

AGENDA

SCHOOL DISTRICT OF NEW GLARUS

BUDGET COMMITTEE MEETING

MONDAY, SEPTEMBER 23, 2024

**HIGH SCHOOL LIBRARY/MEDIA CENTER, ROOM 183 JOIN ZOOM MEETING USING
LINK**

**HTTPS://US02WEB.ZOOM.US/J/81454887625?PWD=MJOS0XOOGOMW0NFDIR
13NZRQ6HMQ9V.1 BY PHONE USING 1-646-568-7788 MEETING ID 814 5488**

7625 & PASSWORD 989696

1701 2ND STREET

NEW GLARUS, WISCONSIN 53574

6:30 PM

- I. **Call to Order**
- II. **Referendum Budget Update**
- III. **Fund 46**
- IV. **Athletic Complex Budget Update**
- V. **2024-25 Budget - Estimated Equalization Valuation** **2**

Understanding Your Tax Bill

A Basic
Understanding of
Assessment and Taxation

Taxation Cycle

- ▶ Assessment Process - Municipal Assessor places values on properties
- ▶ Equalization Process by DOR - Equalized value total that determines tax rates and apportionment is calculated
- ▶ Budget Process - levies are set
- ▶ Apportionment Process - levy amounts are apportioned to taxpayers

Assessment

- ▶ Taxes are based on Assessment
 - ▶ *Effective Date of Assessment is January 1 of each year*
- ▶ Assessor values properties based on market and State of Wisconsin percentages

Assessment Process

- ▶ Local Assessors place values on property specified under s73.03(2a) stats
 - ▶ From View
 - ▶ From best information that is practically obtained
 - ▶ Value of Land and Buildings should equal the Market Value

Open Book

- ▶ All property records are “Open Records”.
- ▶ If the property owner received a notification regarding their assessment and has questions or concerns they should meet with the assessor to discuss values prior to open book.
- ▶ Assessor is allowed to make changes at the Open Book Session.
- ▶ If not satisfied, the property owner can protest values by requesting a hearing at the Board of Review

Board of Review

- ▶ Assessor's Value is presumed correct
- ▶ To have a correction made, owner must prove property is overvalued in comparison with similar properties
 - ▶ Use arm's length sales/recent sales of comparable properties
 - ▶ Size of lot, size and age of buildings, depreciation and income potential

Appeals

- ▶ If a taxpayer is not satisfied with the decision of Board of Review
 - ▶ Review the Department of Revenue – Guide for Property Owners
<https://www.revenue.wi.gov/DOR%20Publications/pb060.pdf>
 - ▶ Can file a complaint with the Circuit Court of Appeals
 - ▶ Contact the Department of Revenue regarding the appeal

Equalized Values - Definition

- ▶ Estimate of total taxable value of all real and personal property in each taxation district as of January
 - ▶ Excludes exempt property
 - ▶ Agricultural land (class 4) - use value vs. market value
 - ▶ Undeveloped land (class 5) - 50% of market value
 - ▶ Agricultural forest (class 5m) - 50% of market value
- ▶ August 1 - DOR issues preliminary values
- ▶ August 15 - DOR issues certified values

Equalized Values - Purpose

- ▶ Provide uniform basis to administer property tax system for levy purposes
 - ▶ Fairness and equity between municipalities
- ▶ Municipal boundary for school, county, technical college boundaries
- ▶ Equalized values do not extend to individual properties
 - ▶ Individual parcel/property tax fairness dependent on the municipal assessment roll

Equalized Values - Uses

- ▶ Apportionment of property tax levy
 - ▶ Counties
 - ▶ School districts
 - ▶ Technical colleges
- ▶ Allocation of state aids
- ▶ Debt limit calculation

Equalized Values - Uses

- ▶ Municipal assessment compliance - sec. 70.05 Wis. Stats.
- ▶ Equating manufacturing property assessments
- ▶ Levy limit calculations - net new construction

EQUATED MANUFACTURING, EQUATED STATEMENT OF ASSESSMENTS AND AGGREGATE RATIOS

- ▶ As the Municipalities adjourn their Board of Reviews the Statement of Assessment is filed with the Department of Revenue.
- ▶ Equalization uses these in determining the equalized values for the taxing jurisdictions
- ▶ Department of Revenue will begin calculating the manufacturing rolls along with the final Equated Statement of Taxes and the Aggregate Ratio and release in mid October

Apportioning Tax Levies

- ▶ Property tax levies of such jurisdictions are apportioned to each municipality on the basis of Equalized Value.
 - ▶ For example, if a municipality contains 50% of the Equalized Value within a county, its residents should pay 50% of the county property taxes levied.

Levies

- ▶ County Board sets the amount to be levied across the municipalities
 - ▶ The amounts to be paid by the municipality are determined by taking the county's total equalized value (less the Tax Increment District) and dividing that by the equalized value of each of the municipalities to come up with the percentage of the levy due from the municipality.
 - ▶ These amounts are reported on the Apportionment (PC-400). This same process is used when determining the amount of the county referendum to be charged to each of the municipalities.
 - ▶ These must be filed with the state and delivered to the municipalities no later than November 15.

Setting Budgets and Tax Levies

▶ Schools and Technical Colleges

- ▶ The process is very much the same for the school districts and technical colleges. They are to have their budgets completed and certifications of taxes and referendums levied against the municipalities by the first Monday in November.

▶ Municipalities

- ▶ Municipalities also have the process of creating their budget. Their levy amount goes against all properties within their jurisdiction so there is no need to do any type of apportionment. They don't have a deadline for setting their budget however, they should be mindful of state statutes requiring the tax roll to be delivered by the 3rd Monday of December.

WHEN DISCUSSING TAXES

- ▶ **TAXES ARE APPORTIONED** -
 - ▶ based upon Equalized Value

- ▶ **TAXES ARE CALCULATED** -
 - ▶ based upon Assessed Value

School Tax Credit

- ▶ The School Tax Credit, Lottery and First Dollar credits are released the third Monday of November by the Department of Revenue.

- ▶ How is school tax credit determined

Formula for calculating the school levy tax credit:

Municipality's 3-Year Average School Levies

Statewide 3-Year Average School Levies

x Total Funding =

Municipality's
Credit

▶ Ex:
$$\frac{6,660,558}{4,832,905,497}$$

x 1,195,000,000 = \$1,646,911

LOTTERY CREDIT

► How is lottery credit determined

The amount of funds available for the lottery and gaming credit is determined in November of each year based on revenues generated from the Wisconsin Lottery, pari-mutuel on-track betting and bingo during the year.

To receive the Lottery Credit you must own the property and it must be your primary residence as of January 1st of the taxing year. You are only allowed one Lottery Credit.

FIRST DOLLAR CREDIT

- ▶ The First Dollar Credit is a reduction on the property tax bill for Wisconsin property owners. Every parcel containing real property improvements qualifies for the First Dollar Credit.
- ▶ This credit automatically applies to all qualifying properties so property owners do not have to apply for this credit.

Calculation of Tax Bills

- ▶ Once all of the pieces are received
 - ▶ The municipality enters the information into the Ascent Land Records System
 - ▶ Forwards all of the documentation on to the Treasurer's office
 - ▶ Entered information is verified
 - ▶ Tax bills are computed
 - ▶ Proofs are sent to the municipality
 - ▶ Once approved Tax bills are posted to the website and sent to the printers for mailing

TIMELINE - IN A PERFECT WORLD

- ▶ January 1 - Assessment process begins
- ▶ The second Monday of June Municipalities file their Statement of Assessments with the Department of Revenue
- ▶ August 15 - Final Equalized Values released
- ▶ Mid October - Release of the Full Value/Equated Manufacturing released along with Final Equated Statement of Assessment and Aggregate Ratio
- ▶ First Monday in November Schools and Technical Colleges release their Apportioned levy amounts to the Municipalities along with their referendum information.

TIMELINE - IN A PERFECT WORLD

- ▶ November 15 County files/emails the Apportionment sheet for the amounts levied against the municipalities including referendum information.
- ▶ Third Monday of November School Tax, First Dollar and Lottery Credit information is released by the Department of Revenue.
- ▶ Municipalities set their levy prior to the third Monday in December.
- ▶ Information entered into the County Land Records System and Documents forwarded to the County
- ▶ Taxes calculated and proofs created for municipalities to review and confirm they are ready for release
- ▶ Taxes posted on the website and are printed and mailed.

UNDERSTANDING YOUR TAX BILL

CITY OF MONROE
ATTN: CITY CLERK/TREASURER
1110 18TH AVE CITY HALL
MONROE WI 53566



349752/23251 37550000
DOUGLAS L HAWKINS
SHERRIL A HAWKINS
2511 14TH AVENUE
MONROE WI 53566

**GREEN COUNTY - STATE OF WISCONSIN
PROPERTY TAX BILL FOR 2022
REAL ESTATE**

HAWKINS, DOUGLAS L
HAWKINS, SHERRIL A

Parcel Number: 23251 37550000
Bill Number: 349752

Important: Be sure this description covers your property. Note that this description is for tax bill only and may not be a full legal description. See reverse side for important information.

Location of Property/Legal Description
2511 14TH AVE

LINCOLN HEIGHTS LOT 1
0.226 ACRES

The Tax Bill will identify
the County
The Year of the Tax Bill
Real Estate/Personal
Property

Name of the Owner
Parcel Number/Account²⁴
Number
Bill Number

Location of Property
(Site Address)

Brief Legal Description

Assessed Values is determined by the Assessor

Average Assmt Ratio is the Aggregate Ratio which is a comparison of the municipality's total locally assessed value to the Department's non-manufacturing based Equalized Value.

Net Assessed Value Rate is the Mill Rate that multiplied against (x) your total Assessed Value equals your gross tax.

Please inform treasurer of address changes.

ASSESSED VALUE LAND 16,500	ASSESSED VALUE IMPROVEMENTS 126,900	TOTAL ASSESSED VALUE 143,400	AVERAGE ASSMT. RATIO 0.779087329	NET ASSESSED VALUE RATE 0.02694541 <small>(Does NOT reflect credits)</small>
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Estimated Fair Market value is calculated by taking the Assessed Value divided by the Average Assmt Ratio (Aggregate Ratio) to the nearest hundred.

Just as it says if you have prior year taxes due there would be a * in the box.

School Taxes also reduced by school levy tax credit - a credit that directly reduces the amount of school taxes showing on your specific tax bill for the portion of just your taxes

Please inform treasurer of address changes.

