



2024 REVALUATION & ASSESSMENT



Overview





Overview

- ▶ A couple of weeks ago, property owners in the City received a notice of change in assessment
- ▶ The preliminary figures from Accurate Appraisal for property class increases indicate:
 - ▶ Residential increase - 14.7%
 - ▶ Commercial increase - 48.5%
- ▶ Overall Community Change – 25.9%
- ▶ *Why are property values increasing so much?*



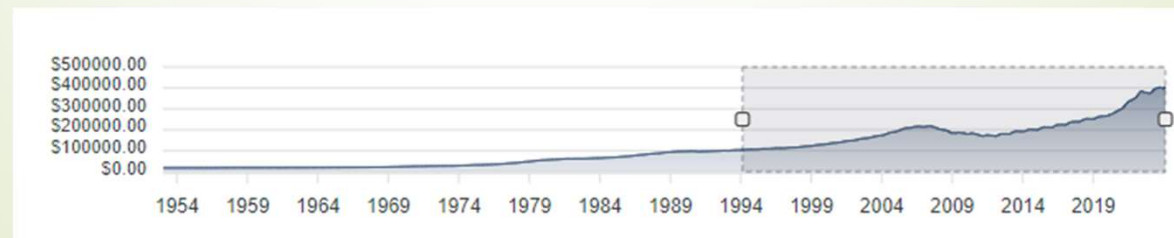
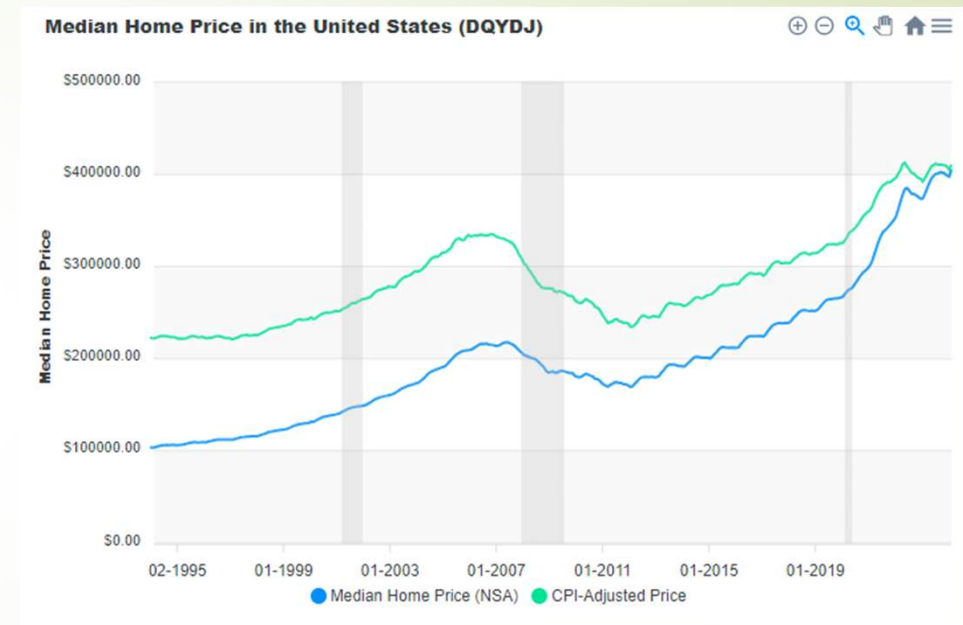
Landscape



Landscape

U.S. Housing Market

- ▶ Home prices have substantially increased since the start of 2020
- ▶ Average Housing values have surged 47% in four years



