

CITY OF COLUMBUS

REVALUATION FOR 2020 ASSESSED PROPERTY VALUES

BACKGROUND – WHY?

State statutes require municipalities to maintain assessment ratios between 90% and 110% of their equalized values. In 2019 the City dropped to 90.4% which is primarily due to the widening gap between the actual market conditions in the City and the assessed values of property. This is hurtful to the City because the taxing jurisdictions like the School Districts, Columbia County and the Madison Area Technical College base what they ask the City to raise in taxes on 100% of the equalized value while the City can only levy against 90.4% of that level. This makes a tax rate higher and higher as the gap between the assessment ratio and equalized value would continue to increase.

During the budget work for 2020 the City Council recognized the fact the drop in one year was significant and needed to be addressed in a timely manner. The current contract with Associated Appraisal Consultants allows the City to do an interim market revaluation which will look at these market conditions in determining values for the properties in the City. This will bring the City closer to that 100% level of assessment ratio.

PUBLIC INFORMATION NOTICE

The City Assessor, Associated Appraisal Consultants, will be conducting a revaluation of all properties in 2020 for the purpose of updating assessed values to reflect current market conditions as of January 1, 2020. According to the Wisconsin Department of Revenue, the City's assessment level was 90.4% just short of 10% below market value in 2019.

Although assessments will generally be increased, by updating **all** assessed values to current market conditions, the revaluation will ensure a fair and equitable distribution of the property tax levy among all individual properties.

Notices of assessment will be distributed when the property reviews are complete and new assessed values are determined for each property. Property owners will have an opportunity to discuss the assessed values with an Associated Appraisal representative at the Open Book session. After the Open Book session, if the property owner desires, will have the opportunity to appeal an assessment to the Board of Review. The Notices of Assessment will contain the dates and times of the Open Book and Board of Review meetings.

The City of Columbus would like to thank you for your help and cooperation in ensuring a successful 2020 revaluation program.

NOTICE OF ASSESSOR'S AUTHORITY TO ENTER LAND

The trespass law in Wisconsin entitles the assessor to enter a property once during an assessment cycle unless the property owner has notified the assessor in advance to deny entry. Additional visits may be authorized by the property owner. Assessors are restricted to the following conditions when entering property:

- The reason for the entry must be to make an assessment on behalf of the state or a political subdivision.
- The entry must be on a weekday during daylight hours, or at another time as agreed upon with the property owner.
- The assessor's visit must not be more than one hour.
- The assessor must not open doors, enter through open doors, or look into windows of structures.
- If the property owner or occupant is not present, the assessor must leave a notice on the principal building providing the owner with information on how to contact them.
- The assessor may not enter the premises if they have received a notice from the property owner or occupant denying them entry.
- The assessor must leave if the property owner or occupant asks them to leave.

In 2009, Wisconsin Act 68 was enacted to amend Section 70.05(5)(b) Wis. Stats. and to create Section 70.05 (4m), 895, 488, 943.13 (4m)(d) and 943.15(1m) of the statutes; relating to: partially exempting an assessor and an assessor's staff from liability for trespassing, creating immunity from civil liability, and changing the notice requirements relating to the revaluation of property by an assessor. Copies of the applicable statutes can be obtained at public depositories throughout the State of Wisconsin, and from the State of Wisconsin Legislative Reference Bureau website (www.legis.state.wi.us/rsb/stats.html)

COMMON ASSESSMENT QUESTIONS

Some of my neighbors have told me the only reason for the reassessment is to raise taxes. Is this true?

A change in value may change your property's percentage share of total taxes collected to increase, decrease or, have a minimal effect.

Why do you need to inspect the interior of my home?

There is no question that an inspection is an inconvenience. For that, we apologize. However, building size, age, features, quality, and condition, along with many other factors affect the market value of your property. The only way to ensure a Fair Market Value is to collect current exterior and interior data for each property. We are not concerned with your housekeeping nor personal belongings. This information will not be recorded and kept confidential.