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ESTIMATED FAIR MARKET VALUE LAND 21,200	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS 162,900	TOTAL ESTIMATED FAIR MARKET VALUE 184,100	<input type="checkbox"/> A star in this box means unpaid prior year taxes.	School taxes also reduced by school levy tax credit 240.37

NET PROPERTY TAX 3524.37

In this box you will see at the top your net tax. This amount will include any credits the tax parcel is eligible for (first dollar and lottery credit). Also in this box you will see special charges, special assessments, delinquent utilities, POWTS, and MFL charges against that tax parcel.

NET PROPERTY TAX	5042.87
Street Lighting	26.00
Garbage	75.00
POWTS	10.00

An Example of other charges you may see on your tax bill

ASSESSED VALUE LAND 2,400 Managed Frs	ASSESSED VALUE IMPROVEMENTS 0	TOTAL ASSESSED VALUE 2,400 3,100	AVERAGE ASSMT. RATIO 0.670210061	NET ASSESSED VALUE RATE 0.02097311 (Does NOT reflect credits)	NET PROPERTY TAX 50.34 MFL Clsd, \$9.49/ac 18.98
ESTIMATED FAIR MARKET VALUE LAND Managed Frs	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS See Reverse, Use Value Assessment	TOTAL ESTIMATED FAIR MARKET VALUE 4,600	<input type="checkbox"/> A star in this box means unpaid prior year taxes.	School taxes also reduced by school levy tax credit 5.80	

This is what a tax bill will look like if this parcel participates in the Managed Forest Land (MFL) Program through the Department of Natural Resources. As you can see there are two assessed values showing but only one fair market value. The Land value of \$2400 is in the agricultural assessment classification and is assessed much differently and not subject to displaying a fair market value. Therefore the Fair Market value is based upon just those acres that participate in the MFL program.

Although there is an assessed value these acres in the program are taxed by a per acre value. In this case they only pay \$9.49 per acres so this parcel only has two acres participating in the program.

It is required to show both current and prior information for the body of the tax bill.
 Taxing Jurisdictions are the entities that are allowed to levy taxes
 The Estimated State Aids are allocated by the state and sent directly to the taxing jurisdictions.
 The Net tax is broken down by Taxing Jurisdiction
 Percentage of change to see where the changes occurred from prior year.

TAXING JURISDICTION	2021 EST. STATE AIDS ALLOCATED TAX DIST.	2022 EST. STATE AIDS ALLOCATED TAX DIST.	2021 NET TAX	2022 NET TAX	% TAX CHANGE
Green County	353,627	364,377	753.54	802.52	6.5%
City of Monroe	2,205,779	2,195,911	1,396.28	1,430.81	2.5%
Monroe School	12,211,352	13,034,197	1,174.41	1,476.29	25.7%
BLACKHAWK TECH	745,390	801,124	154.01	154.34	0.2%
TOTAL	15,516,148	16,395,609	3,478.24	3,863.96	11.1%

The credits also show current and prior years and percentage of change. The credits are deducted from the Total Tax to give you the Net Property Tax. However this may not be your total tax due.

FIRST DOLLAR CREDIT	-69.02	-79.30	14.9%
LOTTERY AND GAMING CREDIT	-244.78	-260.29	6.3%
NET PROPERTY TAX	3,164.44	3,524.37	11.4%

Please inform treasurer of address changes.

ASSESSSED VALUE LAND 32,500	ASSESSSED VALUE IMPROVEMENTS 220,600	TOTAL ASSESSED VALUE 253,100	AVERAGE ASSMT. RATIO 0.699419535	NET ASSESSED VALUE RATE 0.02126614 <small>(Does NOT reflect credits)</small>	NET PROPERTY TAX 5042.87
ESTIMATED FAIR MARKET VALUE LAND 46,500	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS 315,400	TOTAL ESTIMATED FAIR MARKET VALUE 361,900	<input type="checkbox"/> A star in this box means unpaid prior year taxes.	School taxes also reduced by school levy tax credit 476.88	Street Lighting 26.00 Garbage 75.00 POWTS 10.00
TAXING JURISDICTION	2021 EST. STATE AIDS ALLOCATED TAX DIST.	2022 EST. STATE AIDS ALLOCATED TAX DIST.	2021 NET TAX	2022 NET TAX	% TAX CHANGE
Green County	60,459	62,207	1,515.34	1,593.38	5.1%
Town of Monroe	120,079	123,470	583.74	586.32	0.4%
Monroe School	2,080,875	2,218,010	2,347.87	2,899.22	23.5%
BLACKHAWK TECH	127,438	136,769	307.96	303.54	-1.4%
TOTAL	2,388,851	2,540,456	4,754.91	5,382.46	13.2%
FIRST DOLLAR CREDIT			-69.02	-79.30	14.9%
LOTTERY AND GAMING CREDIT			-244.78	-260.29	6.3%
NET PROPERTY TAX			4,441.11	5,042.87	13.5%

TOTAL DUE: \$5,153.87
FOR FULL PAYMENT
PAY BY:
JANUARY 31, 2023

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.

If you have any specials in the Net Property Tax box, those will be added to your "Net Property Tax" total for your "TOTAL DUE" amount

Referendums

This area of the tax bill shows if there were any referendums that impacted the tax bill.

It shows the Taxing Jurisdiction, the total referendum levied against that municipality, the individual tax impact to that specific parcel and the year that the referendum will no longer show on the tax bill.

FOR INFORMATION PURPOSES ONLY • Voter Approved Temporary Tax Increases

Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends	Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends
Monroe School	2,048,514	368.79	2043				
Monroe School	1,173,618	211.29	2024				
Monroe School	929,266	167.30	2024				
Green County	185,375	33.37	2025				

Payment Information

The stubs on the bottom of the tax bill provide the installment option amounts and the PAY FULL AMOUNT. The due dates are provided. Who to make your checks payable to along with where the payment can be mailed.

PAY 1ST INSTALLMENT OF: \$1,632.04

BY JANUARY 31, 2023

AMOUNT ENCLOSED _____

MAKE CHECK PAYABLE AND MAIL TO:

CITY OF MONROE
ATTN: CITY CLERK/TREASURER
1110 18TH AVE CITY HALL
MONROE WI 53566

PIN# 23251 37550000
HAWKINS, DOUGLAS L
BILL NUMBER: 349752



INCLUDE THIS STUB WITH YOUR PAYMENT

PAY 2ND INSTALLMENT OF: \$1,892.33

BY JULY 31, 2023

AMOUNT ENCLOSED _____

MAKE CHECK PAYABLE AND MAIL TO:

GREEN COUNTY TREASURER
1016 16TH AVE
MONROE, WI 53566-1702

PIN# 23251 37550000
HAWKINS, DOUGLAS L
BILL NUMBER: 349752



INCLUDE THIS STUB WITH YOUR PAYMENT

PAY FULL AMOUNT OF: \$3,524.37

BY JANUARY 31, 2023

AMOUNT ENCLOSED _____

MAKE CHECK PAYABLE AND MAIL TO:

CITY OF MONROE
ATTN: CITY CLERK/TREASURER
1110 18TH AVE CITY HALL
MONROE WI 53566

PIN# 23251 37550000
HAWKINS, DOUGLAS L
BILL NUMBER: 349752



INCLUDE THIS STUB WITH YOUR PAYMENT

Calculating the installment options are a little complicated. You would take the “Total” of the Net Tax prior to credits being applied (-) minus the First Dollar Credit. Divide this total by 2. This is the amount of the 2nd installment. To calculate the 1st installment you must deduct the amount of the lottery credit and add special assessments and/or taxes in the Net Property Tax Box. This will be the amount of the 1st installment.

Example: \$5,382.46 - \$79.30 = \$5303.16

\$5303.16 divided by 2 = \$2,651.58 (amount of 2nd installment)

\$2651.58 - \$260.29 = \$2,391.29

\$2,391.29 + \$26.00 + \$75.00 + \$10.00 = \$2502.29 (amount of 1st installment)

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TOTAL DUE: \$5,153.87
FOR FULL PAYMENT
PAY BY:
JANUARY 31, 2023
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.

PAY 1ST INSTALLMENT OF: \$2,502.29
 BY JANUARY 31, 2023
 AMOUNT ENCLOSED _____
 MAKE CHECK PAYABLE AND MAIL TO:
 GREEN COUNTY TREASURER
 1016 16TH AVE
 MONROE WI 53566 1702

PAY 2ND INSTALLMENT OF: \$2,651.58
 BY JULY 31, 2023
 AMOUNT ENCLOSED _____
 MAKE CHECK PAYABLE AND MAIL TO:
 GREEN COUNTY TREASURER
 1016 16TH AVE
 MONROE, WI 53566-1702

PAY FULL AMOUNT OF: \$5,153.87
 BY JANUARY 31, 2023
 AMOUNT ENCLOSED _____
 MAKE CHECK PAYABLE AND MAIL TO:
 GREEN COUNTY TREASURER
 1016 16TH AVE
 MONROE WI 53566 1702