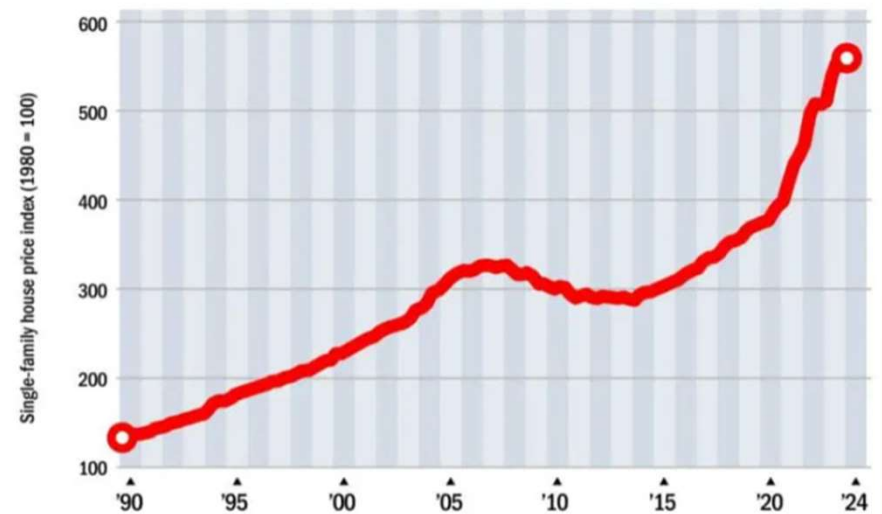
Landscape

Wisconsin Housing Market

- ▶ The increases are even steeper when looking at Wisconsin
- ▶ According to the WI Realtors Association, the average Wisconsin home price has increased 65% since 2020
- ▶ *Why is this happening in WI?*



Increase in Wisconsin house prices over time



Source: U.S. Federal Housing Finance Authority Housing Price Index, All Transactions



Landscape

Wisconsin Housing Market

- One aspect is that Wisconsin has become a very popular place to live! 😊
- Green Bay and Madison ranked #1 and #11 on the U.S. News Best Places to Live in the U. S. 2023-2024
- Oshkosh, WI was ranked as the most desirable U.S. housing market by Realtor.com in July 2024
- *How does this impact my assessment?*



