar to the "assessment level" of the taxation district (see Definition of Terms on page 1), then your assessment is equitable. To determine the assessment ratio of your property, divide the assessed value of your property by the current market value of your property.

$$\frac{\textit{Assessed Value of Your Property}}{\textit{Current Market Value of Property}} = ____\ \%$$

To make a sound decision, you must know your assessed value, the current market value of your property and the assessment level of the taxation district.

Sources of information are listed below:

- The assessed value of your property is recorded in the assessment roll and should also be shown on your tax bill.
- The purchase price is usually the best evidence of market value if you have recently purchased the property.
- The sale price of other property comparable to yours is the next best evidence of market value.
- A professionally prepared appraisal would be a reliable estimate of market value.

- The assessment level of the taxation district can be obtained by contacting the assessor.
- The "estimated fair market value" of your property (determined by dividing your assessment by the assessment level) is shown on your tax bill.

Can property be assessed higher or lower than market value?

Wisconsin law recognizes the difficulties in maintaining annual full value assessments and therefore requires each municipality to assess property within ten percent of full value at least once every five years. If the municipality does not comply with the law, the assessment staff is required to attend a Department of Revenue training session. After seven consecutive years of non-compliance the Department orders a state-supervised assessment.

Wisconsin law requires uniform assessments of and between each class of property. Each major class must be within ten percent of the other major classes at least once every five years. A major class is defined as having more than 5% of the full value of the taxation district. For purposes of this law, the only classes that are considered are residential, commercial, personal, and the sum of undeveloped, agricultural forest, productive forest, and "other."

Why is my waterfront property assessed much higher than non-waterfront property?

Waterfront property is frequently considered more desirable than property not on the water. The fixed supply and attractiveness of waterfront property affect the market value of your property and, hence, should be reflected in your assessment.

Appeals

To help you understand the appeal process, a flow chart is included at the end of the appeals section.

If I disagree with the assessment or classification of my property, what can I do about it?

If you disagree with your assessment, sec. 70.47, Wis. Stats., grants you the right to appeal. You may also appeal the classification of their property when it affects the assessed value. Classification affects the assessed value of land classified as agricultural, undeveloped, and agricultural forest. There is a local Board of Review for all property assessed by the local assessor. The Tax Appeals Commission reviews manufacturing property assessed by the state assessors. Written or oral notice of your intent to file an objection must be provided to the Board of Review's clerk. Your objection must be filed in writing with the Board of Review. Objection forms are available from the local clerk.

When should I check my assessment?

Although the effective date of assessment is January 1, the assessor normally does not complete the assessment until March or April of each year. Your local Board of Review will meet at any time during the 30-day period beginning with the 2nd Monday in May and you will receive your tax bill in December. The time to check your assessment is after the assessment is completed in March or April so you may appear before the Board of Review if you wish. Shortly after you receive your December tax bill, the cycle will start over with a new assessment on your property as of January 1.

What can I do before I seek a formal review of my assessment?

If possible, you should arrange to meet with your assessor prior to the Board of Review to examine your assessment records. When you meet with your assessor, review the records for your property and discuss how your assessment was made. Assessors maintain a record of your property, which includes a physical description and information on how your assessment was developed. These property records are considered "open records" which means the public has the right to inspect them. This right does not include information gathered under a pledge of confidentiality or where access is restricted by law, such as personal property returns. You may also view the records for other properties. Time spent discussing your assessment with the assessor may eliminate the need for a formal appeal to the Board of Review.

If you are unable to meet privately with your assessor, you should attend the "open book." "Open book" refers to a period of time before Board of Review when the completed assessment roll is open for examination. The assessor is required to be present for at least 2 hours while the assessment roll is open. Section 70.45, Wis. Stats. requires the municipal clerk (or commissioner of assessments in 1st class cities) to publish or post a notice specifying the open book date(s) at least 15 days before the first day the assessment roll is open for examination. Instructional materials on appealing your assessment to the Board of Review should be available at the open book. At open book, the assessor is allowed to make any changes that are necessary to perfect the assessment roll.

Most people would not appeal to the Board of Review if they knew the factors that had been taken into consideration in arriving at the assessment. Examples of some of these are: sales of comparable properties, current construction costs, improvements to property, location, depreciation, legal restrictions such as zoning ordinances, and general economic changes in the community. Sales include recent arm's length sale(s) of comparable properties dated from at or before the assessment time of January 1 of the assessment year.

I have heard of the Board of Assessors, What is it?

The City of Milwaukee and the cities of the 2nd class (those that choose to do so) have a Board of Assessors. Where this Board exists, it is the first avenue of assessment appeal. This Board is comprised of assessment personnel from the assessor's office. The Board is responsible for investigating all objections to valuation brought before it. If you are dissatisfied with the determination of the Board of Assessors, you have ten days from the

receipt of the determination to notify the assessor of your desire to present testimony before the Board of Review.

What can I do to obtain a formal review of my assessment?

If you have discussed the matter with your assessor, and you are still not satisfied, make arrangements with your local Board of Review's clerk to appear before the Board of Review. To assure a hearing, *you must provide the Board's clerk with written or oral notice of your intent to file an objection at least 48 hours before the first scheduled meeting of the Board of Review*. In addition, *a written and signed form of objection to property assessment must be filled out and filed with the Board's clerk within the first 2 hours of the Board of Review's first scheduled meeting*. The clerk can supply you with the objection form, which must be approved by the Department of Revenue.

When must I file the written objection to my property assessment?

This must be done before or during the first 2 hours of the Board of Review's first scheduled meeting at which objections are scheduled for hearing. Under certain circumstances, the Board of Review may waive the 48-hour filing deadline. Upon showing of good cause and the submission of a written objection within the first 2 hours of the Board of Review's first scheduled meeting, the Board will waive the 48-hour notice requirement. The Board may also waive the requirement up to the end of the fifth day of the Board of Review session if you submit proof of extraordinary circumstances for failing to meet the 48-hour notice and failing to appear during the first 2 hours of the first scheduled meeting. However, as a matter of record, it is recommended that this objection be filed in writing at least 48 hours before the Board's first meeting. You must object to the **total value** of the property. You cannot object to only the land value or only the improvement value.

What is the Board of Review?

Ordinarily the Board of Review consists of municipal officials. In cities of the first class, and in all other towns, cities and villages who pass an ordinance to that effect, the Board of Review may consist of 5 to 9 residents of the town, city or village. In most cases, the municipal clerk also functions as the Board of Review clerk.

The Board of Review has the duty of correcting any errors in assessment that have been made, inadvertently or otherwise. It is the duty of the Board of Review to carefully examine the roll and correct all apparent errors in descriptions or computations, and to add any property to the roll that the assessor may have omitted. However, the Board of Review must notify the property owners concerned and hold hearings before omitted property can be added to the assessment roll and before any other lawful changes can be made.