Back Page of Tax Bill

Payment	Pay your property taxes to the appropriate treasurer as identified on the front of this tax bill.
Failure to Pay Timely	If your tax bill qualifies and if you choose to pay your taxes in installments, you must pay each installment on or before 5 working days after the due date or the TOTAL amount of your remaining unpaid taxes, special assessments, special charges and special taxes (if any) will be delinquent. (sec. 74.11(7), 74.12, or 74.87, Wis. Stats.) All delinquent taxes are subject to interest of 1% per month (fraction of a month counts as a whole month) from February 1 until paid and may be subject to an additional penalty. (sec. 74.47, Wis. Stats.) The payment <u>must</u> be received by the treasurer within 5 working days of the due date.
Personal Property	Personal property taxes, except improvements on leased land, must be paid in full on or before 5 working days after January 31 or the taxes are delinquent.
Receipts	Provide/include a copy of this tax bill or payment stub with your check. If you are requesting a receipt, enclose a self-addressed, stamped envelope. If making payment by check, your tax receipt is not valid until the check has cleared all financial institutions.
Estimated Fair Market Value	In addition to the assessed value, Wisconsin law requires that your taxation district show the estimated fair market value of taxable property on property tax bills for all classifications except agricultural land. This estimated fair market value reflects the approximate market value of your property as of January 1 of the year shown at the top of this bill. Note: Land classified undeveloped or agricultural forest is assessed at 50% of market value under Wisconsin law. Additional property value information may be available on your municipality or county website. (See below: Use Value Assessment)
Referenda / Resolutions	For informational purposes only – Wisconsin law requires information to be displayed for any temporary property tax increases approved through a referendum or resolution by a county, municipality, school district, or technical college. If you would like more information, contact the appropriate district directly.
Use Value Assessment	Wisconsin law does not require that the estimated fair market value be shown for agricultural land. Any parcel benefiting from use value assessment may be subject to a penalty under sec. 74.485, Wis. Stats., if the use of the parcel changes. For more information, contact your local assessor or the Wisconsin Department of Revenue, PO Box 8971, Madison WI 53708-8971.
Additional Tax Credits and Programs Available	<p>Certain Wisconsin property owners and renters may qualify for additional tax credits and/or assistance under special programs administered by the Wisconsin Department of Revenue (DOR), Wisconsin Department of Administration (DOA), the Department of Agriculture, Trade and Consumer Protection (DATCP), and Wisconsin Housing and Economic Development Authority (WHEDA). Some income and residency restrictions apply. For more information on several of these programs, visit the DOR website: revenue.wi.gov.</p> <p><u>Income Tax Credits</u> – Wisconsin Department of Revenue, PO Box 8949, Madison WI 53708-8949</p> <ul style="list-style-type: none">• Homestead credit – dorhomesteadcredit@wisconsin.gov• Farmland preservation credit – dorfarmlandpreservationcredit@wisconsin.gov• School property tax credit – dorincome@wisconsin.gov• Veterans and surviving spouses property tax credit – dorincome@wisconsin.gov <p><u>DATCP Credit</u> – Wisconsin Department of Agriculture, Trade and Consumer Protection, Box 8911, Madison WI 53708-8911</p> <ul style="list-style-type: none">• Farmland preservation credit <p><u>Loan Assistance</u> – WHEDA, PO Box 1728, Madison WI 53701-1728</p> <ul style="list-style-type: none">• Property tax deferral loans for the elderly – underwriting@wheda.com <p><u>Property Tax Credits</u> – Wisconsin Department of Revenue 6-97, PO Box 8971, Madison WI 53708-8971</p> <ul style="list-style-type: none">• Lottery and gaming credit – lgs@wisconsin.gov• First dollar credit – lgs@wisconsin.gov• School levy tax credit – lgs@wisconsin.gov <p><u>Division of Energy, Housing and Community</u> – Various Resources Available</p> <ul style="list-style-type: none">• Apply online for WHEAP benefits: https://energybenefit.wi.gov, or to complete a phone application, contact your local agency or call the statewide Customer Care Center at 1-800-506-5596

CITY OF MONROE
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 MONROE WI 53566



349752/23251 37550000
 DOUGLAS L HAWKINS
 SHERRIL A HAWKINS
 2511 14TH AVENUE
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**GREEN COUNTY - STATE OF WISCONSIN
 PROPERTY TAX BILL FOR 2022
 REAL ESTATE**

HAWKINS, DOUGLAS L
 HAWKINS, SHERRIL A

Parcel Number: 23251 37550000
 Bill Number: 349752

Important: Be sure this description covers your property. Note that this description is for tax bill only and may not be a full legal description. See reverse side for important information.

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 0.226 ACRES

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FOR INFORMATION PURPOSES ONLY - Voter Approved Temporary Tax Increases

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PIN# 23251 37550000
 HAWKINS, DOUGLAS L
 BILL NUMBER: 349752

PAY 2ND INSTALLMENT OF: \$1,892.33
 BY JULY 31, 2023

AMOUNT ENCLOSED _____
 MAKE CHECK PAYABLE AND MAIL TO:

GREEN COUNTY TREASURER
 1016 16TH AVE
 MONROE, WI 53566-1702

PIN# 23251 37550000
 HAWKINS, DOUGLAS L
 BILL NUMBER: 349752

PAY FULL AMOUNT OF: \$3,524.37
 BY JANUARY 31, 2023

AMOUNT ENCLOSED _____
 MAKE CHECK PAYABLE AND MAIL TO:

CITY OF MONROE
 ATTN: CITY CLERK/TREASURER
 1110 18TH AVE CITY HALL
 MONROE WI 53566

PIN# 23251 37550000
 HAWKINS, DOUGLAS L
 BILL NUMBER: 349752



INCLUDE THIS STUB WITH YOUR PAYMENT



INCLUDE THIS STUB WITH YOUR PAYMENT



INCLUDE THIS STUB WITH YOUR PAYMENT

That is the explanation of What information is needed, where the information comes from, how it is calculated and where that information is on the tax bill.

Any Questions?



3934 - New Glarus

2023 Equalized Valuation (TID-Out) \$782,585,373

		<u>2023 Municipality Equalized Valuation</u>	<u>2023 District Equalized Valuation</u>	<u>Percent Applicable to District</u>	<u>2024 Municipality Equalized Valuation</u>	<u>% Increase / Decrease over Previous Year</u>	<u>Estimated 2024 District Equalized Valuation</u>
13 040	T. Montrose	\$218,360,000	\$664,523	0.3%	\$235,013,000	7.6%	\$715,202
13 044	T. Perry	\$128,101,700	\$12,578,684	9.8%	\$145,955,300	13.9%	\$14,331,782
13 048	T. Primrose	\$143,203,300	\$63,713,670	44.5%	\$162,697,100	13.6%	\$72,386,805
23 002	T. Adams	\$79,920,400	\$2,535,984	3.2%	\$95,547,200	19.6%	\$3,031,844
23 014	T. Exeter	\$367,090,900	\$57,264,397	15.6%	\$405,626,000	10.5%	\$63,275,685
23 024	T. New Glarus	\$287,119,900	\$285,889,878	99.6%	\$340,335,700	18.5%	\$338,877,701
23 030	T. Washington	\$121,912,500	\$3,721,865	3.1%	\$146,874,100	20.5%	\$4,483,917
23 032	T. York	\$168,692,400	\$71,506,172	42.4%	\$201,906,000	19.7%	\$85,584,918
23 161	V. New Glarus	\$284,710,200	\$284,710,200	100.0%	\$282,011,100	-0.9%	\$282,011,100

TRUE **\$782,585,373**

Estimated 2024 Valuation: **\$864,698,954**

Counties included: 13 - Dane
23 - Green

10.5%
(Increase)

Source: Department of Revenue website August 2024

Please note: This information is provided as an estimate only based on municipal valuation changes for 2024. If a municipality is in multiple school districts, there could be large variations between this estimate and the final school district equalized values released on October 1st by the Wisconsin Department of Revenue.

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Navigating the Property Tax

Understanding Property Valuation and Taxation in Wisconsin

The property tax is Wisconsin's largest, oldest, and most confusing tax. At least five governments use the tax, and two different methods of valuing property are used to distribute taxes among property owners. One source of confusion arises when tax rates and levies move in opposite directions, a common occurrence over the past 20 years. In addition, property owners are often unaware of how changing property values, both within a municipality and among municipalities, can cause individual property tax bills to rise, even when levies are "frozen."

No tax produces more confusion, more questions, and more misleading information than the property tax. That is to be expected: Multiple governments levy the tax and two different methods are used to value property.

December is property tax time in Wisconsin and questions abound, including:

- Why did the school property tax rate decline, yet my school taxes rose?
- Why did my property taxes increase more than my friend's from across town?
- My property tax bill lists two values for my property. Which one is correct?

Understanding a few key concepts can help citizens navigate the often murky waters of Wisconsin's property tax and get a better handle on annual changes in their bill.

WHO TAXES?

The property tax is not easy for taxpayers, the press, or public officials to understand. This is not surprising. At least five units of government rely on property tax revenues. Moreover, it is not always the same local government that assesses, prepares tax bills, and receives payments.

Property Tax Users

To chart a course through the confusion that is the property tax, a good place to start is to determine

which governments rely on it. The four main users are K-12 schools, municipalities, counties, and technical colleges. Other users include the state and various special districts.

K-12 schools are the largest user of Wisconsin's property tax, levying \$4.7 billion, or 44.3% of last year's \$10.61 billion gross levy (see Figure 1 on page 2). Municipalities are next in line: Towns, villages, and cities levied 27.5% of the 2014 total, which includes levies for tax incremental finance (TIF) districts. The state's 72 counties levied 19.0% of the total. The last of the major users are the 16

Also in this issue:

Wisconsin Birth Rates Continue to Fall • School Aids Rise, Vary

technical college districts, which levied 7.5% of the total. Combined, these four local governments accounted for more than 98% of all Wisconsin property taxes in 2014.

The remainder is levied either by the state (0.7%) to pay for forestry programs, or by other small taxing districts (e.g., lake or sanitary districts).

Property Tax Limits

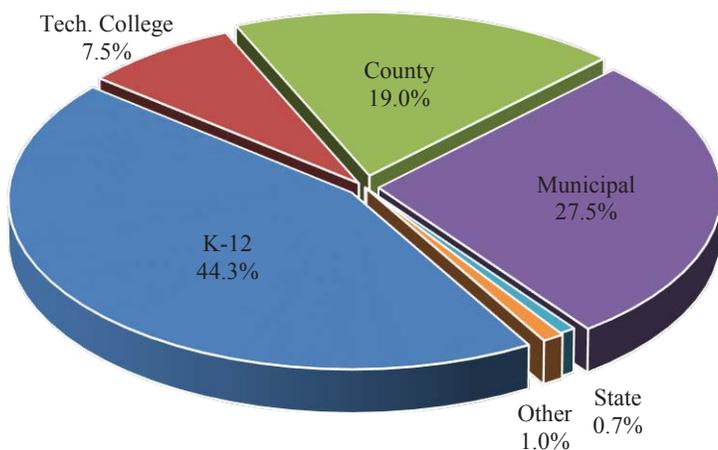
All major users of the property tax are now limited in how much they can increase their levies each year.

K-12 Schools. Since 1993-94, K-12 schools have faced state-imposed revenue limits. Technically, the state limits the combination of school property taxes and general state school aid, so the caps are really an indirect limit on property taxes. If state aids remain unchanged or decline while the revenue limit rises, school officials are allowed to raise property taxes up to their cap. Districts can also exceed their revenue limits with voter approval.

School revenue limits were tightened in recent years. Historically, the limits grew with enrollment and inflation. However, in 2010 and 2011, allowable increases were less than inflation, and in 2012, they were cut 5.5%. Since then, modest increases have been allowed. Total school levies declined 1.0% in 2012, then rose 0.2% and 0.8%, respectively, in subsequent years.

Municipalities and Counties. Since 2006, the state has also limited municipal and county levy increases. Until 2011, allowable increases ranged from 2% to 3.86%, plus an allowance for new construction added to the tax rolls. Since 2012, no levy increase, except for new construction, has been without voter approval.

Figure 1: Who Levies Property Taxes?
Share of Statewide Total Levy by Taxing District, 2014
(Total = \$10.61 Billion)



Exceptions to the limits are allowed for general obligation debt service and levies for tax incremental finance districts. Over the past three years, municipal levies statewide have increased between 1.5% and 2.0%; county levies, between 0.7% and 1.2%

Technical Colleges. Starting with tax year 2015 (December 2014 bills), Wisconsin’s technical college revenues are limited in a way similar to those for schools. Limited revenues are the combination of property taxes and state aids and can increase at the rate of new construction. Technical college levies have risen 2.0% or less in each of the past four years.