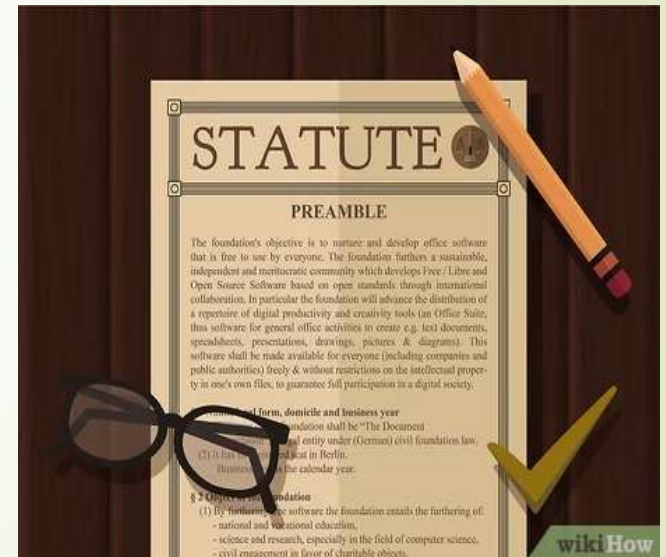


Compliance

Compliance

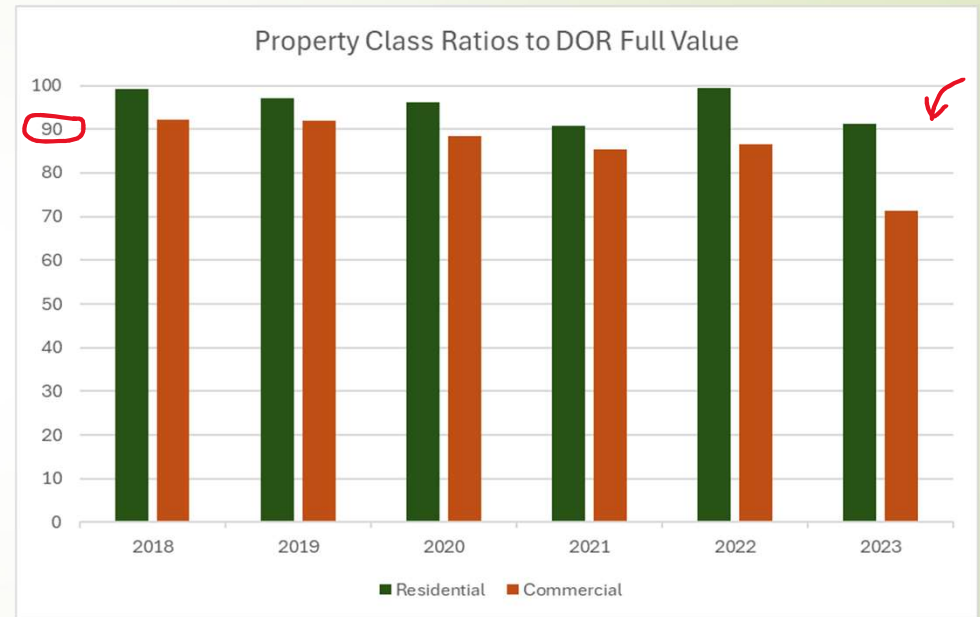
Statutory Requirements

- ▶ Under state law, each municipality must assess all major classes of property within 10% of full value at least once within a five-year period
- ▶ The WI Dept of Revenue determines full value (Equalized Value) for each taxing jurisdiction
- ▶ The City contracts with Accurate Appraisal to conduct an Interim Market update periodically to maintain values within 10% of full value



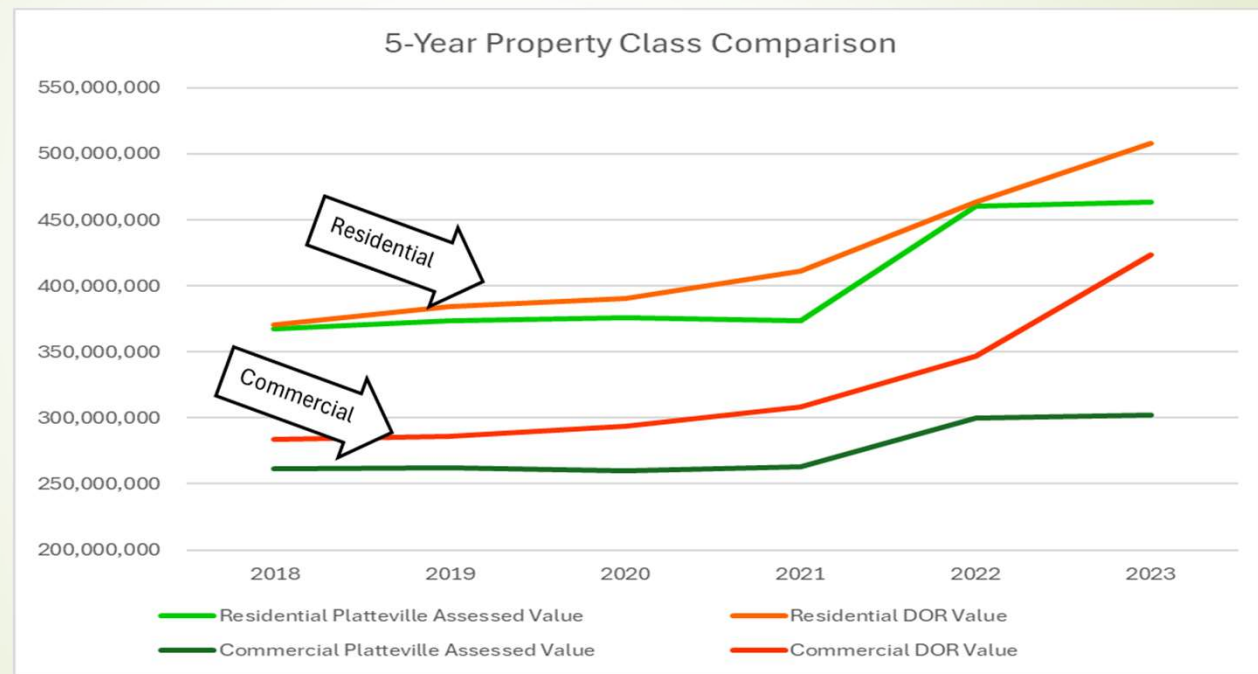
Compliance: Commercial

- Platteville's commercial property class has been out of compliance since 2020



Compliance: Commercial

The disparity in the Commercial property value is clearly visible in the graph



- The orange lines represent the Dept of Revenue values
- The green lines represent the City of Platteville assessed values



