



For Immediate Release
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WCA Statement on County Assessment

Governor Walker's 2015-17 State Biennial Budget recommends transitioning the property tax assessment process from a municipality-based system to a county-based system beginning in 2016 with full implementation by the 2017 property assessment year. While we understand the Department of Revenue is seeking efficiencies within the current assessment system, the Wisconsin Counties Association (WCA) is opposed to this proposal due to the new costs counties would be forced to absorb.

WCA has numerous concerns with the proposal including the proposed timeline, funding mechanism, new mandates placed on county staff, and current assessment contracts. In an era of stringent property tax controls, any proposal calling for county-wide assessment must assure counties will not be responsible for additional costs.

Major Issues of Concern:

Mandated Transition

The proposal mandates that counties perform all duties relating to the assessment process. In the past, county assessment was optional and state funding was available. WCA requests that this proposal be at county-option.

Timeline

The 2017 implementation date is not feasible. Not only are counties not currently responsible for assessing properties, but counties also do not have experience in other aspects of the assessment process, including the board of review process. County clerks may also be required to perform duties currently prescribed to municipal clerks, while the proposal does not include additional funding.

Funding Mechanism

The proposal sets 2015 as the base year for determining the amount of costs counties can pass on to municipalities. In all likelihood, 2015 will be a maintenance year—as opposed to a complete revaluation year—for most communities, meaning counties will only be allowed to pass on 95% of those maintenance costs in future years. This represents an underfunded mandate because counties are required to keep all assessments at 100% of fair market value, which requires annual adjustments.

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After base year (2015) costs are established, the proposal only allows counties to increase the costs they pass on to municipalities by a percentage equal to changes in property value due to net new construction; net new construction is typically less than the consumer price index (i.e., inflation).

Assessment Contracts

One of the major unknowns as it relates to the proposal is the treatment of current assessment contracts. While the proposal calls for implementation by 2017, many communities are currently engaged in multi-year contracts with local assessors. The proposal does not specify whether counties would be responsible for payments under these contracts.

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