Setting Levies

Many local governments begin developing their budgets in the spring or summer and finalize them in the fall. Subject to the limits described, local officials set property tax levies when budgets are finalized in October or November. Levies for technical colleges, K-12 schools, and counties are then divided among underlying municipalities. Municipal totals are then apportioned to property owners. The graphic on page 7 illustrates how local property tax levies make it to the property tax bill.

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PROPERTY TAX RATES

One of the most common sources of confusion among property owners at tax time is what they read, hear, and eventually see about levies and tax rates.

When their budgets are finalized, local governments determine the amount of property taxes, subject to state limits, they need from citizens (i.e., the levy). At that time, they also know the total value of taxable property in their taxing jurisdiction (municipality, school district, county, etc.). The tax rate results from dividing the levy by total taxable property value.

$$\text{Tax Rate} = \frac{\text{Tax Levy}}{\text{Total Property Value}}$$

Unlike sales or income tax rates, which are fixed in state law, property tax rates float each year as levies and values change.

For example, suppose a school district sets its property tax levy at \$500,000 in October. If the district's total property value is \$50 million, then the school tax rate is \$500,000 divided by \$50 million, or 0.01. Usually, the rate is expressed as taxes required for each \$1,000 of value. In this case, the rate would be \$10 for every \$1,000 of value.

Changing Tax Rates

As mentioned, property tax rates depend on both levies and values. Because the two can move in the same or in opposite directions, there is much opportunity for taxpayers to be misled by comments about levies and rates made by officials and the press. Table 1 illustrates some possibilities.

In the earlier example, a school district with \$50 million of property value levied \$500,000 at a tax rate of 0.01, or \$10 per \$1,000 of value. Now suppose that in each of the next three years, the levy increases 5% (columns 1 and 2). However, the school tax rate declines, then remains unchanged, and then increases. Each outcome depends on changes in property values.

❶ In the first year, district property values jump 10% from \$50 million to \$55 million. Values (+10%) increase more than the levy (+5%), so the tax rate drops to \$9.55 per \$1,000. Local officials and the press sometimes highlight the falling rate, leading citizens to believe mistakenly that property taxes are declining. In fact, property taxes are rising in this example.

Table 1: Levy and Rate Changes Can Vary
How Value and Levy Changes Affect Property Tax Rates

Property Tax Levy		Property Value		Tax Rate	
Chg.	Amount	Chg.	Amount	↑↓	Per \$1,000
	\$500,000		\$50,000,000		\$10.00
❶ +5% →	525,000	+10% →	55,000,000	↓	9.55
❷ +5% →	551,250	+5% →	57,750,000	↔	9.55
❸ +5% →	578,813	+2% →	58,905,000	↑	9.83

Rapidly-rising values were common in Wisconsin during much of the 1990s and early 2000s. Annual increases of 6%-to-9% were common. Property tax levies were also increasing—but at a slower rate. As a result, tax rates fell.

❷ In the second year of the example, values rise 5%. With value change matching the levy change, the tax rate remains unchanged. Again, note that the unchanged rate masks a 5% increase in the levy.

❸ Finally, in the third year, values grow less than levies, and the tax rate rises. This is what has happened in recent years in parts of Wisconsin. Property tax levies increased little or even fell. Yet, declining property values resulted in higher rates.

Equalized or Assessed Rates

When property owners read about tax rates, they may also be unaware that there are two types—equalized-value rates and assessed-value rates. The rate calculation is the same as shown above. However, one uses current market (or equalized) property values and the other uses assessed values, and the two should not be used interchangeably. These two value types are clarified in the forthcoming discussion.

PROPERTY VALUES

Recall that setting a tax rate depends on two factors: The levy—the amount of property taxes a local government wants—and the value of the land and buildings being taxed. Wisconsin uses two methods to value property, and they are often confused.

Assessed Values

Most homeowners are familiar with their assessed value—the value of their property set by a local assessor. Assessors establish values after reviewing the sale prices of similar properties nearby and sometimes by inspecting the property.

By law, a property is to be assessed at full value; that is, the price at which it would sell on the open

market. Assessed values may be current, or they may be several years old. State law requires that the total assessment of various property types (e.g., residential or commercial) each be within 10% of fair-market value at least once every four years.

Some municipalities have an assessor’s office that updates values annually, usually with the help of computerized systems. Other municipalities, particularly smaller ones, contract with a private assessor or firm to do a revaluation once every few years. A revaluation brings assessments in line with market values. Revaluations are often completed by April or May in time for the board of review (see gray box, page 6).

Why Important? Assessments are the cornerstone of the property tax system. Property taxes owed are determined by multiplying an owner’s assessment by the local tax rate.

But beyond tax rate calculation, assessed values are fundamental to understanding how the entire property tax system works. Here is why: An individual owner’s share of total municipal assessed value is the same as his or her share of taxes due. If a home represents 1% of total municipal assessed value, then the owner pays 1% of the property taxes in the municipality. In other words, assessed values determine how a community’s total property tax will be divided among individual property owners.

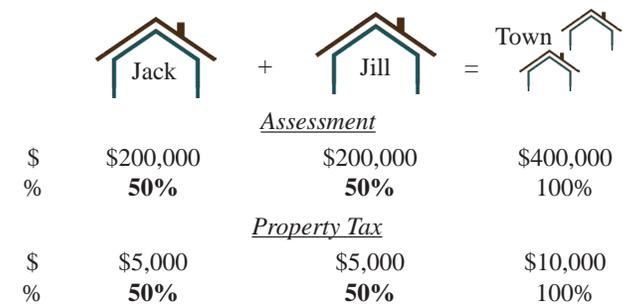
Another example reinforces the point: Consider a village with a \$100,000 levy and assessed value totaling \$20 million. The levy is distributed to each taxpayer based on his or her share of total assessed value. Thus, the owner of a home assessed at \$200,000 is billed for 1% (\$200,000 divided by \$20 million) of the \$100,000 levy, or \$1,000. Note that the owner’s assessment directly affects his or her property tax bill.

Assessment Changes. When a property is revalued, its assessed value may increase, decrease, or stay the same. Property improvements, such as a new room or garage, are likely to increase value. A contaminated water supply or failing septic system might have the opposite effect. Change in value also reflects the strength or weakness of the local real estate market.

One of the most confusing aspects of the property tax is how to interpret the tax impact of an assessment change. Almost without exception, owners are convinced that an assessment increase means a tax increase when the opposite might also be true.

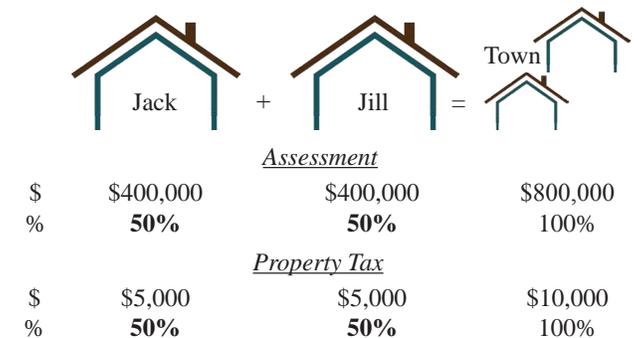
An oversimplified illustration follows. Suppose “Smalltown” has only two properties, one owned by Jack and one by Jill. Each home is valued at \$200,000, so town value totals \$400,000. Note that each property represents half the town’s value. If the town levy is \$10,000, then Jack and Jill are each responsible for half of that, or \$5,000. Both Jack’s and Jill’s share of the tax levy are the same as their share of the town’s value (see Figure 2).

Figure 2: Assessments and Taxes in “Smalltown”
Lesson: Share of Assessment Equals Share of Property Taxes



Now, suppose the town levy remains unchanged at \$10,000 but properties are revalued. Both homes double in value to \$400,000, and the town’s total assessed value is now \$800,000 (see Figure 3). Even though each assessment has doubled, tax bills remain unchanged: Jack and Jill each continue to account for half the town’s value and each pays half the levy, or \$5,000.

Figure 3: Smalltown Revaluation I: Taxes Unchanged
Lesson: If All Values Increase Same, No Property Tax Increase



Smalltown’s experience suggests another property tax rule of thumb. If all properties increase in value by the same percentage and the total levy is unchanged, the tax on each property will remain unchanged. Likewise, if all values decline by the same percentage and the levy is constant, tax bills remain the same. It is when values grow at different rates that tax shifting occurs (see page 5).

Assessment Appeals. If a property owner believes her assessment is incorrect, she may appeal it. However, that appeal must be timely—in the spring, and not in December when property tax bills arrive. How to appeal an assessment is outlined on page 6.

Equalized Values

A problem arises with assessed values when a school, a technical college district, or a county includes several municipalities. One municipality may not have updated its property values and is assessing at 90% of market value, while another might keep its assessments current and be at 100% of market value. This difference means that identical homes could be valued differently in the two communities, one at \$90,000 and the other at \$100,000.

This potential discrepancy in assessments between municipalities is why Wisconsin uses a second form of valuation—equalized values—which are often confused with assessed values.

Equalized value differs from assessed value in three important ways. First, it does not measure the value of individual properties; it measures the value of groups of properties, often an entire municipality. Second, equalized values are estimated by the Wisconsin Department of Revenue, not by local assessors. Third, equalized values are estimates of current fair-market value, while assessed values can be several years out of date. Equalized values are estimated as of January 1 and reported on August 15 of each year.

How Are They Used? Equalized values are used by schools, counties, and technical colleges in a manner similar to the way municipalities use assessed values. Property tax levies are apportioned to underlying municipalities based on their shares of total equalized values.

For example, a school district with \$50 million of equalized value is comprised of a city with 60% (\$30 million) of the value and a town with 40% (\$20 million). Of the \$500,000 school levy, 60% (\$300,000) is assigned to the city for collection from individual taxpayers, while 40% (\$200,000) is assigned to the town.

Equalized values avoid local differences in assessment timing and provide a uniform estimate of market value throughout the state. Thus, they enable a “fair” distribution of property tax levies in counties and educational districts.

TAX SHIFTING . . .

The prior discussion of property values explains how tax levies are distributed, first from counties and schools to underlying municipalities, and then from municipalities to local property owners. Values also play a hidden role in the state property tax system.

Taxpayers understand that rising municipal, school, or county levies usually translate into higher property tax bills. However, what many do not understand is how different rates of value growth among municipalities, or within a municipality, can also affect their bill. This leads to the painful topic of tax shifting, probably the least understood aspect of the property tax.