Compliance: Commercial

2022 Interim Market Update

- In 2021, the commercial property assessed value was at 85.4% of DOR value
- The DOR value for commercial increased a total of 8.3% over the three years prior to 2022, but increased a whopping 12% in one year for 2022
- This was a huge, unprecedented state adjustment to Commercial Equalized Value
- Combined with the 8.3% since the revaluation, DOR total increase was 20.3%



Compliance: Commercial

2022 Interim Market Update

- ▶ During the 2022 Update, the assessors increase to commercial was an average of 14% (compared to the DOR's 20.3%)
- ▶ This market adjustment was based off the prior year Equalized Values because the revaluation was completed prior to when new Equalized Values are published by the DOR
- ▶ As a result, the Commercial property class ratio to DOR value was at 86.53% and out of compliance
- ▶ The four years of Commercial property non-compliance means another interim market update revaluation is required



Revaluation



Revaluation

- ▶ Revaluations are necessary to ensure
 - Equity within property classes
 - Equity between property classes
 - Compliance with state statute

- ▶ When inequities happen, some property owners are paying more than their fair share of the property taxes and some are paying less

- ▶ Periodic revaluations are the remedy for this situation



Revaluation

- ▶ A year with no revaluation is called a Maintenance Year
- ▶ During a Maintenance Year, state statutes only allow property values to be updated for physical changes or changes to land use



Revaluation

- ▶ During the Interim Market Update, the assessors review the value of all properties using statistical data, sales data and other information to determine any needed adjustments to assessed value
- ▶ Assessors are certified by the Dept of Revenue (DOR) and are required to follow an assessment manual issued by the DOR
- ▶ The 2024 Update was scheduled to take place after DOR Equalized Value was published to ensure compliance will be achieved





Assessment vs Taxes





Assessment vs. Taxes

- ▶ *Will my taxes increase by the same amount as my assessment?!*
- ▶ Many taxpayers fear that a higher assessment will automatically mean higher property taxes
- ▶ **An increase in assessment does not equate to a matching increase in taxes**





Assessment vs. Taxes

- The tax rate on the property tax bill is determined based on the budget requirements for the school district, city, county and technical college
- The combined budget need (levy) of these four jurisdictions is spread across all property assessments in the city
- If total assessed value increases and the total levy stays the same, the tax rate would actually decrease
- Changes in individual property tax bills would then depend on the amount of change in the property type and individual property changes

Assessment vs. Taxes

Numbers Example:

Total city assessed value: \$850 million

Total combined levy (school, city, county, tech college): \$15 million

$\frac{\$15,000,000}{\$850,000,000}$ tax rate = \$17.65/\$1,000 of assessed value

\$850,000,000

➤ **Taxes on \$250,000 home = \$4,412.50**

Total city assessed value increases 25%: \$1.063 billion

Total combined levy (school, city, county, tech college): \$15 million (*no change*)

$\frac{\$15,000,000}{\$1,063,000,000}$ tax rate = \$14.11/\$1,000 of assessed value

\$1,063,000,000

➤ Assessed value of home increases 25% = \$312,500

➤ **Taxes on \$312,500 home (312,500/1000 x \$14.11) = \$4,412.50**

Assessment vs. Taxes



- It is likely that the combined levy need for the school district, county, city and technical college will increase, so there will be some increase in property taxes



Next Steps



Next Steps

Open Book

- ▶ In-person Open Book in Council Chambers:
 - Wednesday Aug 28th 1:00pm to 6:00pm
 - Thursday Aug 29th 9:00am to 1:00pm

- ▶ Virtual Open Book (by phone)
 - Tuesday Sept 3rd 9:00am to 5:00pm

- ▶ Accurate Appraisal assessors are available to discuss assessments by phone or email from now until the end of September



Next Steps

Board of Review (BOR)

- ▶ The BOR will convene on October 3rd at noon in the Council Chambers

- ▶ BOR is a quasi-judicial process

- ▶ The BOR's function is not one of valuation, but of deciding if the facts presented, under oath before the BOR, are valid . All deliberations must be done in open session and the BOR is required to decide each objection by a roll call vote .

- ▶ Steps to appear before the BOR
 1. Meet with an assessor first
 2. File with the City Clerk no later than 48 hours before the BOR meeting
 3. File with the City Clerk a completed and signed Objection Form for Real Property Assessment



Questions?

