

Assembly Ways & Means Committee Hearing, April 16, 2003

AB 92 – Property Tax Assessments, (Rep. Olsen +11, Sen. Lasee +3)

Description of Current Law and Proposed Change

- Under current law, owners with at least 5% of all taxable property in a taxation district may petition the Department of Revenue (DOR) for a reassessment of all property in the district.
- Under the bill, the department may dismiss the petition if, prior to the mailing of the property tax bills, the taxation district reconvenes the board of review and the board of review corrects the assessments of the property so that it is in substantial compliance with the law.

Fairness/Tax Equity

- The bill is troubling insofar as it would allow the board of review to act as the assessor. Case law has ruled that the board of review is not an assessing body, and it is not to do the work of the assessor or substitute its judgment for the assessor's.

Efficiency

- The bill is intended to provide taxation districts with a way to address assessment concerns while avoiding the cost of a DOR-ordered reassessment.
- It is unlikely that the board of review would have sufficient time, resources or expertise to review and correct assessments of the entire district. Since the department must consider the assessments of all properties in the district, it is unlikely that DOR would dismiss many petitions due to corrections made by boards of review.

Administration Impact/Fiscal Effect

- The bill could result in increased department costs if the department would be required to perform additional sample appraisals and statistical analysis to determine whether assessments had improved and were in substantial compliance with the law as a result of actions of the board of review.

DOR Position

No position.

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April 11, 2003

RB:skr

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Wisconsin Towns Association

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To: Assembly Ways and Means Committee
From: Rick Stadelman, Executive Director
Re: AB 92 Bill to allow reopening of Board of Review
Date: April 16, 2003

On behalf of Wisconsin Towns Association I want to express our **support for AB 92** which would allow the local board of review to reopen upon its own motion to correct errors which without being corrected could result in an ordered reassessment by the Department of Revenue, which would cost the local unit of government much more than reopening the board of review. While the use of this authority under AB 92 may be very limited, the availability of such authority would be an option to local governments that could save money and still maintain fair and equitable tax assessments.

If a town, village, or city is required to pay for an supervised reassessment by the DOR, the costs have been from \$40,000 and up, which is five to ten times the costs of annual assessments. When a town, village or city can observe an obvious error, it should have the authority to reopen the board of review to correct. An example of this type of situation would be when an assessor use an incorrect per acre figure for a particular class or all classes of agricultural land subject to use value. Rather than allow the matter to go to a supervised reassessment, the town should be able to reopen the board of review and direct the assessor to correct the error. A property owner still has all the remedies to appeal from the board of review and if an error still exists petition for a supervised reassessment. This bill does not harm property owners and offers an opportunity to make corrections of errors without the onerous remedy of a supervised reassessment. This bill does not cost the state any additional costs, yet can save money for local governments and better provide more equitable assessments.

We urge your committee to recommend passage of AB 92. Thank you for your consideration.

AB 92 - Clarification needed -

What circumstances, need to narrow scope

ML - Expanding powers of Bd. of Review?

DOE - No position

Kenosha Treasurer - Concerns timeline

1/2 day - doz. per year

G. Landirelli - suggestion that the Dept. has standards that they can pass onto local governments so that when they contract an assessor so that min. knows what is expected of them.

Peter W. - Labor intensive, timeline is a problem many problems can already be addressed by the Bd. of reviews.

Bd. of reviews lacks expertise to necessary)

Bill - plates ~~will~~ go back only to '83

Carroll Larson - finds exempt attachments, state does not. Many inquiries in assessments.

DOE - Jan. 1, 03 applicability date is a problem - potential to double the problem with potential to double the

eg. footage

Per. Miss. Assessors - opposed expansion to the exemption -

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R - opposed

Kenosha Co. Treasurer

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Kenosha Co. - personal responsibility very low % of people who are late unfair to taxpayers who pay on time computer programming/technology costs -