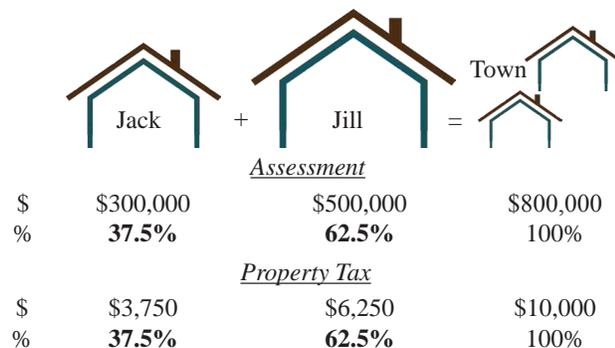
. . . From Changing Assessed Values

Return to the two-home town example. If the property tax levy is unchanged, even when both assessments doubled from \$200,000 to \$400,000, tax bills did not change. Before and after revaluation, each home accounted for half of town value and paid half the \$10,000 levy.

But what if Jack’s home increased in value by 50% to \$300,000, while Jill’s more than doubled to \$500,000? Even with no change in the levy, tax bills will change.

The reason goes back to the “share of value equals share of tax” rule of thumb. While each house formerly accounted for 50% of town value, Jack’s now accounts for 37.5% ($\$300,000 \div \$800,000$) while Jill’s accounts for 62.5% ($\$500,000 \div \$800,000$). Jack is billed for 37.5% of the \$10,000 levy, or \$3,750; Jill 62.5% or \$6,250. Even with no change in the town levy, Jack receives a property tax cut, while Jill sees an increase (see Figure 4).

Figure 4: Smalltown Revaluation II: Taxes Shift
Changing Valuations Can Shift Property Tax Burdens



. . . From Changing Equalized Values

When assessed values change at different rates, individual tax burdens shift, as shown above. This

same dynamic can occur when equalized values change. Once again, equalized values are used to distribute school, county, and technical college levies to underlying municipalities. If one town's equalized value increases faster than others', its share of district value—and total tax levy—will also rise.

The prior school example is instructive. The district had \$50 million of equalized value, \$30 million in a city and \$20 million in the neighboring town. Of the total \$500,000 levy, 60% (\$300,000) was apportioned to the city and 40% (\$200,000) to the town.

Suppose strong demand for lake property helps increase the town's equalized value by 50% to \$30 million, while city values remain the same. The school district's total equalized value is now \$60 million, with each municipality claiming half.

The school levy remains unchanged at \$500,000, but the town and city are now each responsible for half (\$250,000). The city's portion of the school levy declines \$50,000 from \$300,000 in the prior year, while the town's portion rises by the same amount. As those levies are then distributed to local taxpayers, city residents experience a school tax cut, while town residents see an increase—despite no school levy change.

This is why taxpayers often question “tax freeze” claims. Even if all property tax levies are frozen, differential value change causes a shift in the allocation of those levies. In the end, some taxpayers experience property tax increases, despite promises of a freeze.

The Perfect Storm?

Put property-value changes within a municipality (revaluation) together with equalized value changes across municipalities, and the result is a “double whammy” for taxpayers. More of the school, county, and technical college levies move to communities with faster-rising equalized values. And within those communities, fast-appreciating properties represent a growing share of assessed values, and their owners pay a larger share of the tax.

A final layer of complexity is then added to the tax bill. The school levy might be rising 2%, the county levy 3%, and the municipal levy 1%. When these varying levy changes are added to the tax shifting described above, property owners face a “perfect storm.” With all of the subtle complexities of the property tax, it is no wonder it is the state's most disliked tax. □

Assessment Appeals

Upon completion of a revaluation or reassessment, property owners receive a notice of the new assessed value. If the owner believes the assessment is too high, he or she can appeal. However, owners who refuse an assessor's written request by certified mail to view the property cannot contest their assessment. Moreover, a taxpayer who waits until the property tax bill arrives in December has no recourse.

A local board of review hears and decides property assessment appeals. The board must schedule its first meeting in the 30 days after the second Monday in May, but it may schedule a later date if assessments are not completed. Written or verbal notice of intent to file an objection must be provided to the board of review's clerk at least 48 hours prior to the board's first meeting.

An owner who is unhappy with his or her assessment should first talk with the local assessor. Municipalities hold an “open book” where assessments may be reviewed and the assessor questioned. The assessment roll must be open for a minimum of two hours prior to the board of review's first meeting. An individual who believes a property is unfairly assessed must file an objection during these two hours.

In deciding to appeal, a taxpayer should be aware that the assessor's value is presumed correct unless proved otherwise by factual evidence presented at the hearing. Also, small percentage differences in value are not sufficient to warrant a change.

The property owner is expected to establish what he or she feels is the fair market value of the property during the appeal. If the owner's property was recently purchased, the purchase price is the best evidence of fair market value. The next best indicator of current market value is sale of comparable properties in the area. These properties are affected by similar factors, such as proximity to schools, parks, shopping, or employment.

Taxpayers considering an appeal should call their municipal clerk to verify dates for the open book period and the board of review meeting. Those pursuing an appeal must follow appeals process guidelines.

Individuals dissatisfied with the decision of a board of review have two additional appeal options. First, they may ask the Wisconsin Department of Revenue to review the board's decision. Requests must be filed within 20 days of the board's decision.

Second, taxpayers may also challenge the board of review's decision or DOR's ruling in circuit court. The court does not hear new evidence; rather, it looks at the prior record and either upholds or invalidates the assessment. That is why it is important to present all evidence related to a property's assessment during the board of review meeting. □

Understanding the Property Tax Process

How Local Property Tax Levies Make it to Your Property Tax Bill

(1) January 1: Equalization Process Begins.

The Wisconsin Department of Revenue (DOR) begins estimating equalized (fair market) values for all taxing jurisdictions in the state.

(2) Spring: Local Assessments. Municipal assessment updates are usually completed by spring. Assessed values are used to distribute to local property owners all property taxes apportioned to the municipality, including those for schools, counties, and technical colleges. To illustrate, consider John and Jane Doe, whose home is assessed at \$200,000. They live in Badgerville, where assessments of all taxable property total \$200 million. Given their share of total value ($\$200,000 \div \$200,000,000=0.1\%$), the Does will be billed for 0.1% of all property taxes Badgerville collects.

Does' assessment: \$200,000 \div Total Badgerville assessment: \$200,000,000 = 0.1% Does pay 0.1% of all Badgerville property taxes.

(3) August 15: Equalized Values Set. DOR reports equalized values for local taxing jurisdictions. These values are used to apportion tax levies from schools, counties, and technical colleges to underlying municipalities. For example, Badgerville has \$210 million in total equalized values (equalized values do not necessarily equal assessed values). The county in which it is located has \$2 billion of equalized property value. Since Badgerville's values are 10.5% of the county total, it is responsible for 10.5% of the county levy.

Badgerville eq. values: \$210 million \div County eq. values: \$2 billion = 10.5% Badgerville is apportioned 10.5% of county levy

(4) October/November: Property Tax Levies Set. The budget process for most local governments begins in the spring or summer, and concludes in October or November. That is when property tax levies are set.

(5) November/December: Tax Levies Apportioned. After all local governments have set their levies, those tax totals are apportioned to underlying municipalities. Here, the county levy is \$8 million. Since Badgerville's equalized values accounts for 10.5% of total county values, it is responsible for 10.5% of the county levy, or \$840,000.

County levy: \$8 million \times Badgerville share of eq. values: 10.5% = \$840,000 County levy apportioned to Badgerville

(6) December: Property Tax Bills Prepared and Mailed. After total levies have been apportioned to municipalities, local officials use assessed values to calculate individual property tax bills. Total property taxes billed to Badgerville residents is \$4 million. The assessed value of the Doe's property is 0.1% of the total, thus they are billed for 0.1% of the total, or \$4,000.

Total levies assigned to Badgerville: \$4,000,000 \times Does' assessment share: 0.1% = \$4,000 Does' property tax



Wisconsin Taxpayers Alliance

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WISTAX NOTES

Wisconsin Births Continue to Fall. The number of babies born in Wisconsin declined in 2013 for the sixth consecutive year. Last year's drop was 663. The 66,566 births in 2013 was the lowest number since 1997.

Declining births have long-term implications for Wisconsin's economy and government. During 2009-13, about 341,000 children were born in Wisconsin. Many will enter the workforce in about 20 years, but they will replace a much larger group who will be retiring. For example, the size of Wisconsin's 41-to-45 year old population is approximately 375,000. It is challenging to increase employment when there are not enough workers to replace retirees.

In the near term, the decline in births will impact K-12 schools. In many parts of the state, declining enrollment is a problem as school revenues are tied directly to the number of students. With birth rates continuing to fall, the financial challenges associated with declining enrollment will only continue.

School Aids Rise, Vary. The state is providing an additional \$85.5 million in general school aids for 2014-15. However, not all districts will receive more, due to variations in district spending, enrollment, and property values.

In 220 districts, aids are rising by a total of \$120.2 million, while in 202 districts, aids are falling a total of

\$34.7 million. General school aids will total \$4.35 billion in 2014-15.

Wisconsin's school aid formula distributes funds each year based on spending and property values per student. In general, districts with more value per student are aided less; those with less are aided more.

However, declining school aid does not necessarily mean school spending is also falling (or vice versa). Wisconsin schools face state-imposed revenue limits, which cap the amount of revenue districts can collect from a combination of general school aid and local property taxes. This year, all districts are allowed a \$75 per student increase in their limits. The state is also providing a \$150 per student aid payment (up from \$75 last year) that is not subject to revenue limits. The net effect is a \$150 per student increase in district revenues. □

UNITED STATES POSTAL SERVICE STATEMENT OF OWNERSHIP, MANAGEMENT, AND CIRCULATION. Table with 12 numbered items and a circulation table with columns A, B, C, D, E, F, G, H, I and values.

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support. In accordance with IRS regulations, WISTAX financial statements are available on request.



Property Assessment

Understanding Property Valuation and Shifting Tax Burdens

While assessments are fundamental to Wisconsin's property tax system, most property owners know little about them even though they can impact their property tax bill. Property revaluations do not necessarily mean tax increases, but can lead to a shifting of the tax. Property tax bills are also affected by changes in equalized values, or state estimates of the current fair market value of taxable property.

Each November, newspapers around the state report on municipal, county, and school property tax levies set by local officials. In December property owners are billed for their share of those levies.

Often, those bills spark questions, such as:

- Why did my school property taxes increase when the school levy was unchanged this year?
- My assessment increased 10% last year after the town revalued properties, yet my taxes declined. Why? or
- The assessed value of my property has not changed for the past three years, yet my property taxes keep increasing. How can that be?