Once the assessor has valued the property, posted these values on the assessment roll and signed the affidavit attached to the assessment roll, the values must be accepted as correct unless the testimony of sworn witnesses and the evidence they present indicate otherwise.

The Board of Review is responsible for raising and lowering any incorrect valuations as well as correcting any errors in the roll. It is important to note that the Board's function is not

one of valuation, but of deciding the validity of the facts presented, under oath, before it. All deliberations must be done in open session and the Board of Review is required to decide each objection by a roll call vote. If the Board of Review votes to change an assessment, it must state on the record the amount of the correct assessment and that the correct assessment is reasonable in light of all relevant evidence received. Notices of the Board's determinations are to be sent to property owners as the Board completes its work.

Manufacturing assessments are reviewed by the Tax Appeals Commission, rather than the local Board of Review.

What if I am ill or disabled and cannot attend the Board of Review?

The Board of Review can accept testimony by telephone, upon oath, from all ill or disabled persons. You must be prepared to present to the Board of Review a letter from your physician, surgeon, or osteopath that confirms your illness or disability. This letter would be best filed along with your objection form. Alternatively, you may designate a personal representative to appear before the Board on your behalf.

Are there any special qualifications for Board of Review members?

Yes. A Board of Review may not convene unless it includes at least one voting member who has attended a Board of Review training session within the 2 years prior to the Board's first meeting. The training qualified member must also be the municipality's chief executive officer or that officer's designee. Each year, the municipal clerk must provide an affidavit to the Department of Revenue stating whether the member training requirement has been fulfilled.

When does the Board of Review meet?

The Board of Review first meets annually at any time during the 30-day period beginning on the 2nd Monday of May. In towns and villages the Board will meet at the town or village hall or some other place designated by the town or village board. If there is no such hall, it will meet at the clerk's office, or in towns at the place where the last annual town meeting was held. In cities the Board meets at the council chamber or some other place designated by the council and in Milwaukee at a place designated by the tax commissioner.

All meetings and deliberations of the Board of Review must be publicly held and open to all citizens at all times. At least 15 days before the first session of the Board of Review, the clerk must publish a class 1 notice in the newspaper, post notices in at least 3 public places in the taxation district and on the door of the town, village or city hall. The notice must specify the time and place of the first meeting of the Board of Review. The notice must also contain the procedural requirements of Section 70.47(7)(aa) and (ac) to (af), Wis. Stats. Specifically, the statutory requirements include:

1. Prohibiting a person from appearing before the Board of Review if they have refused a reasonable written request by certified mail of the assessor to view their property

2. Prohibiting persons scheduled to appear before the Board of Review from contacting or providing information to any Board member regarding their objection
3. Providing a notice to the Board's clerk at least 48 hours before the first Board of Review meeting indicating whether the objector will ask for removal of a board member from hearing their appeal, identifying the person to be removed and estimating the length of time that their hearing will take.
4. Requiring the objector, when appearing before the Board, to specify, in writing, an estimate of their property's land and improvement value and specify the information used to arrive at that estimate.
5. Prohibiting persons from appearing before the Board of Review if their property has been valued by the assessor or themselves using the income approach unless the owner supplies to the assessor all of the income and expense information that the assessor requests.

If the assessment roll is not completed, the Board must adjourn for the time needed to complete the roll and must post a written notice on the outer door of the place of meeting stating to what time the meeting is adjourned.

During the first 2 hours of the first meeting of the Board of Review, the assessment roll and other assessment data are open for examination. Persons filing an objection to valuation must submitted their written objection before the first meeting or during the first 2 hours except, with proof of extraordinary circumstances, an objection may be filed up to the end of the 5th day of the Board of Review session. The Board must establish a time for hearing each properly filed objection. At least a 48-hour notice of the time of the hearing must be given to the objector or the objector's attorney and to the municipal attorney and assessor. When all parties are present and waive the notice, the hearing may be held immediately.

For an individual property owner who protests an assessment, the Board of Review is the first step in the appeal process (except for appeals to properties in cities with a Board of Assessors as described on the previous page). The taxpayer cannot appeal to the circuit court under an action for certiorari or to the Department of Revenue under Section 70.85, Wis. Stats. unless an appearance has first been made before the Board of Review.

Can I exclude a board member from hearing my objection?

Yes. Except in 1st and 2nd class cities, a person objecting to their assessment can request the removal of any one Board member for any reason *and* can also request the removal of any Board member whom the objector believes harbors a personal bias or prejudice against them. A request to remove a Board of Review member must be made at the time the person provides their written or oral notice of intent to file an objection. This notice must be made at least 48 hours before the first scheduled meeting of the Board of Review or at least 48 hours before the objection is heard if the Board waived the 48-hour notice requirement. Furthermore, the notice must identify the member(s) to be removed, state the nature of the bias or prejudice and estimate the length of time the objection hearing will take. Failure to meet the notice requirements and inform the Board clerk whether you intend to ask for a removal will disqualify you from having your objection heard at all.

Board of Review members may be removed for other reasons. A municipality must remove any member of a Board of Review who has a conflict of interest under an ordinance of the municipality in regard to the objection. In addition, any member of the Board of Review who would violate the code of ethics for local government officials (Section 19.59, Wis. Stats) by hearing an objection shall recuse himself or herself from the hearing.

What do I say to the board at the time of my hearing?

Keep in mind that the assessor's value and classification are presumed correct. The taxpayer should not make the mistake of comparing the assessment to properties that are not similar. To have the assessment reduced, the owner must prove that the property is over assessed in comparison with similar property in the municipality. To have the classification changed the owner must prove that the property is not classified according to its predominant use.

Section 70.47(7)(ae), Wis. Stats. requires anyone planning to protest an assessment must provide the Board, in writing, their estimate of the value of the land and of all improvements that are the subject of the person's objection and specify the information that the person used to arrive at that estimate. In particular, an objector should have considerable information that is relevant to the market value of their non-agricultural property. This would include a recent arm's-length sale of your property, and recent sales of comparable properties. Other factors include: size and location of the lot, size and age of the building, original cost, depreciation and obsolescence, zoning restrictions and income potential, presence or absence of various building components; and any other factors or conditions which affect the market value of the property.

The Board will allow sufficient time for the assessor and the objector to present information. The objector and the assessor can also request that the Board subpoena witnesses to provide oral testimony at the hearing.

Can I appeal the Board of Review's decision?

Yes, there are two avenues of appeal of the Board of Review decision available to the property owner. One is to circuit court under Section 70.47(13) Wis. Stats., and the other is to the Department of Revenue under Section 70.85, Wis. Stats. If a number of property owners feel that there are severe inequities in the entire assessment roll, they may appeal for a reassessment of the entire municipality under Section 70.75, Wis. Stats.

How would I appeal a Board of Review decision under sec. 70.47(13), Wis. Stats.?

