

70.75 REPORT

TOWN OF GEORGETOWN POLK COUNTY

(Date of Order)

70.75 INVESTIGATION

Municipality	Town of Georgetown
County	Polk County
County/Municipal Code	48-026
Reviewers	Lynette Heffner Daniel Olson Timothy Pfothenauer Assessment Year Reviewed – 2022
Assessor	William Koepp Date of Review- June 27, 2023 Telephone Number 715-790-3688
Clerk	Cheryl True Date of Review- June 27, 2023 Telephone Number 715-857-5788
Head of Government	Jeffery Traynor (Chairperson)

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70.75

OVERVIEW

DESCRIPTION OF THE 70.75 PROCESS

Sec. 70.75, Wis. Stats., permits the owners of not less than five percent of all the taxable property in any taxation district to file a written complaint with the Department of Revenue. The basis of the complaint must be that the assessment of property in the taxation district has not been made in substantial compliance with the law and that the interest of the public will be promoted by a reassessment.

It is the responsibility of the Bureau of Property Tax, Equalization Section, to determine the merits of the petition and conduct any necessary hearings and investigations before reaching a final determination regarding any application for reassessment.

Once the petition has been verified by the clerk of the taxation district, the Department schedules a public hearing to take testimony from property owners regarding the need for a reassessment. After the hearing, a field investigation is performed which includes a study of assessment equity, assessment level, and basic assessment practices. A final determination is then made regarding the disposition of the petition. The governing body and first signer of the petition are notified of the Department's determination.

The Department's options with regard to disposition of the petition are:

1. **Reassessment** The Department may order a reassessment if, through its hearing and field investigation, it finds that the assessment complained of was not made in substantial compliance with the law and that the good of the public would be promoted through a reassessment for the year complained of.

2. **Special Supervision** *Option A:*
The Department may order a supervised assessment in the year after the year complained of, if it finds that the assessment complained of was not made in substantial compliance with the law and that the good of the public would best be served by correcting whatever inequities exist the following year through a Department-supervised revaluation rather than through a total reassessment of all property for the year complained of.

Option B:
The Department may exercise general supervision over a subsequent year(s) assessments, assessor, and/or Board of Review under sec. 73.06 Wis. Stats.;

3. **Deny** The petition is denied if the Department through its hearing and investigation, finds that the assessment complained of was in substantial compliance with the law and the good of the public would not be served through a reassessment.

4. **Dismiss** The petition may be dismissed if the governing body declares an assessment emergency and hires expert help under Sec. 70.055, Wis. Stats., and the Department agrees that it would be in the public interest.

REQUIREMENTS FOR ORDERING A REASSESSMENT

Ordering a reassessment under sec. 70.75, Wis. Stats., has two major requirements. The first is that the current assessment of property is not in substantial compliance with the law. The second is that the interest of the public will be promoted by a reassessment.

Was the assessment made in substantial compliance with the law?

“Substantial compliance” can be defined as compliance with the essential requirements. Property assessment is primarily governed by Chapter 70 of the Wisconsin Statutes. In addition, there are other areas of the statutes, court cases, legal opinions and administrative rules that must be followed. However, all of these laws and rules derive their authority from the constitution. Article VIII guarantees that taxation of property must be uniform.

Uniformity of assessments implies equity in the assessments. Therefore, the measures of performance should be those that measure equity and fairness. There are two standards for equity in Wisconsin Law. The first defines how property is to be valued. Sections 70.32 and 70.34, Wis. Stats., state that real property should be assessed at the full value which could ordinarily be obtained at private sale and that personal property should be assessed at its true cash value. The exception to this is Class 4 - Agricultural land, whose value is based on its use. Beginning with the 2004 assessment, Class 5 – Undeveloped and Class 5m – Agricultural Forest are to be valued at 50% of their respective market values. Sec. 70.32, Wis. Stats., states that property shall be valued by the assessor in the manner specified in the *Wisconsin Property Assessment Manual* (WPAM) provided under sec. 73.03, Wis. Stats. The law further states that the WPAM shall discuss and illustrate accepted assessment method, techniques and practices. It states that it should have a view to more nearly uniform and more consistent assessment of property at the local level. Sec. 70.05, Wis. Stats., defines what is meant by “major class of property” and outlines the various procedures the Department must follow beginning when any major class of property in a taxation district has not been established within 10% of the full value of the same major class of property during the same year at least once during the 4-year period consisting of the current year and the 3 preceding years. (See sec. 70.05(5), Wis. Stats.).

Would the interest of the public be promoted by a reassessment?

The public interest can be defined as something in which the public has financial or other interest by which their legal rights or liabilities are affected.

There are two important components to this question. The first is the pecuniary damage resulting from poor assessments. The second is the pecuniary liability resulting from an ordered reassessment.

Inequitable assessments create pecuniary damage. Over assessed property owners bear the financial burden for underassessed property owners. There are several ways to measure the quality of assessments. Those required by statute are the fair market and true cash value standards (sections 70.32 and 70.34, Wis. Stats.). Others include the variance between classes, the coefficient of dispersion, and the coefficient of concentration.