To be sure, property tax levies play a large role in determining individual tax bills. That said, answers to the above questions have more to do with property valuation.

Taxpayers often underestimate the role of valuation in Wisconsin's property tax system. In Wisconsin, two measures of value—assessed and equalized—are used to apportion property taxes. Uneven changes in either can shift property taxes between property owners, resulting in higher bills even when levies are unchanged.

ASSESSMENT BASICS

Why Assess?

In order to impose a tax, government officials must know an item's value or, in some cases, the quantity

sold. The sales tax is applied to the price of the good or service purchased. The income tax is imposed on the dollar value of wages and investment earnings. Gas taxes and cigarette taxes are applied to each gallon or pack, respectively.

Similarly, the property tax is applied to the value of property. However, while prices and incomes are known with a high degree of certainty, property values are often not.

For a recently sold home, market value is typically the selling price.

Also in this issue:

CAFR Facts: GAAP Deficit Falls; State Debt Little Changed

Here's how to continue receiving reports like these ...

THE WISCONSIN TAXPAYER
Vol. 80, Number 9 | September 2012

Badger State Business Taxes More Than Just the Corporate Income Tax

Wisconsin businesses paid more than \$8.5 billion in state and local taxes in 2011. The largest business tax was the property tax, accounting for over half the total. Businesses also paid more than \$7 billion in sales (16% of the total) and unemployment (12%) taxes. The corporate income tax—the most often discussed business tax—was only 10% of the total. As a percent of private sector output, Wisconsin's business taxes ranked 31st nationally, although the state's unemployment, corporate income, and property taxes ranked in the top half of states.

Tax rhetoric inevitably heats up during election years, and one part of the debate centers on business taxes. Some view businesses as important to job creation and focus on lessening or simplifying the tax burden on them. Others emphasize the need to fund increased public services with what they see as a more suitable mix of revenue.

This debate is an important one but rarely relies on facts.

OVERVIEW
A discussion of business taxation often focuses on the corporate income tax, but businesses pay a variety of taxes and fees, and some do not have to pay the corporate income tax. In fact, Wisconsin businesses paid \$8.5 billion in taxes in 2011 but only \$852.9 million was from this tax.

Major business taxes also include those on property, sales, income, and employment. The state also places additional levies on utility companies, insurance companies, and hospitals. The three largest taxes (property, sales, and unemployment) accounted for almost 80% of all business taxes. (See Figure 1, page 2)

Property Tax
The property tax is based on property values and tax rates. Property values are determined locally or, in the case of manufacturing, by the state. Rates are determined largely by local governments. Within each municipality, the same rate is applied to all types of property, whether it is residential, commercial, manufacturing, or agricultural.

Businesses paid \$4.3 billion in property taxes in 2011, or almost \$3 billion more than the next-largest tax. Business property taxes increased 226.6% since 1982, when they totaled \$1.3 billion (see Table 1, page 3).

Business property taxes are paid on several categories of property. In 2011, commercial and manufacturing property taxes accounted for \$1.9 billion and \$261.7 million, respectively.

Also in this issue:
WISTAX Expertise Sought by Many • SchoolFacts12

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TRUSTED ANALYSIS FROM THE WISCONSIN TAXPAYERS ALLIANCE

FOCUS

In brief 09.18.2012 • No. 17

College and career readiness need work

An Iowa testing firm that administers the ACT college entrance exam reports that only 31% of Wisconsin's 2012 high school graduates are prepared to succeed in four courses typically taken by college freshmen. The percentage is lower for African-Americans (2%) and Hispanics (13%). Part of the challenge here is that minority students take less rigorous courses than they do in other states.

Capitol notes

- The Government Accountability Board (GAB) says that the May and June recall elections had an "unbudgeted" price tag of \$13.5 million, with most of the costs at the local level. The GAB director explained that "instead of conducting two primaries and two elections this year, Wisconsin election officials will be conducting six elections."
- A June report from the Legislative Audit Bureau found that state government had 196 economic development programs administered by eight agencies. In 2009-11, the state spent an estimated \$226.5 million on such activities.
- Meanwhile, another study identified 36 programs in nine agencies that provide employment and training services.
- WISTAX President Todd A. Berry is among 22 scholars, researchers, and policymakers named an affiliate of UW-Madison's Center for the Advancement of Postsecondary Education (WISCAP). WISCAP affiliates help address Wisconsin's postsecondary education challenges. Berry has presented at past WISCAP conferences and occasionally teaches UW graduate courses in education finance and policy.

College, Career Readiness, 2012
ACT Benchmarks: Wis. and US Averages

ACT Test	Wis. mark	US mark	Diff.	% of Wis. students
English/Comp	18.0	21.5	-0.2	20.5
Math/Science	22.0	22.0	-0.3	21.1
Reading/Soc. Sci.	21.0	22.1	-0.5	21.3
Science/Writing	24.0	22.1	-0.2	20.9
Overall	21.1	22.1	-0.2	21.1

Am I prepared for college classes or a skilled work after high school? This question worries college freshmen, high school seniors, and their parents. It also concerns budget-sequestered college administrators who must offer remedial courses and employers unable to find skilled workers.

There is reason for anxiety: A new report, "College and Career Readiness, 2012," shows only 31% of this year's Wisconsin high school graduates were prepared to succeed in four common courses taken by college freshmen. The findings are from an Iowa testing firm (ACT) that looked at college entrance exam results from about 48,000 Wisconsin students graduating this year.

Benchmarking Badgers

By surveying "high school and college educators to pinpoint the knowledge and skills needed for first-year college coursework," ACT was able to identify minimum test scores needed on each of its four tests to ensure a 50% chance of a B or better or a 75% chance of a C or better in first-year college courses. The benchmark scores ranged from 18 to 24 (out of a possible 36) on each of ACT's subject-area tests (English, math, reading, and science).

Wisconsin students had average ACT scores that equaled or surpassed three of four benchmarks. As the table (above) shows, they averaged 21.5 on the English portion of the ACT, 3.5 points above the 18.0 benchmark for English composition and 1.0 points above the US average. However, this was 0.2 points below what Badger State students scored in 2008. A similar pattern prevailed in all four subject areas.

On average, state students met the benchmark for college algebra (22.0) and surpassed it for social science (based on ACT reading, 22.1 vs. 21.0). However, they lagged behind the benchmark for science (22.1 vs. 24.0), even though they topped the US average (20.9).

Detailing readiness

The problem with averages is that they do not reveal how many Wisconsin students actually met or exceeded each subject-area benchmark and were college-ready. The table (below) does that, and also includes information based on student background.

All students. Overall, 75% of our students reached the readiness threshold.

College Readiness by Background, Courses
Pct. Students At or Above ACT Benchmarks

Group	Engl.	Math	Sci.	Tot.
All	75	59	54	58
Gender				
Male	73	59	60	64
Female	77	60	49	57
Ethnic Background				
Black	27	17	9	5
Hisp.	52	38	30	17
White	83	66	61	64

16 Course Preparation (last year)

Course	90	60	42	35
< Core	63	48	39	27

Note: The scores "at or above" are based on scores of English and three or more years each of math, social studies, and science.

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Or, you can subscribe to individual publications. *The Wisconsin Taxpayer* is our monthly research magazine that covers a wide range of topics, from state and local taxes to school test scores and municipal spending. *Focus* is our bimonthly newsletter offering analysis of emerging issues.

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However, two similar homes may sell at different prices because one owner needs to sell quickly and the other does not. Moreover, most properties are rarely sold, making their value uncertain.

Wisconsin's constitutional uniformity clause states "the rule of taxation shall be uniform." Uniformity applies not only to tax rates within a jurisdiction, but to property valuations as well. Thus, to determine value for property tax purposes, we turn to assessments, or a local assessor's best estimate of each property's value.

More Than Just Homes. When residents think assessments, they typically think homes. That is unsurprising as they receive property tax bills for their homes each December.

However, businesses, farm and forest land, and even some personal property are subject to the property tax and must also be valued. Questions of who assesses, how properties are assessed, and how assessments are used are answered next.

Who Assesses?

Most property is assessed by a local assessor. The one exception is manufacturing, which is assessed by the Wisconsin Department of Revenue (DOR).

Large municipalities often employ their own full-time assessor. Smaller communities typically hire, on a part-time basis, private contract assessors. Whether they are public- or private-sector employees, all assessors are certified by DOR and must follow the department's long, detailed property assessment manual.

How Are Properties Assessed?

While most residents are interested in the nuts and bolts of residential assessment, they should understand that assessments of other properties affect residential property tax bills. Not all properties are assessed in the same way as homes.

Residential. To estimate the value of a home, the assessor views individual properties, preferably inside and out. He or she measures square footage, takes note of fixtures such as showers, cabinets, sinks, etc., and rates construction quality. The assessor also considers recent sales in the area. These factors help determine an assessed value reflecting the current market.

Note that assessed values are as of January 1. If a home was damaged in February, that damage would not be reflected in the current year's assessment.

Commercial Property. Like residential, commercial property is valued at market. However, the current market value is often more difficult to determine for commercial property, especially for "big box" stores, as sales are rare and configurations can vary. The state assessment manual requires assessors consider three approaches to value:

- The cost approach looks at the net cost of replacing the building;
- The market approach considers recent sales of similar properties; and
- The income approach values the property based on the income the property produces.

Over the past few years, some commercial property owners have challenged assessments based on what is termed the "dark store theory," or the notion that the store's value is the same as a similar empty storefront. Most have won and have had assessments reduced, affecting the tax bills of others in the community (see shifting discussion on page 5).

Agricultural Property. Prior to 1998, farmland was valued based on its "highest and best use." For farms on the edge of urban areas, that often meant

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valuing farmland based on what a developer might pay to create a subdivision or build a shopping center even if the owner intended to keep it in agricultural use.

The 1995-97 state budget changed farmland assessment from “highest and best use” to “use-value.” Under use-value, an acre of farmland is valued based on the net income that could be generated growing corn.

A 2002 DOR study estimated that use value reduced farmland values by almost 90%, from \$20.7 billion under the old system to \$2.8 billion under use-value assessment.

Ag-Forest and Undeveloped Land. State law defines agricultural forest land as “producing or capable of producing commercial forest products” and meeting other specific conditions. For ag-forest and for undeveloped land, the assessor determines the market value. Once determined, the two property types are then assessed at 50% of that value for property tax purposes.

Challenging Assessments. Assessments can be challenged by property owners at the annual board of review (see gray box on page 7 for details).

How Are Assessments Used?

Quality assessments are fundamental to a fair property tax system as they are used to apportion property taxes among a community’s property owners. At its most basic, a property owner’s share of the total tax levy is the same as his or her share of total assessed values.