Section 70.47(13), Wis. Stats. provides for an appeal of a Board of Review determination to be by action of certiorari (a court order to review the written record of the hearing) to the circuit court. The court will not issue an order unless an appeal is made to the circuit court within 90 days after the taxpayer receives notification from the Board of Review. No new evidence may be submitted. The court decides the case solely on the basis of the written record made at the Board of Review.

If the court finds any errors in the proceedings of the Board which make the assessment void, it sends the assessment back to the Board for further proceedings and retains jurisdiction of the matter until the Board has determined an assessment in accordance with the court's order. Whenever the Board has made its final adjournment prior to the court's decision, the court may order the municipality to reconvene the Board.

What are the procedures for appealing a Board of Review decision under sec. 70.85, Wis. Stats.?

When appealing a Board of Review decision under Section 70.85, Wis. Stats., a written complaint must be received by the Department of Revenue within 20 days after the taxpayer receives the Board's determination, or within 30 days of the date specified in the affidavit under Section 70.47(12), Wis. Stats., if the taxpayer does not receive the notice. A filing fee of $100 must be submitted along with the complaint. Both real and personal property may be appealed under this section. The Department may not review the assessment if it is within 10 percent of the general level of assessment of all other property in the municipality, or if the property's value exceeds $1,000,000 as determined by the Board of Review.

The Department may revalue the property and equalize the assessment without the intervention of the Board of Review, if the revaluation can be accomplished before November 1 of the year in which the assessment is made or within 60 days of the receipt of the written complaint, whichever is later. The value, if adjusted by the Department, shall be substituted for the original value in the assessment and tax rolls and taxes computed and paid accordingly.

Appeal of the Department's decision can be made by an action for certiorari in the circuit court of the county in which the property is located.

Can I protest my taxes at the time of payment?

Unless your taxes are illegal in some respect and you are prepared to file a claim in circuit court for recovery of the unlawful tax, the "protest" has little value. The time for appealing your assessment has passed by the time the taxes are determined.

What is an unlawful tax?

Section 74.35, Wis. Stats. provides for the recovery of unlawful taxes under very specific conditions. An unlawful tax occurs when one or more of the following errors are made:

- a clerical error was made in the description of the property or in the computation of the tax;
- the assessment included real property improvements which did not exist on the assessment date (January 1);
- the property was exempt from taxation;
- the property was not located in the municipality;
- a double assessment was made; or
- an arithmetic, transpositional or similar error has occurred.

Please note that an "unlawful tax" *does not include judgmental questions about the valuation*. Valuation issues must be addressed through the Board of Review appeal process.

How can I recover an unlawful tax?

You can recover unlawful taxes under Section 74.35, Wis. Stats. by filing a claim with your municipality.

How do I file a claim with my municipality under sec. 74.35, Wis. Stats.?

A claim for recovery of unlawful taxes must include all of the following conditions:

- be in writing,
- state the alleged circumstances for the claim,
- state the amount of the claim,
- be signed by the claimant or the claimant's agent, and
- be served to the municipal clerk.

A claim for the recovery of unlawful taxes paid to the wrong municipality must be filed within two years after the last date specified for timely payment of the tax. All other claims for recovery of unlawful taxes must be filed by January 31 of the year in which the tax is payable. No claim may be made unless the tax, or any authorized payment of the tax, is timely paid.

What is a claim on excessive assessment?

Section 74.37, Wis. Stats. allows a person to file a claim to recover the amount of general property tax imposed because the assessment of the property was excessive.

How do I file a claim on excessive assessment?

You file a claim on excessive assessment under Section 74.37, Wis. Stats. with your municipality.

How do I file a claim with my municipality under Sec. 74.37, Wis. Stats.?

In order to file a claim on excessive assessment, the taxpayer **must have appealed to the Board of Review** (unless notice under Section 70.365, Wis. Stats. was not given). The claim must be filed by January 31 of the year in which the tax is payable. The claim must include all of the following:

- be in writing,
- state the alleged circumstances for the claim,
- state the amount of the claim,
- be signed by the claimant or the claimant's agent, and
- be served to the municipal clerk

A claim on excessive assessment *cannot* be filed if the Board of Review's determination was appealed to the Department of Revenue or to Circuit Court. No claim may be made unless the tax is timely paid.

What if the municipality denies a claim under sec. 74.35 or Sec. 74.37, Wis. Stats.?

If the municipality denies the claim, it must notify you by certified or registered mail within 90 days after the claim is filed. You may appeal the decision to Circuit Court if you feel the decision is incorrect. You must commence action within 90 days after receiving notice that the claim is denied.

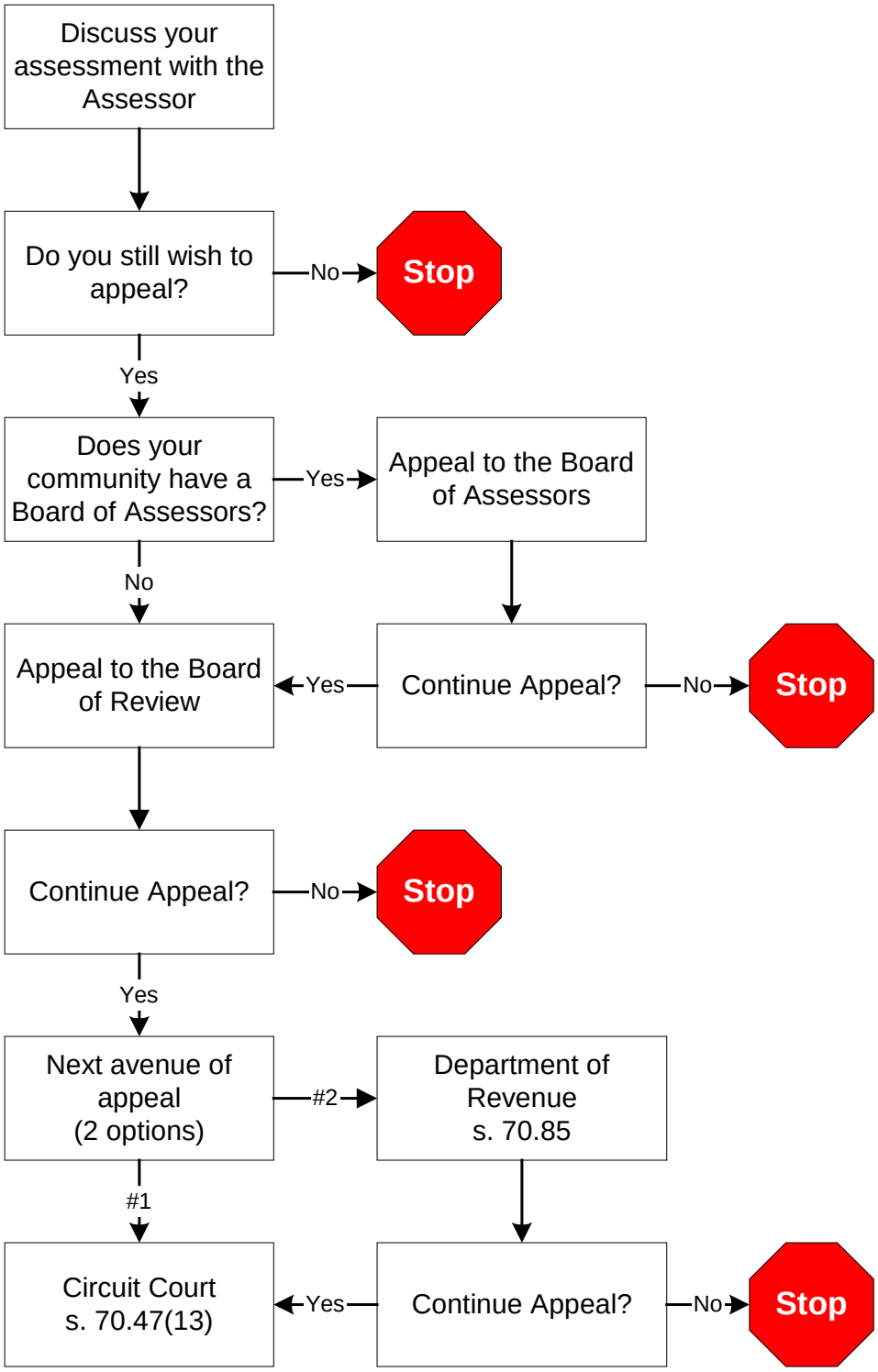
If the municipality does not act on the claim within 90 days, you have 90 days to appeal to Circuit Court.