Ordering a reassessment creates a financial liability on all taxpayers in the municipality. All costs associated with the reassessment are charged back to the assessment jurisdiction. Depending on the specifics of the order, this burden could be substantial. It is difficult to define a trade-off between assessment inequities and the cost-to-cure. Therefore, careful consideration must be given to all findings of the investigation to determine if the cost to correct any assessment deficiencies outweighs the benefit provided to all taxpayers.

Summary

The decision to order a reassessment cannot be taken lightly. There needs to be convincing evidence of inequities. There needs to be convincing evidence that a reassessment would be in the public interest.

COMPONENTS OF ASSESSMENT PERFORMANCE

Introduction

This model measures the performance of the municipal assessment process. The model considers the elements requisite to quality assessment. The main components are assessment equity and assessment practices. This model is useful for self-evaluation, response to appeal inquiries, or municipal planning and management.

Specifying the Model

Assessment Performance = Assessment Equity + Assessment Practices

The purpose of this model is to evaluate assessment performance. The major determinants of assessor performance are assessment equity and assessment practices.

Assessment Equity

= Uniformity Between Classes
+ Uniformity Within Classes

Assessment equity addresses the issue of uniformity. Uniformity is measured by analyzing the variance between classes of property, and within classes of property.

Assessment Practices

= Assessment Administration
+ Municipal Administration

Assessment Practices measures how closely actual work procedures match industry standards, Wisconsin Statutes, and the *Wisconsin Property Assessment Manual*. These include both assessor and municipal responsibilities.

Assessment Practices consists of three major areas of responsibility: classification, property record cards and data, and valuation. Assessment and Municipal Administration consists of two major areas of responsibility: public relations and board of review. These components, through Wisconsin Statutes and the *Wisconsin Property Assessment Manual*, form the foundation for quality assessment practices.

Assessment Practices:

= Parcel Classification
+ Property Record Cards and Data
+ Valuation

Assessor and Municipal Administration:

= Public Relations
+ Board of Review

This model specifies the components of assessment performance. Each component is analyzed using industry standards. The standards come from the following sources:

The *Wisconsin Property Assessment Manual*
Wisconsin Statutes
Wisconsin Court Cases
The International Association of Assessing Officers
The Appraisal Foundation
The American Institute of Real Estate Appraisers
The Wisconsin Association of Assessing Officers
Legal Opinions

Data Collection

Data is collected from a variety of sources including the State Department of Revenue, municipal government, and the assessor's office. Much of the data is determined from inquiry and investigation.

CALIBRATING THE MODEL

Calibrating the model means assigning the proper weights to each specified component for its contribution to the overall model. It also means weighting the degree of compliance or performance for some attributes. All weights should reflect the importance of the component in addressing the issue of assessment performance. Each assessment component is measured, and points are applied based on the level of performance. The components and global weightings follow:

Category	Weight (%)
Assessment Equity – Ratio Study	
Uniformity Between Classes of Property	15.0
Uniformity Within Classes of Property	<u>45.0</u>
TOTAL	60.0
Assessor / Municipal – Related Components	
Property Data & Record Cards	10.0
Classification	5.5
Valuation	17.5
Administration & Public Relations	<u>7.0</u>
TOTAL	40.0
GRAND TOTAL	<u>100.0</u>

The weighting recognizes that the uniformity measurements are the most important standards in determining if assessments are in substantial compliance with the law. Inter-class equity is required and defined by statute. Although there is no statutory requirement for equity measurements within classes of property, there are industry-accepted measures of performance as defined in Volume 1 of the WPAM. The next most important component is appropriate, consistent, and accurate application of the approaches to value and record keeping. Finally, we recognize the importance of good administrative practices and public relations.

ASSESSOR INFORMATION

Name(s): William Koepf

Certification Information:

Current Certification Level: Assessor 1

Years at this level: 20

Past Certification Level: N/A

Years at this level: N/A

Years as a Statutory Assessor: 20

Years as Assessor in this Municipality: 15

Assessment Information in this Municipality:

Last Maintenance Year: 2021

Contract Amount: \$26,500

Last Revaluation Year: 2022 – Partial Revaluation

Contract Amount: \$26,500

Written Contract: Yes No (Obtain Copy if Yes)

The last physical inspection of property in the municipality for a revaluation was performed in the year 2015; by William Koepf.

% of Major Buildings Inspected:

Interior Inspections: Yes: 50% No: 50%

Exterior Inspections: Yes: 100% No: 0%

HEARING SUMMARY

Pursuant to sec. 70.75, Wis. Stats., a fact-finding public hearing was held at the Town of Georgetown town hall on June 26, 2023. The purpose of the meeting was to hear testimony regarding assessment concerns in response to a petition for reassessment filed by Town residents. The hearing was led by Mary Gawryleski, Equalization Bureau Director. Additional Department of Revenue staff included Lynette Heffner, Eau Claire District Supervisor, Dan Olson, Eau Claire District Property Assessment Specialist, and Tim Pfothenauer, Wausau District Property Assessment Specialist. The meeting was opened by Mary Gawryleski who explained the purpose and format of the meeting, the Department's investigation process, and the potential outcomes of the investigation.