Smallville Example. A simple example helps understanding. Smallville is a community with a small store and two residents, each with their own home. Andrew’s home is assessed at \$100,000; Betty’s at \$150,000. The store is assessed at \$250,000. The total assessed value of Smallville is \$500,000 (see Figure 1).

Property taxes in the village, including municipal, school, and county levies, total \$10,000. The village divides that amount among property owners according to their share of total value. Since the assessed value of Andrew’s home is 20% of the total (\$100,000 ÷ \$500,000), he pays 20% of the tax, or \$2,000. Betty’s home accounts for 30% of total value (\$150,000 ÷ \$500,000), so she pays 30% of the tax, or \$3,000. The value of the store is half the village total, and the owner pays half the levy, or \$5,000.

The example highlights the importance of accurate assessment in apportioning the property tax among owners. If assessments are not current or

Figure 1: Assessments and Taxes in Smallville
Total Assessed Value \$500,000; Total Property Taxes \$10,000



accurate, some property owners will pay more than their “fair share” of the property tax, while others will pay less.

Property Tax Rates. Relying on assessments to distribute the property tax is a novel idea for many taxpayers. They are familiar with a local property tax rate applied to the value of their property. This rate, though, is simply an alternative method of determining property taxes.

Local governments do not directly set property tax rates; they approve property tax levies. Once the levy is set, the property tax rate is calculated: total levy divided by total value. In Smallville, the property tax rate is \$10,000 levy ÷ \$500,000 value = 0.020, or more commonly expressed as \$20 per \$1,000 of assessed value.

Applying the rate to the value of the three properties yields the same result as dividing total taxes among owners using assessment shares: \$2,000 for Andrew (0.02 x \$100,000); \$3,000 for Betty (0.02 x \$150,000), and \$5,000 for the store’s owner (0.02 x \$250,000).

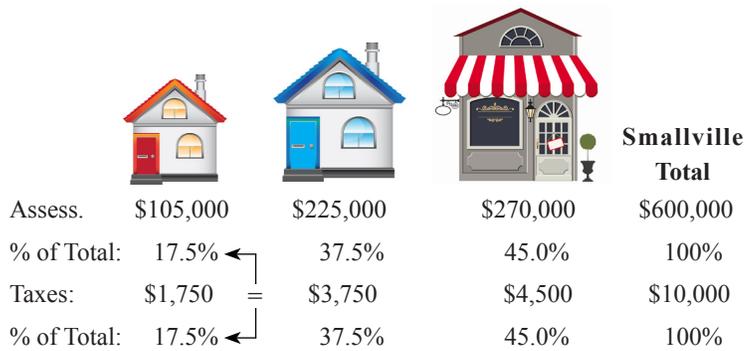
Rates Can Be Deceptive. The problem with focusing on tax rates is it masks the importance of assessment in determining individual property tax bills. Moreover, because rate arithmetic is not well understood, it can also be used to confuse taxpayers.

For example, suppose the village increased the levy 10% to \$11,000 while assessed property values rose 20% to \$600,000. Local officials could tout a rate drop to \$18.33 per \$1,000 of value (\$11,000 ÷ \$600,000), despite the increased levy and property tax bills.

Assessments vs. Revaluations

Many taxpayers confuse two property tax terms: assessment and revaluation. Assessment occurs annu-

Figure 2: Assessments, Taxes in Smallville After Revaluation
 Total Assessed Value \$600,000; Total Property Taxes \$10,000



ally. Each spring, local assessors compile an assessment roll, a list of a community’s taxable properties and their assessments or assessed values.

These amounts may be the same as in the prior year, or they may differ. In many communities, assessed values remain unchanged in most years. However, if a home was expanded or damaged in the prior year, the assessed value should be updated to reflect those changes.

Due to the uniformity clause, sale of a home does not necessarily trigger an assessment change. If assessment of one property is updated to current market value while others are assessed based on the market several years prior, properties are not assessed uniformly.

A community-wide revaluation remedies that situation. During a revaluation, the assessor again inspects individual properties, measures, and considers recent sales. New assessed values are generated reflecting current market conditions.

Municipalities must revalue at least once every five years. In addition, at least once every five years, assessments for each major class of property must be within 10% of market value. State law defines a major class as a property type—residential, commercial, agricultural, etc.—that accounts for more than 10% of total value in the community.

Why Revalue? A return to the Smallville, several years later, shows the importance of revaluation. While assessed values have remained unchanged (there has been no revaluation), inflation and other factors have affected property values in the village. In particular, Betty’s lake front property is in high demand; similar properties in the area have sold for more than \$200,000. Yet, the three taxpayers continue to pay taxes based on dated assessed values.

The village board votes to revalue and the three properties are reassessed: Andrew’s home at \$105,000; Betty’s at \$225,000; and the store at \$270,000. Total assessed values in Smallville are now \$600,000 and total property taxes are unchanged at \$10,000 (see Figure 2).

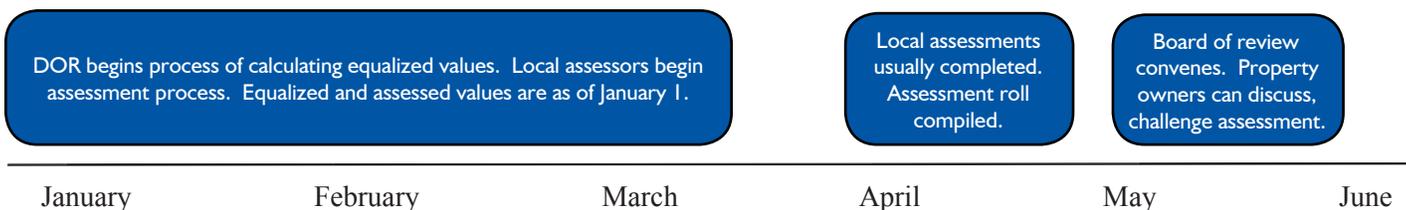
Even though Andrew’s home increased in value from \$100,000 to \$105,000, its share of total assessed value declined from 20% to 17.5% ($\$105,000 \div \$600,000$). Thus, Andrew’s property tax bill dropped from \$2,000 to \$1,750 (17.5% of the \$10,000 total levy). The value of the store also rose, but like Andrew’s home, it now accounts for a smaller share of total value: 45% versus 50% before revaluation. Taxes on the property fall from \$5,000 to \$4,500.

Because the market for properties similar to Betty’s was strong, its share of total value increased from 30% to 37.5%, resulting in a higher tax bill—\$3,750 vs. \$3,000 prior to revaluation.

Note that after revaluation, the tax rate declined from 0.02 to 0.0167 ($\$10,000 \div \$600,000$), or \$16.70 per \$1,000 of value. The decline was due solely to rising values; the levy remained unchanged at \$10,000.

This revaluation example highlights two important property tax issues. First, because assessments were out of date prior to the revaluation, Andrew and store’s owner were paying more than their “fair share” of the property tax, while Betty was paying less. All

Figure 3: Timeline for Estimation and Use



three are now paying property taxes based on the current market value of their properties.

Second, revaluation does not necessarily mean a property tax increase. The value of Andrew’s home and the store rose after revaluation. Yet, their property taxes declined because the value of Betty’s home increased more. Often, changes to an individual’s property taxes are the result of shifting property values.

Other Assessment Shifts. A similar result occurs when assessments are successfully appealed. For example, instead of revaluation, suppose the owner of the store appealed her assessment and had it reduced from \$250,000 to \$200,000. That property would now account for 44.4% of total values (\$200,000 ÷ \$450,000 total value); property taxes would fall from \$5,000 to \$4,440.

The decline in the store’s value shifts property taxes to other properties. Andrew’s share of value rises to 22.2%, Betty’s to 33.3%. As such, they are now apportioned larger shares of the levy. Andrew’s tax bill increases from \$2,000 to \$2,220; Betty’s from \$3,000 to \$3,330.

EQUALIZED VALUES

Assessed values are consistent estimates of value within a community, and thus can be used to distribute property taxes among all property owners within that community. But counties, technical college districts, and most K-12 school districts are comprised of multiple municipalities, some of which may have assessed values near market value due to recent revaluation and others with dated assessments. Thus, assessed values are inappropriate for apportioning these levies to underlying municipalities.

Instead, Wisconsin uses a second measure of value unfamiliar to many residents. Equalized values are state estimates of the current market value of all taxable property in the state.

Equalized vs. Assessed

There are two important differences between assessed and equalized values. First, while assessed values can be dated, equalized values are always current. Second, while assessed values are estimates for individual properties, equalized values are for groups of properties—entire municipalities, counties, and school districts.

When estimating equalized values, DOR considers property sales, assessments, property appraisals, and other information. While local assessments are generally published in the spring, equalized values are not reported until August. Like assessments, equalized values are as of January 1.

Use of Equalized Values

During October and November, municipalities, counties, K-12 schools, and technical colleges set their property tax levies. For a county or a technical college levy, that amount is paid by residents of many underlying municipalities. A school district’s levy is often paid by residents of two, three, or more municipalities.

In Wisconsin, these levies are not passed directly to local taxpayers. Rather, they are apportioned to the underlying municipalities using equalized values. The municipality then bills local property owners for not only the municipal levy, but the municipality’s share of the county, school, and technical college levies as well.

The apportionment is similar to the one just discussed using assessed values. Each municipality is billed for a share of the overlying taxing unit’s levy equal to its share of equalized property values. For example, if the total equalized property value in a city accounts for 10% of the value in the county, the city is apportioned 10% of the county levy.

The City of Antigo in Langlade County illustrates this process (see Table 1, page 6). In 2015-16,

of Assessed and Equalized Property Values



July August September October November December

Table 1: Apportioning Tax Levies in Antigo
2015-16, \$ Millions

Taxing District	2015 Eq. Value	Antigo Share	Total Levy	Apportioned to Antigo
City of Antigo	\$358.0	100.0%	\$3.5	\$3.5
Lanlade County	1,664.2	21.5	9.2	2.0
Antigo Schools	1,068.4	33.5	9.2	3.1
Northcentral Tech	15,251.0	2.3	19.2	0.4

its equalized value totalled \$358 million, which was 21.5% of the Lanlade County total. Thus, the city was apportioned 21.5% of the county’s \$9.2 million levy, or \$2.0 million. Similarly, Antigo was billed for 33.5% of the school district levy (\$3.1 million of \$9.2 million total) and 2.3% of Northcentral Technical College’s levy (\$0.4 million of \$19.2 million total). The city also levied \$3.5 million for municipal purposes.

Combined, city residents were responsible for \$9.0 million in total property taxes. That amount was then apportioned to local taxpayers using assessed values.

Equalized Values and Tax Shifting

The discussion on pages four and five highlights the property tax shifting that can occur during a revaluation. A similar, and more common, shifting of property taxes occurs when equalized values in one community are rising faster than those in neighboring communities. Table 2 illustrates.