If the municipality allows a claim under sec. 74.35 or Sec. 74.37, Wis. Stats., When do I receive payment?

The municipality must pay the claim within 90 days after the claim is allowed.

Flowchart of the Assessment Appeal Process

If you are not satisfied with your assessment, then consider the following assessment appeal process:



Reassessment/Revaluation

What is the difference between reassessment, revaluation and a supervised assessment?

The term "reassessment," as used in Section 70.75, Wis. Stats., means to completely redo the assessment roll. After receiving a petition, the Department of Revenue may order a reassessment of all or any part of the taxable property in a municipality, if its investigation determines that the assessments are not in compliance with the law. One or more persons would be appointed by the Department to prepare a new assessment roll. The assessment roll, after completion by the appointed person(s), is substituted for the original assessment roll. The municipality pays all expenses connected with a reassessment.

A "revaluation" is the hiring of expert help by a municipality to aid the assessor in making new, equitable assessments. The previous year's assessment roll is not affected. Under Section 70.055, Wis. Stats., the governing body of a municipality determines that it is in the public interest to employ expert help to aid in making a new assessment. The local assessor is not relieved of any responsibility of the office under this type of revaluation. 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.

A "supervised assessment" is an alternative to a reassessment. As provided in Section 70.75(3), Wis. Stats., one or more persons are appointed by the Department of Revenue to assist the assessor in making the assessment for the following year. The Department supervises the assessment work. The municipality pays all costs involved in a supervised assessment. A supervised assessment is very similar to a revaluation under Section 70.055, Wis. Stats., in that new assessment records and assessed values are created. The previous year's assessment roll is not affected.

What action is necessary to initiate a request for a reassessment?

Under Section 70.75, Wis. Stats., except in cities of the 1st class (Milwaukee), the owners of at least 5% of the assessed value of all property in the municipality may submit a written petition with the Department of Revenue for a reassessment of the municipality. The basis of the petition must be that the assessment of property in the taxation district is not in compliance with the law and that the public interest 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 Section 70.75, Wis. Stats., petition. Contact information is provided at the end of this *Guide*.

A reassessment is a complete redoing of the assessment roll. In other words, if the appeal were successful, the assessment roll in question would be completely redone. It is not necessary for property owners to have appeared at the Board of Review to petition for a reassessment.

What action is necessary to initiate a request for a revaluation?

Whenever the governing body of any town, village, or city believes that it would be in the public interest to employ expert help to aid in making an assessment, it should contact the nearest Equalization District Office. A list of Equalization District Offices is located at the end of this booklet. The Supervisor of Equalization will arrange to review the assessment situation and make recommendations to that municipality. These recommendations could range from spot adjustments, without expert help, to a complete revaluation of all taxable property by expert help. If, after this consultation, the governing body believes it would be in the public interest to have a complete revaluation, it can pass a resolution pursuant to Section 70.055 of the Statutes, to hire expert help.

Trespassing and Revaluation Notice

2009 Wisconsin Act 68

2009 Wisconsin Act 68, signed November 12, 2009 and published November 25, 2009, is an act to amend Section 70.05(5)(b) Wis. Stats. and to create Section 70.05 (4m), 895, 488, 943.13 (4m)(d) and 943.15(1m) of the statutes; relating to: partially exempting an assessor and an assessor's staff from liability for trespassing, creating immunity from civil liability, and changing the notice requirements relating to the revaluation of property by an assessor.

The trespass law entitles the assessor to enter a property once during an assessment cycle unless the property owner authorizes additional visits. If the property owner denies the assessor access to the property, the assessor must maintain a list of denied entries. Sections 943.13 and 943.15 pertain to the entry onto the property. Assessors and their staff should understand the conditions included in these statutes. The major conditions for entry are listed below:

- The reason for the entry must be to make an assessment on behalf of the state or a political subdivision.
- The entry must be on a weekday during daylight hours, or at another time as agreed upon with the property owner.
- The assessor's visit must not be more than one hour.
- The assessor must not open doors, enter through open doors, or look into windows of structures.
- If the property owner or occupant is not present, the assessor must leave a notice on the principal building providing the owner information on how to contact them.
- The assessor may not enter the premises if they have received a notice from the property owner or occupant denying them entry.
- The assessor must leave if the property owner or occupant asks them to leave.

Act 68 also addresses notification which must be published or posted prior to commencement of a revaluation by an assessor. The trespass bill states in part "Before a city, village, or town assessor conducts a revaluation of property under this paragraph [Section 70.05(5)(b) Wis. Stats.], the city, village or town **shall** publish a notice on its

municipal Web site that a revaluation will occur and the approximate dates of the property revaluation. The notice **shall** also describe the authority of an assessor, under Section 943.13, Wis. Stats. and Section 943.15, Wis. Stats., to enter land. If a municipality does not have a Web site, it **shall** post the required information in at least 3 public places within the city, village or town." (Emphasis added)

It recommended that you provide a link to the above noted statutory references to the statutory text, so that persons visiting your website could click on those links and review the statutes. Model language regarding this notice is provided below.

Sample Revaluation Notice

> A revaluation of property assessments in the municipality shall occur for the (*year*) assessment year. The approximate dates of the revaluation notices being sent to property owners is expected to be in (*month/year*). Please also notice that the Assessor has certain statutory authority to enter land as described in Sections 943.13 and 943.15, Wisconsin Statutes.
>
> The ability to enter land is subject to several qualifications and limitations, as described within the foregoing statutes. Copies of the applicable statutes can be obtained at public depositories throughout the State of Wisconsin, and from the State of Wisconsin Legislative Reference Bureau website (www.legis.state.wi.us/rsb/stats.html) or a copy may be obtained from the municipal clerk upon payment of applicable copying charges.