How does the assessor value property?

Wisconsin law requires that property assessments be based on Fair Market Value. Estimating the market value of your property is a matter of determining the price a typical buyer would pay for it in its present condition. Some factors the assessor considers are: what similar properties are selling for; what it would cost to replace your property; the rent it may earn; and any other factors that affect value. It is important to remember that the assessor does not create assessed value, but rather interprets what is happening in the market place through real estate sales.

What can I do to ensure a fair and reasonable assessed value for my property?

Even with the best of care and intentions, mistakes are possible. Inform the assessor of any problems that might affect market value. There will be an opportunity to discuss your assessment with the assessor at the Open Book. Should you feel your assessment is in error, bring to the Open Book any documentation that supports your opinion of value. Property owners will be notified if there is a change to their assessment, when the project is completed. If the discussion with the assessor does not resolve your concerns, a Board of Review will be held where you can again present sales or other market value evidence that shows the assessment to be in error.

Do all assessments change at the same rate?

No, not necessarily. There are differences between individual properties and between neighborhoods. In one area, the sales may indicate a substantial increase in value in a given year. Yet in another neighborhood for example, there may be no change in value, or even a decrease in property values. Different types of properties within the same neighborhood may also show different value changes. For example, one-story houses may be more in demand than two-story houses, or vice versa. Older homes in the same area may be rising in value more slowly than newer homes. Perhaps the older style homes that have been traditionally selling low are now selling much higher. There are numerous factors to be considered in each property, which will cause the values to differ. Some of the factors which can affect value are: location, condition, size, quality, number of baths, number of bedrooms, basement finish, garages, overall condition as well as many others.

What is the bottom line?

Assessments are required by state law and are mandatory. The real issue is whether your property is assessed at the statutory required market value. Look at your final assessment after the revaluation. If it appears to be an accurate value when compared to sales of similar property, then it probably is a fair assessment. If, in your opinion, it does not reflect the market value of your property when compared to sales of similar properties, you should talk to our assessment staff. We may be able to provide information or take further actions to resolve your concerns.

Additional Website Information

Assessed Value

Each municipality is required to determine the assessed property value for the entire municipality. The assessed value is the value that the Assessor determines the property is worth for tax purposes. Both real and personal property are assessed. Real property is real estate such as homes and land. Personal property is the equipment and materials a business uses to conduct their operations. Assessed values are determined annually and certified by the Board of Review.

Challenging Assessed Value

Property owners receive notice of changes in their assessed values only when the value changes (increase or decrease). Each year a property owner has an opportunity to challenge the assessed value of their property through Open Book and Board of Review. The process starts with a discussion with the Assessor. This is an informal, 1-on-1 event where both parties discuss how the assessed value was determined. If the Assessor and property owner cannot agree on an assessed value during the Open Book discussion, the owner may petition to appear before the Board of Review.

Board of Review - Appeals

The Board of Review is a quasi-judicial body where the owner and the Assessor, under oath, present testimony and evidence to support their differing opinions of the assessed value. By Wisconsin law, the Assessor is presumed correct unless the owner can present direct evidence supporting a different assessed value. After both parties have presented their evidence, the Board of Review votes on a motion to affirm or modify the assessed value (or they may request additional information). After the Board of Review has heard all challenges to property assessments, their vote to adjourn certifies all assessments are final for that year.

If the property owner still does not agree with the assessed value, he or she may seek a circuit court review or appeal to the Wisconsin Department of Revenue. Once an assessed value is established, it generally does not change until a revaluation is conducted or the owner makes a modification to the property (remodel, addition, demolition etc.).

Estimated Fair Market Value and Revaluation

State law requires municipalities to establish community aggregate assessed values within 10% of estimated fair market value at least once every 4 years. The most recent revaluation in Columbus was for the 2017 tax year. In 2019, the City of Columbus's level of assessment, as determined by the Wisconsin Department of Revenue, was 90% (rounded). The revaluation in 2020 will bring all assessed values to 100% market value.