



WISCONSIN LEGISLATURE

P.O. BOX 8952 • MADISON, WI 53708

Property Assessment-Related Bills

Testimony from Representative Samantha Kerkman and Senator Luther Olsen

SB 429 / AB 575 – preliminary equalized property values

SB 430 / AB 576 – supervised revaluations & major class of property

Chairman Marklein and committee members: thank you for the opportunity to provide testimony in favor of a package of assessing-related bills: Senate Bill 429 and Senate Bill 430. You may already know that the Assembly companion bills – AB 575 and AB 576, as well as a third related bill AB 577 – were recommended for passage with a unanimous vote by the Assembly Committee on Urban and Local Affairs, and were passed by the Assembly with a unanimous voice vote.

Senate Bill 429 (AB 575)

The idea for these proposals was prompted by an issue in Rep. Kerkman's district in which the equalized values published by the Department of Revenue contained an error for the Village of Twin Lakes. Local officials spotted the error almost immediately, but DOR does not have the statutory authority to correct the error by changing the equalized value once the state's equalized values have been published on August 15th. Even if state statute would have allowed it, changing the equalized value for one village would have necessitated a corresponding adjustment to all other taxation districts.

Errors in equalized value are not uncommon and are corrected under a process in section 70.57 of the Wisconsin Statutes. Simply stated, an error made in one year is corrected in the next year by balancing an artificially high (or low) year with an artificially low (or high) one. The process works well for typical errors with minor impact. Village of Twin Lakes property taxpayers were ultimately insulated from wild fluctuations in their property tax bills across the 70.57 correction period by legislation that was passed to modify an existing loan program to local governments.

The Twin Lakes error led local officials to suggest a preview period for equalized values and prompted broader discussion of the assessment cycle. In every year since 2011, DOR has voluntarily made preliminary equalized values available in advance of the statutory August 15th publication deadline, giving assessors the opportunity to review them and the department the opportunity to correct problems before they impact property tax bills.



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Senate Bill 430 (AB 576)

Property tax is supposed to be assessed uniformly (Wisconsin Constitution Article VIII, Section 1). A specific requirement in law is that municipalities are required to assess major classes of property within ten percent of full value at least once every five years. Without adherence to this requirement, property taxes are not uniformly applied and everyone is not paying their fair share. DOR orders a state-supervised assessment after seven consecutive years of non-compliance. Senate Bill 430 shortens this period to 6 years which allows assessments to be brought back into compliance and restores fairness sooner.

SB 430 also changes the definition of major class of property from any class of property that includes more than 5% of the full value of the taxation district to any class of property that includes more than 10 percent of the full value of the taxation district.

SB 430 also eliminates the requirement that a taxation district's assessment staff participate in an assessor education program before the DOR orders a supervised assessment.

	Current Process	AB 576 Process
Year 1	No action	No action
Year 2	No action	No action
Year 3	No action	No action
Year 4	Notice sent that the municipality must be in compliance in Year 5	Notice sent that the municipality must be in compliance in Year 5
Year 5	Notice that assessor is required to attend educational program	Notice sent that a supervised assessment will be mandated
Year 6	Assessor attends educational program	Orders supervised assessment for following year
Year 7	If out of compliance, orders supervised assessment for following year	Supervised assessment

Thank you for your consideration of these proposals today.