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; or (5) a governing body may desire an original inventory of all its taxable property. 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.

I've been told that everybody's taxes go up after a revaluation. Is this true?

No, it is not. 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.

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

$$\frac{Levy}{Total\ Assessed\ Value} = \frac{\$200{,}000}{\$4{,}000{,}000} = .05\ or\ 5\%$$

After Revaluation

$$\frac{Levy}{Total\ Assessed\ Value} = \frac{\$200{,}000}{\$8{,}000{,}000} = .025\ or\ 2.5\%$$

Levy and Rates

Who Levies the general property tax?

The governing body of each town, village, city, county, school district and state levies the total amount of tax to be raised. However, it is the city, village or town that prepares the tax bill and collects the initial tax payment.

How is the levy determined?

Each year the governing body of the city, village, town, county and school district adopts a budget for the following year. To finance the expenditures in the budget they total all expected sources of revenue such as state aids and shared taxes, license fees, tuition, etc. This amount is then subtracted from the estimated expenditure figure and the remainder must be raised from the property tax. In the case of the state forestation tax, the levy is determined by the state legislature and is applied in terms of a statewide rate ($.1697 per $1,000 of full value).

What is meant by the tax rate?

The tax rate is the rate that is necessary to raise sufficient money from the property tax to meet the levy. The tax rate is determined by dividing the total assessment of a district into the levy. It is often expressed in terms of dollars per thousand.

How is the tax rate calculated?

Each municipality must raise the funds needed to operate its own functions in addition to its share of the funds needed for the county and school district operations along with the state forestation tax. The total amount of the levy must be divided by the total assessed value of the municipality to establish the tax rate.

Example

$$Tax\ Rate = \frac{Levy}{Assessed\ Value} = \frac{\$1{,}000{,}000}{\$25{,}000{,}000} = .04$$

City of Badgerville	$ 200,000
County Levy	$ 230,000
School District(s)	$ 560,000
State (forestation)	$ 10,000
Total Levy	$ 1,000,000

As you can see from the previous example, the City of Badgerville must raise a total levy of $1,000,000. The total assessed value of the City of Badgerville is $25,000,000. Using these figures, the tax rate on property located within the City of Badgerville would be .04 per dollar of assessed value. This rate is often stated in terms of dollars per thousand, which in this case would be $40 per $1,000 of assessed value.

How is the total amount of my general property tax bill determined?

Using the example in the previous question, suppose you own a $50,000 home in the City of Badgerville that is assessed at $45,000. All property in the City of Badgerville is being assessed at 90% of market value.

Your Tax = Your Assessed Value x Tax Rate
Your Tax = $45,000 x .04 = $1,800.00

The state legislature has provided for annual property tax relief. Your tax bill receipt from the City of Badgerville will show:

General Property Tax	$ 1,800.00
State Credit	$ 300.00 *
Balance Due	$ 1,500.00

* The amount of State Credit is determined by a statutory formula and will vary from year to year as well as from one tax district to another.

Why do I have to pay school taxes when I have no children attending school?

From the very beginning, the founders of our country believed that all children had a right to be educated through high school at public expense. They felt that the European practice of only educating those who could afford it severely hampered individual opportunity. This philosophy, coupled with making education the responsibility of state and local government rather than the federal government, accounts for the fact that education today is financed heavily by local revenues which in turn rely strongly upon the general property tax.

Furthermore, the property tax is based upon market value of the property rather than "benefits-received," and must consequently fall uniformly on all taxable property.

Are property taxes really higher today?

As a percentage of income, property taxes have not varied considerably over the past several years. Property taxes increase because the cost of the goods and services that property taxes finance increase. Police and fire protection, street repairs, and education are affected by inflation just like other things we purchase such as groceries, automobiles, and other items.

In 1977, total state and local taxes were 14.5% of personal income; property taxes were 4.6% of personal income. In 1999, total state and local taxes were 11.6% of personal income; property taxes were 3.8% of personal income.

Collection

Where do our property tax dollars go?

Although all of the initial payments are made to the local treasurers (or later in the year to the county treasurer), a sizable portion must be turned over to the other governmental units for which the municipality acts as a bill collector. For general property taxes collected for 2005, state averages showed that approximately 45% went to elementary and secondary schools, 8% to vocational/technical schools, 20% to the county and 25% to the local government.

Are tax bills or tax notices always sent to the property owners?

Yes. The law requires the municipality to mail the property tax bill to the taxpayer or the taxpayer's designee. If the tax bill is mailed to the taxpayer's designee, the designee must furnish the taxpayer with a copy of the bill. The tax bills are usually mailed in December.

When and to whom must I pay my property taxes?

This depends upon the payment schedule your local government provides. Some municipalities allow payment in more than two installments and may have different plans for both real and personal property taxes. State law provides the following payment

schedule unless your local governing unit has enacted a different schedule. Be sure to check with the local clerk to ensure timely payment of your general property taxes.

Real Estate Taxes

- If you pay by installment, the first payment is due by January 31. Pay to the local treasurer.
- If not paid in installments, taxes must be paid in full by January 31. Pay to the local treasurer.
- July 31 is the last day for payment of the second installment of real estate taxes. Pay to the county treasurer.

Personal Property Taxes

- Personal property taxes must be paid in full by January 31. Make payment to the local treasurer.

Why are some property taxes paid to the local treasurer and some to the county treasurer?

When our Wisconsin property tax system was set up in the 1800s, it was contemplated that all property taxes would be paid in full by the last day of February of each year. The local treasurers would then make a settlement with the county treasurer in March after which time any unpaid taxes would be collected by the county treasurer throughout the balance of the year. Since the county treasurers' jobs are full-time throughout the year, they would be available at all times to receive the late payments. Thus, the part-time local treasurers could wind up work in March and get back to their full-time jobs.

Today even though partial payments on an installment basis are permitted, the same procedure exists in most jurisdictions. Most payments made after January 31 must be made to the county treasurer.

What happens if I'm late in paying my property taxes or don't pay them at all?

If you are late in paying taxes, you will have to pay interest on the unpaid portion. This interest goes back to February 1, and accumulates at the rate of one percent per month. In addition, some counties impose an additional penalty of one-half of one percent per month. If you don't pay your taxes at all, you may lose your property.

I recently purchased a home and did not get a tax bill. Later I found that I was charged with interest for late payment. This doesn't seem fair. What can I do to prevent this from happening again?

Although the municipality is required to mail the tax bill to the taxpayer or to the taxpayer's designee, failure to receive the tax bill does not relieve the taxpayer of the obligation to pay the tax or any interest penalty. If you are not receiving a tax bill, you should contact the municipality to make sure that it has changed its records to show you as

owner. If you receive a tax bill when you no longer own a property, contact the municipality and provide the new owner's name and address.

