

Fiscal Estimate Narratives

DOR 3/1/2006

LRB Number	05-4555/1	Introduction Number	AB-1051	Estimate Type	Original
Description Objecting to property tax assessments and making claims for unlawful property taxes and excessive property tax assessments					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a property owner who objects to the assessed value of his or her property may present the objection to the Board of Review (BOR). In addition, a property owner may file a claim with the taxation district for a refund of taxes due to an excessive assessment or palpable error. If the BOR or taxation district denies the claim, the property owner may appeal the BOR's or taxation district's decision to the circuit court.

Under the bill, a circuit court may not consider on appeal any evidence that the property owner did not present to the BOR or taxation district. Also under the bill, the definition of "palpable error" as a basis for a refund of property taxes is expanded to include an assessor's failure to notify a property owner of an increased assessment. The bill would first apply to assessments as of January 1, 2006.

The bill does not apply to appeals of assessments of manufacturing property. Manufacturing property is assessed by the Department of Revenue and the law provides an avenue of appeals different from that for locally assessed property. Manufacturing assessment appeals are presented first to the state Board of Assessors and then to the Tax Appeals Commission.

Because current law allows new evidence to be presented by a taxpayer before the circuit court, a taxpayer is not required to present the entirety of his or her evidence at the BOR or taxation district level.

Under the bill, no new evidence may be presented by the property owner in his or her appeal to the circuit court. As a result, the number of appeals to the circuit court is expected to decrease.

Reducing the number of appeals will reduce municipal legal and assessor costs. The bill would also reduce interest costs by leading to earlier resolution of disputes.

It is not feasible to estimate the reduction in municipal costs due to the bill. However, according to the Wisconsin Association of Assessing Officers, about 200 claims for refunds due to excessive assessment totaling over \$5 million were filed in 2004.

Long-Range Fiscal Implications