School District AB is comprised of Town A and City B, each of which is home to two residents. In year one, each home is assessed at \$100,000 and each municipality’s equalized value equals its assessed value (1).

The school district levies \$4,000 (2), which is divided equally between the two municipalities

based on equalized values (both \$200,000). In both municipalities, the \$2,000 levied is split evenly between the two residents (3) based on assessed values of \$100,000 each.

In the second year, equalized values rise in the town due to an abundance of lake property in high demand. Total equalized value there rises to \$300,000 (4), while the city remains at \$200,000. Total school district equalized values are now \$500,000, of which Town A accounts for 60%.

The district’s levy remains unchanged at \$4,000, but Town A is now apportioned 60% of that amount, or \$2,400 (5); City B is apportioned the remaining \$1,600 (40% of the \$4,000 levy). Each of these amounts are then distributed to residents based on assessments. Despite an unchanged school levy, town residents each pay \$1,200 in school taxes compared to \$1,000 in the prior year (6). School taxes for city residents decline to \$800.

ASSESSMENT QUALITY

The most critical, yet overlooked, component of Wisconsin’s property tax system is assessment. Equitable distribution of property taxes requires accurate and current assessments.

The challenge for many communities is cost, as revaluations can be expensive. Municipal officials must balance a trade-off between the cost of revaluing and the benefits of up-to-date assessments.

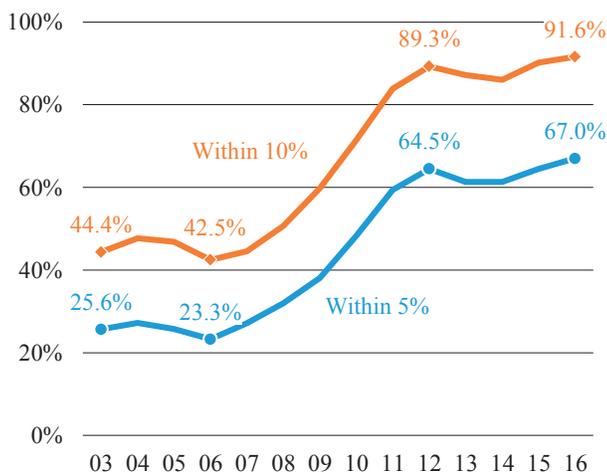
Assessment Ratios

The best way to measure assessment quality is to compare individual property sales with their assessed values. Without access to that information, assessment ratios—total assessed value as a percentage of

Table 2: Changing Equalized Values Shift Property Taxes
Hypothetical School District, Municipalities, \$ Thousands

	Year 1						Year 2					
	Equalized Value		Levy	Assessed Value		Tax	Equalized Value		Levy	Assessed Value		Tax
School Dist. AB	\$400		\$4.0 ²				\$500		\$4.0			
Town A	\$200	50%	\$2.0	\$200		\$2.0	\$300	60%	\$2.4	\$200		\$2.4
Home A1				\$100	50%	\$1.0 ³	⁴		⁵	\$100	50%	\$1.2 ⁶
Home A2				\$100	50%	\$1.0				\$100	50%	\$1.2
City B	\$200	50%	\$2.0	\$200		\$2.0	\$200	40%	\$1.6	\$200		\$1.6
Home B1				\$100	50%	\$1.0				\$100	50%	\$0.8
Home B2				\$100	50%	\$1.0 ³				\$100	50%	\$0.8 ⁶

Figure 4:
Assessment Ratios Improve Due to Recession?
 Assessed as % of Equalized Values for All Municipalities



total equalized value in a community—can be examined. As mentioned, state law requires a municipality’s assessed values be within 10% of current market values once every five years. Assessment ratios less than 90% indicate the municipality is likely due for revaluation.

In 2016, total assessed value was within 10% of total equalized value in nearly 92% of municipalities; assessed values were within 5% of equalized in 67% (see Figure 4). Those were the highest percentages in many years. The gains since 2006, though, may not be solely due to revaluations.

In 2006, assessed values were within 10% of equalized values in only 42.5% of municipalities. In the years following, ratios improved dramatically so that by 2012, that percentage approached 90%. Clearly, some municipalities revalued during these years.

However, this period included an extended recession in real estate values. Equalized values statewide declined 8.4% during 2008-12. If equalized values fall and assessments remain unchanged, assessment ratios rise. In other words, much of the improvement may have been due to market decline rather than revaluation.

The challenge moving forward is to keep assessments near market value. While the onus for this is on municipal officials, property owners should hold their feet to the fire. After all, revaluations do not mean universal property tax hikes. They just assure that taxpayers are paying the appropriate share of the levy. □

Challenging Assessments

When a municipal revaluation is complete, property owners receive a notice of the new assessed value. If the property owner feels the assessment is too high, he or she can appeal, but it must be done in a timely manner. Written or verbal notice of intent to file an objection must be provided to the board of review’s clerk at least 48 hours prior to the board’s first meeting.

The board of review must schedule its first meeting in the 30 days after the second Monday in May, but it may schedule a later date if assessments are not completed.

Municipalities hold an “open book,” during which assessments may be reviewed and the assessor questioned. A property owner who is unhappy with his or her assessment should first talk with the local assessor. The assessment roll must be open for a minimum of two hours prior to the board of review’s first meeting. An individual who believes a property is not fairly assessed must file an objection during these two hours.

In making the decision to appeal, the taxpayer should be aware that (1) the assessor’s value is presumed correct unless proved otherwise by factual evidence presented at the hearing, and (2) small percentage differences in value are not sufficient to warrant a change.

The property owner is expected to establish what he or she feels is the fair market value of the property during the appeal. If the owner’s property was recently purchased, the purchase price is the best evidence of fair market value. The next best indicator of current market value is sale of comparable properties in the area. These properties are affected by similar factors, such as proximity to schools, parks, shopping, or employment.

Taxpayers considering an appeal should call their municipal clerk to verify dates for the open book period and the board of review meeting. Those pursuing an appeal must follow appeals process guidelines.

Individuals dissatisfied with the decision of the board of review have two additional appeal options. First, they may ask DOR to review the board’s decision. Requests must be filed within 20 days of the board’s decision.

Second, taxpayers can also challenge the board of review’s decision or DOR’s ruling with the circuit court. The court does not hear new evidence; rather, it looks at the prior record and either upholds or invalidates the assessment. That is why it is important to present all evidence relating to the property assessment during the board of review meeting.



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PERIODICALS
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WISTAX NOTES

■ **CAFR Facts.** In April, state accountants released the 2016 edition of the Comprehensive Annual Financial Report, or CAFR for short. The document contains Wisconsin’s official financial statements along with other information on state finances.

GAAP Deficit Falls. The statements detail state revenues and spending for fiscal 2016 using generally accepted accounting principles (GAAP). Under GAAP, Wisconsin finished the year with an ending balance of -\$1.72 billion in its general fund. The 2016 “GAAP deficit” was a slight improvement over the -\$1.78 ending balance in 2015.

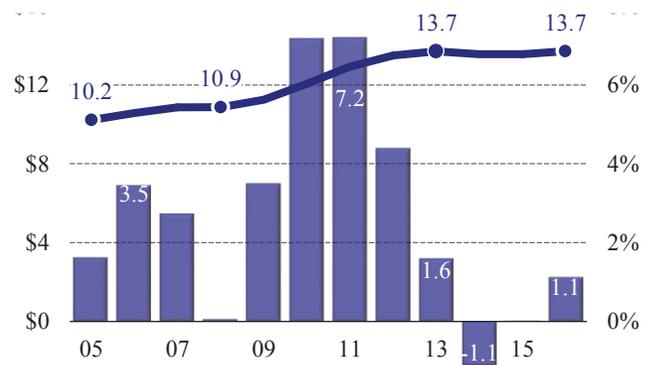
That the state reported a GAAP deficit in 2016 is not surprising: It has reported one in every year since 1990. That said, negative ending balances are rare among the states. Last year, only four other states—Connecticut, Illinois, Kansas, and West Virginia—reported them. Moreover, in both total dollars and per capita (-\$299), the Badger State’s balance was second-worst behind Illinois (-\$9.6 billion total and -\$747 per capita).

Wisconsin also reports it finances on a cash basis. Using that approach, the state reported an ending balance of \$331 million for 2016.

State Debt Little Changed. At the end of fiscal 2016, Wisconsin had \$13.7 billion in outstanding debt, 1.1% more than in 2015 but the same as in 2013. Since 2011, state debt is up 6.1%. During the prior five years, it climbed 22.2%.

Wisconsin issues three types of bonds: general obligation, revenue, and annual appropriation. General obligation debt is backed by the full taxing power of the state. Typically, borrowing for new buildings and land purchases are funding with this type of debt. Over the past decade, general obligation bonds have also been used to pay for

Growth in State Debt Slows
Total State Debt (line, \$ Billions) and % Change (bars)



transportation projects. Wisconsin had \$7.7 billion of general obligation debt at the end of fiscal 2016.

Revenue bonds are backed by a specific revenue source. Most are for transportation and are repaid with gas taxes and vehicle registration fees. Revenue bonds totalled \$3.0 billion in 2016.

Unlike the other two bond types, annual appropriation bonds are not backed by a pledged source of revenue. Instead, repayment must be appropriated each year. Wisconsin used this type of borrowing to pay for unfunded post-employment benefits. It also used them in 2009 to refinance its tobacco settlement borrowing. Annual appropriation bonds totalled \$3.0 billion in 2016. □

In FOCUS . . . recently in our biweekly newsletter

- Assembly GOP dives into transport finance; gubernatorial cold water (#9-17)
- Budget politics, 2017: “The world turned upside down”? (#10-17)

VI. **Adjourn**

PURSUANT TO APPLICABLE LAW, NOTICE IS HEREBY GIVEN THAT A QUORUM OR A MAJORITY OF THE NEW GLARUS SCHOOL DISTRICT BOARD MEMBERS MAY ATTEND THIS MEETING. INFORMATION PRESENTED AT THIS MEETING MAY HELP FORM THE RATIONALE BEHIND FUTURE ACTIONS THAT MAY BE TAKEN BY THE NEW GLARUS SCHOOL DISTRICT BOARD.

UPON REQUEST TO THE DISTRICT OFFICE, SUBMITTED TWENTY-FOUR (24) HOURS IN ADVANCE, THE DISTRICT SHALL MAKE REASONABLE ACCOMMODATIONS INCLUDING THE PROVISION OF INFORMATIONAL MATERIAL IN AN ALTERNATIVE FORMAT FOR A DISABLED PERSON TO BE ABLE TO ATTEND THIS MEETING.