Does the Department of Revenue have any programs to help me with my property taxes?

The Department has developed the following two programs to help people with their property taxes.

The Homestead Tax Credit is an income-based property tax credit program for homeowner and renters. It reduces the burden of property taxes through a direct payment to low and moderate income Wisconsin residents. The amount of the benefit varies depending on total household income and property tax liability. Renters count part of their rent as property taxes.

For further information about the Homestead Tax Credit Program, please contact:

Wisconsin Department of Revenue
Homestead Credit Unit
P.O. Box 8906
Madison, WI 53708-8906
(608) 266-8641

The Property Tax Deferral Loan Program provides loans to qualifying elderly homeowners to help pay for property taxes. Principal and interest are repaid when you transfer ownership of your home or move from your home. The loan becomes a lien against your property. The Wisconsin Housing and Economic Development Authority (WHEDA) operates this program.

For further information about the Property Tax Deferral Loan Program, please contact:

Property Tax Deferral Loan Program
WHEDA
P.O. Box 1728
Madison, WI 53701-1728
1-800-755-7835

Who should I contact if I have further questions on property tax?

The first person to contact is your local assessor. The assessor is familiar with your local area and will have a copy of the property tax statutes, the *Wisconsin Property Assessment Manual*, and other information.

For further questions on property tax you can contact the Department of Revenue Equalization District Office closest to your home. Addresses are printed at the end of this booklet.

Assistance for the elderly

Voluntary Income Tax Assistance information (VITA) and Tax Counseling for the Elderly (TCE) information can be found on the Department of Revenue's site http://www.revenue.wi.gov/faqs/pcs/vita.html#county

Volunteer Income Tax Assistance is listed by county. These sites are designed to work on income taxes; the program also assists individuals who qualify for homestead credit or the earned income credit that helps with property taxes.

Property tax exemption for veterans

The State of Wisconsin does not offer a property tax exemption for veterans. However, the Department of Veterans Affairs administers the "Wisconsin Veterans and Surviving Spouses Property Tax Credit" program under Section 71.07(6e), Wis. Stats. The property tax credit provides a refundable property tax credit to eligible Wisconsin veterans and eligible surviving spouses. To be eligible for the property tax credit, the law requires that the veteran was a resident of Wisconsin at the time of entry into that active service or had been a resident of this state for any consecutive 5-year period after entry into that service. To see if you qualify for this tax credit contact the State of Wisconsin, Department of Veterans Affairs at 30 West Mifflin Street, P.O. Box 7843, Madison, WI 53707-7843 (608) 266-1311 FAX (608) 267-0403.

What is the *Wisconsin Property Assessment Manual*? What is its purpose? Where can I view it?

The *Wisconsin Property Assessment Manual* specifies technical, procedural, and administrative practices. It also defines procedures, policies, legal decisions, and assessor performance expectations.

The authority for preparing the *Wisconsin Property Assessment Manual* comes from Section 73.03 of the Wisconsin Statutes. This statute requires that the Department of Revenue prepare a manual that "shall discuss and illustrate accepted assessment methods, techniques and practices with a view to more nearly uniform and more consistent assessments of property at the local level." It goes on to say "The manual shall be amended by the department from time to time to reflect advances in the science of assessment, court decisions concerning assessment practices, costs, and statistical and other information deemed valuable to local assessors by the department."

The *Manual* can be viewed in your local assessor's office, in any Department of Revenue District Office, or in some Wisconsin libraries.

The Department of Revenue, Office of Assessment Practices has posted the *Wisconsin Property Assessment Manual* on the DOR internet site under Quick Links - Publications - Government - Property Tax. http://www.revenue.wi.gov/html/govpub.html#property

STATE OF WISCONSIN

REAL ESTATE PROPERTY TAX BILL FOR 2010

VILLAGE OF BADGER
AMERICA CO.

IMPORTANT:
- Correspondence should refer to tax number.
- See reverse side for important information.
- Be sure this description covers your property. This description is for property tax bill only and may not be a full legal description.

LEGAL DESCRIPTION
PART OF THE FIRST ADDITION TO THE SECOND ADDITION CONSISTING OF 1 LOT

BILL AND SUE HOMEOWNER
RR 9
BADGER WI 58425

Not part of the bill template. Print only on bills for property located within a Drainage District.

Drainage District Notification: $

PARCEL # 12-116-0029-0000

Assessed Value Land	Ass'd. Value Improvements	Total Assessed Value	Ave. Assmt. Ratio	Net Assessed Value Rate (Does NOT reflect credits)	.017091622
22,000	76,900	98,900	98.9000000		
Est. Fair Mkt. Land	Est. Fair Mkt. Improvements	Total Est. Fair Mkt.	☐ A Star in this box means Unpaid Prior Year Taxes	School taxes reduced by school levy tax credit	169.04
22,250	77,750	100,000			

Taxing Jurisdiction	2009 Est. State Aids Allocated Tax Dist.	2010 Est. State Aids Allocated Tax Dist.	2009 Net Tax	2010 Net Tax	% Tax Change
STATE OF WI			16.88	17.50	+3.7%
AMERICA CO	17,539	18,760	267.98	295.84	+10.4%
VILLAGE OF BADGER	118,822	121,904	172.22	178.17	+3.5%
SCH. DIST. #3150	620,167	622,787	765.43	953.53	+24.6%
TECH. COLLEGE #56	23,987	25,883	120.50	135.44	+12.4%
Total	780,515	789,334	1,343.01	1,580.48	+17.1%
	First Dollar Credit		77.30	78.50	+1.5%
	Lottery & Gaming Credit		88.18	98.98	+12.0%
	Net Property Tax		1,177.53	1,403.00	+19.1%

Make Check Payable to:
JANE DOE
TREASURER, VILLAGE OF BADGER
RR 9, PO BOX 6890
BADGER WI 58425

Full Payment Due On or Before January 31: $ 1,762.02

Or First Installment Due On or Before January 31: $ 1,060.52

And Second Installment Payment Payable To:
JOHN SMITH, COUNTY TREASURER
AMERICA COUNTY COURTHOUSE
BADGER WI 58425

And Second Installment Due On Or Before July 31: $ 701.50

Net Property Tax $1,403.00

GARBAGE 359.02

☐ Check For Billing Address Change.

BILL AND SUE HOMEOWNER
RR 9
BADGER WI 58425

TOTAL DUE FOR FULL PAYMENT
PAY BY JANUARY 31 2011
▶ $ 1,762.02

Warning: If not paid by due dates, installment option is lost and total tax is delinquent subject to interest and, if applicable, penalty.
Failure to pay on time. See reverse.

PA-68/2 (R. 7-08)

What Your Real Estate Property Tax Bill Tells You

Your real estate property tax bill tells you more than just how much you owe. Your tax bill also contains information about Local Spending, Local Assessment Practices, State Aids and Credits to Local Governments, Tax Rate, Special Purpose Costs, and Payment Procedures. As you continue reading, please refer to the example property tax bill for the fictitious Bill and Sue Homeowner titled *Understanding Your Property Tax Bill.* Your Property Tax Bill format may be slightly different from the example bill, but it will still contain the same information.

Property Tax Year

A property tax bill delivered to you in December applies for the property tax in that same year. Payment is due in full by January 31 of the next year does not indicate that the payment is for the next year property tax assessment. Property tax bills are always sent out in the year in which they apply.

Assessed Value Land	Ass'd. Value Improvements	Total Assessed Value	Ave. Assmt. Ratio	Net Assessed Value Rate (Does NOT reflect credits)	.0200580
22,000	76,900	98,900	98.900		
Est. Fair Mkt. Land	Est. Fair Mkt. Improvements	Total Est. Fair Mkt.	☐ A Star in this box means Unpaid Prior Year Taxes	School taxes reduced by school levy tax credit	246.59
22,250	77,750	100,000			

Local Assessment Practices

Bill and Sue Homeowner's land assessment and the home and other buildings assessment on the land are added together for the total assessment. The *Total Assessed Value* is estimated by the local assessor. The Department of Revenue calculated the *Average Assessment Ratio* of the Village of Badger as a percentage. When an *Average Assessment Ratio* is considerably above or below 100% (or 1.0), a community-wide reassessment may be forthcoming. State law requires average assessment ratios to be within 10% of market value, that is, between 90% and 110% once every 4 years. This requirement promotes tax fairness. When community assessments are not regularly updated to reflect changes in the real estate market, unfair taxation can result. As properties increase in value at different rates, some property owners will pay too much in tax and others will pay too little. The *Total Estimated Fair Market Value* is calculated by dividing the *Total Assessed Value* by the *Average Assessment Ratio.* Property taxes are levied on the *Total Assessed Value, not* the *Total Estimated Fair Market Value.*

Use-Value Assessment of Agricultural Land

Please note that if all or a portion of a parcel contains farmland assessed according to its use-value as agricultural land, the *Estimated Fair Market Land* and *Total Estimated Fair Market Value* cannot be estimated using the *Average Assessment Ratio* and, therefore, will not be shown.

Unpaid Prior Taxes

Owners with a star in the box noting unpaid prior year taxes should contact the county treasurer to resolve this issue.

Net Assessed Value Rate

The *Net Assessed Value Rate* is the same as dollars per $1000 of assessed property value. The *Net Assessed Value Rate* is calculated by adding each taxing jurisdiction's mill rate less the state credit.

Credit to Local Government

Part of the state credit consists of a *School Levy Tax Credit*.

Taxing Jurisdiction	2007 Est. State Aids Allocated Tax Dist.	2008 Est. State Aids Allocated Tax Dist.	2007 Net Tax	2008 Net Tax	% Tax Change
STATE OF WI			24.46	25.58	1.1%
AMERICA CO	17,871	17,869	382.41	408.07	1.1%
VILLAGE OF BADGER	116,841	119,774	206.25	264.28	1.3%
SCH. DIST. #3150	712,389	686,670	1,075.92	1,105.08	1.0%
TECH. COLLEGE #56	22,189	23,083	168.82	180.73	1.1%

Local Spending

Bill and Sue Homeowner live in Badger, Wisconsin where five "taxing jurisdictions" exist **(State, County, Village, School District and Tech. College)**. Common taxing jurisdictions include the State of Wisconsin (forestation tax), county, municipality (city, village, or town), local public schools, technical college, and sanitary district. Other districts may also be listed on your Property Tax Bill.

State Aids and Credits to Local Governments

Wisconsin is almost unique among the states in terms of the amount of taxes raised at the state level, but spent at the local level. Bill and Sue Homeowner can compare the *Estimated State Aids Allocated to the Tax District* to the prior year figures. Bill and Sue Homeowner's share of the *Net Tax* in the tax district before *Special Purpose Costs* (see below). This amount contains the tax owed to each taxing jurisdiction. The *Two Years Net Tax* amounts by tax jurisdiction are also listed along with a percent change comparison column. Bill and Sue Homeowner can compare the percent change of the *Prior Year Net Tax* figures to the *Present Year Net Tax* figures for each jurisdiction including the *Totals* for each tax year. The *Lottery Credit* for Bill and Sue Homeowner's property are listed in the Taxable Year.

First Dollar Credit

The First Dollar Credit was created by the 2007 Legislature. The first payment was made in the 2008/2009 property tax year. The credit is funded by the state general fund.

The First Dollar Credit is paid to the owner of any real estate parcel on which at least one improvement owned by he land owner is located. The credit equals the school property tax on a certain amount of the value of the improvements. This "credit value" is calculated every year by the Department of Revenue, after taking into consideration the estimated number of claims that are expected to be paid and school property tax rates (for K-8, Union High, and K-12 school districts).

The "credit value" is set at the level that distributes the available funds. If the value of the parcel exceeds the "credit value", a full credit is paid. However, if the value of the parcel is less than the "credit value", the credit is paid on the actual value of the parcel.

The First Dollar Credit is shown on property tax bills as a reduction of property taxes due. For taxpayers who pa their taxes in two or more installments, the credit is applied equally to each installment.

The credit is paid to municipalities on the fourth Monday of July. The municipality treats the credit the same as general property tax collections paid by taxpayers.

Additional information on First Dollar Credit is available at the following website.

http://www.revenue.wi.gov/faqs/slf/dcfaq08.pdf

Total	869,290	847,396	1,857.86	1,983.74	1.1%
	First Dollar Credit		0	36.26	100.0%
	Lottery & Gaming Credit		90.57	83.67	-1.1%
	Net Property Tax		1,767.29	1,863.81	1.1%

Tax Rate

The *Net Assessed Value Rate* is the same as dollars per $1000 of assessed property value. The *Net Assessed Value Rate* is calculated by adding each taxing jurisdiction's mill rate less the state credit. In this case, Bill and Sue Homeowner will pay for each $1,000 of assessed value. By taking this *Net Assessed Value Rate* and multiplying it by Bill and Sue Homeowner's *Total Assessed Value*, you will determine Bill and Sue Homeowner's property tax before the lottery credit and any special purpose costs are included.

Make Check Payable to:	Full Payment Due On or Before January 31	Net Property Tax	$1,863.81
JANE DOE TREASURER, VILLAGE OF BADGER RR 9, PO BOX 6890 BADGER WI 58425	$ 2,222.83 Or First Installment Due On or Before January 31 $ 1,290.93	GARBAGE	359.02
And Second Installment Payment Payable To: JOHN SMITH, COUNTY TREASURER AMERICA COUNTY COURTHOUSE BADGER WI 58425	And Second Installment Due On Or Before July 31 $ 931.90		

Special Purpose Costs

Bill and Sue Homeowner have some additional costs that taxpayers in other districts may not see on their tax bills. *Special Assessment*, *Special Charges*, or *Special Taxes* would be listed in the upper-right section of the tax bill. Most of these costs are listed on the tax bill by type such as curb and gutter, street, refuse collection, or weed control.

Payment Procedures

Bill and Sue Homeowner may pay the taxes in one of two ways. The amount can be paid in full to the local municipal treasurer by January 31 after the December statement. If the taxes are paid by installment, the first payment is due to the local treasurer by January 31, and the second payment is due to the county treasurer by July 31. A third payment option, multiple installments, is available in some municipalities if they have adopted a special multi-payment plan. Since Bill and Sue Homeowner's tax bill does not mention any other installment method, this payment option is not available.

Definition of Terms

Apportion: Once the amount of taxes to be levied by each taxing jurisdiction has been determined, the total tax levy must be divided, or apportioned, among all the taxation districts which contain territory in the jurisdiction.

Arm's-Length Sale: A sale between two parties, neither of whom is related to or under abnormal pressure from the other.

Assessed Value: The dollar amount assigned to taxable real and personal property by the assessor for the purpose of taxation. Assessed value is estimated as of January 1 and will apply to the taxes levied at the end of that year. Assessed value is called a primary assessment because a levy is applied directly against it to determine the tax due. Accurate assessed values ensure fairness between properties within the taxing jurisdiction. (See *Equalized value* for fairness between municipalities).

Assessment Level: The relationship between the assessed value and the equalized value of non-manufacturing property minus corrections for prior year over or under charges within a municipality–town, village or city. For example, if the assessed value of all the property subject to property tax in the municipality is $2,700,000 and the equalized value (with not prior year corrections) in the municipality is $3,000,000 then the "assessment level" is said to be 90% ($2,700,000 ÷ $3,000,000 = .90 or 90%).

Assessment Ratio: The relationship between the assessed value and the statutory valuation standard (fair market value for most property, use value for agricultural land, and 50% of full value for agricultural forest and undeveloped lands). For example, if the assessment of a parcel which sold for $150,000 (fair market value) was $140,000, the assessment ratio is said to be 93% (140,000 divided by 150,000). The difference in the assessment level and the assessment ratio is that the level typically refers to the taxation district; the ratio refers to the individual parcel.

$$\text{Assessment Ratio} \frac{\text{Assessed Value}}{\text{Market Value}} = \frac{\$140{,}000}{\$150{,}00} = 93\%$$

Chattel: In law, any property other than a freehold or fee estate in land. Chattels are treated as personal property, although they are divisible into chattels real, and chattels personal.

Equalized Value: The estimated value of all taxable real and personal property in each taxation district, by class, as of January 1 and certified by the Department of Revenue on August 15 of each year. The value represents market value (most probable selling price), except for agricultural property, which is based on its use (ability to generate agricultural income) and agricultural forest and undeveloped lands, which are based on 50% of their full (fair market) value.

Excessive Assessment: An appeal to the municipality under Section 74.37, Wis. Stats. claiming a property assessment is excessive. The property owner files a claim against the municipality to recover the amount of property tax imposed as a result of the excessive assessment.

Fair Market Value: Synonymous with a property's full value, market value or – in the case of personal property – true cash value. Fair market value is "the amount the property will sell for in an arms-length transaction on the open market between a willing seller not obliged to sell the property and a willing buyer not obliged to purchase it." *Waste Management v. Kenosha County Review Board 184 Wis. 2nd 541, (1994).*

Full Value: (1) The value reflected as fair market value when used in reference to the valuation of real property under Section 70.32(1) Wis. Stats (this does not include agricultural property defined in Section 70.32 (2)1. Wis. Stats). (2) The same as equalized value, however is often used when referring to the value of school and special districts.

Levy: The total amount of property taxes imposed by a taxing unit.

Market Value: According the *Uniform Standards of Professional Appraisal Practice*, the definition of market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Reassessment: This is the *redoing of the* ***existing*** *assessment roll* because of substantial inequities. All the property of the district is viewed, valued, and placed in the new assessment roll, which is then substituted for the original roll.

Revaluation: This is the *determination of new values for an upcoming assessment year*. The previous year's assessment roll is not affected. The term is often used in conjunction with Section 70.055, Wis. Stats. where expert help can be hired to work with the assessor in revaluing the district.

Tax Rate: The ratio of the property tax levy to the base. The tax rate is determined by dividing the amount of the tax levy by either the total assessed value or the equalized value of the tax district. It is often expressed in terms of dollars per thousand. It is synonymous with the term levy rate.

Taxation District: A city, village, or town. If a city or village lies in more than one county, that portion of the city or village which lies within each county.

Taxing Jurisdiction: Any entity authorized by law to levy taxes on general property that is located within its boundaries.

Unlawful Tax: An appeal to the municipality under Section 74.35, Wis. Stats. claiming a tax is unlawful because a clerical error was made in the description of the property or computation of the tax, the assessment included improvements which did not exist on the assessment date, the property was exempt from taxation, the property was not located in the municipality, a double assessment was made, or an arithmetic transposition or similar error has occurred.

Use Value: The value a specific property has for a specific use. Beginning in 2000, agricultural land is assessed according to its use as farmland instead of its market value as indicated by sales.

Use Value Assessment: An assessment based on the value of property as it is currently used, not on its market value. This applies to agricultural land only.

Equalization District Offices

District Supervisor	Counties
Madison District Office (76) Reed Johnson MS 6-301 PO Box 8909 Madison, WI 53708-8909 Phone (608) 266-8184 | E-mail FAX (608) 267-1355	Columbia, Crawford, Dane, Dodge, Grant, Green, Green Lake, Iowa, Jefferson, Lafayette, Marquette, Richland, Rock, Sauk, Vernon
Milwaukee District Office (77) Allan Land 819 North 6th St Room 530 Milwaukee, WI 53203-1606 Phone (414) 227-4455 | E-mail FAX (414) 227-4071	Fond du Lac, Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Washington, Waukesha
Eau Claire District (79) Vacant 610 Gibson St Ste 7 Eau Claire, WI 54701 Phone (715) 836-2866 | E-mail FAX (715) 836-6690	Barron, Bayfield, Buffalo, Burnett, Chippewa, Douglas, Dunn, Eau Claire, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Rusk, St. Croix, Sawyer, Trempealeau, Washburn
Wausau District Office (80) Albert Romportl 710 Third St Wausau, WI 54403-4700 Phone (715) 842-5885 | E-mail FAX (715) 848-1033	Adams, Ashland, Clark, Iron, Juneau, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Taylor, Vilas, Wood
Green Bay District Office (81) Mary Gawryleski 200 N Jefferson St Ste 126 Green Bay, WI 54301-5100 Phone (920) 448-5195 | E-mail FAX (920) 448-5207	Brown, Calumet, Door, Florence, Forest, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Outagamie, Shawano, Waupaca, Waushara, Winnebago