In addition to the Department of Revenue staff, 82 people attended the hearing. Chad Wagner, lead petition signer, testified first. Mr. Wagner's testimony focused on uniformity concerns and inaccurate assessments. His testimony is summarized below:

Mr. Wagner owns property on Big Round Lake and is a part of the Big Round Lake Protection and Rehabilitation District Board. The property owners on Big Round Lake voted on a project to improve the water quality. The project is costly and had the cost tied into the property tax mill rate. When the tax bills were issued, the taxpayers noticed assessed values had increased significantly and the line items were not broken out on tax bill. Calls were made to the town and assessor by the property owners. The board agreed to notify the rest of the property owners in the township. Chad contacted the DOR and started petition for the 5% and was able to get enough signatures for the 5%. Chad submitted to the signatures to the DOR.

Mr. Wagner stated the assessor revalued 40% of the properties in 2022, and the remaining 60% in 2023. This approach is not fair and equitable. He feels the assessment work done by the assessor was wrong and would like the Department of Revenue to address this issue.

Tim Saari testified next and provided information on specific issues related to assessment practices and assessed values:

- Provide a general summary of assessor's lack of customer service (failure to answer questions, provide information, etc.)
- 642 N Round Lake Lane, parcel number 026-00453-0000 – Mr. Saari contacted the assessor for to question the assessed value on other properties. On this specific property, assessor stated the assessed value was low because the property had significant storm damage. Mr. Saari researched this property and discovered the property had been repaired and noticeable improvements following the storm damage, then sold on November 30, 2022 for \$385,000, and the assessor had not adjusted the assessed value to reflect the current improvements to the property. When he brought this information to the assessor, the assessor stated he was unable to access the property and found no new value. However, Mr. Saari was able to research the property on Realtor.com and identify new construction that should be part of the assessed value.
- Mr. Saari shared an email exchange with the assessor regarding his revaluation method of revaluing 40% of the properties in 2022, and the remaining 60% in 2023. He asked how the assessor decided which properties which properties would be revalued in 2022? The assessor's response included the following:
 - He calculated factors that were applied uniformly
 - Some modifications from previous years were cleared up by mass updates for 2022 to 2023
 - He had not applied a specific 40% adjustment to total values to any specific period. He applied 20-30% adjustment to calculating factor.
 - Properties not reviewed for 5-6 years may see 40% increase. Complexity of process does not maintain assessed values within 100%. A 10% deviation from 100% is acceptable, no deviation is perfect.
- Mr. Saari reviewed land values on Big Round Lake. Of the 122 parcels, 54 had assessed values increased, and the other 68 assessed values did not change. Assessed values on similar parcels varied by amounts up to \$1200/front feet (ff), indicating land values are not uniform. He provided an example of two similar shoreline properties whose assessed values were \$1028/ff and \$2012/ff. Mr. Saari questioned how land values on 54 properties had a significant increase others did not.

Colleen Kennedy then testified and provided the following information:

- Stated she is in favor of the petition
- Unique market the last three years due to Covid
- From 2014 to 2019 tax rates changed considerably different than from 2020 to 2022
- Remote work had people moving from the city
- High real estate prices are not sustainable
- Better way to assess would be to take average rate from 2014 to 2019 and average of 2020 to 2022 and combine the two averages, not jumping to the largest increase
- She reviewed her land value compared to her two neighbors to point out inconsistencies in assessed values. She owns .88 acres, assessed at \$158,500. A neighbor owns 1.87 acres assessed at \$122,300 and another neighbor owns 1.04 acres which is assessed at \$115,800.

The final speaker was Brock Lunderville, who provided the following:

- Mr. Lunderville owns a 24x36 cottage and garage on Big Round Lake. The assessed value in 2022 was: land at \$127,600 and improvement at \$102,300, and a total of \$229,000. In 2023 the assessed values were: land at \$203,500, improvements at \$130,900, and a total of \$334,000.
- Mr. Lunderville would like the assessor to complete an onsite visit of his property
- Contact with assessor was short, vague, and was provided an explanation of the changes assessments, that values going up
- His property is an example for how out of touch assessed values are

Mary Gawryleski concluded hearing, noting that any written statements must be submitted to the Eau Claire District office by Friday June 30th.

REPORT SUMMARY / RECOMMENDATION

This recommendation addresses the two major components of the study: Assessment Equity and Assessment Practices

Assessment Equity

For the purposes of this study, only major classes of property are analyzed unless testimony was provided relative to the inequities within a minor class. A major class of property is defined in sec. 70.05, Wis. Stats., as including more than 10% of the full value of the district.

Uniformity Between Classes or Property

The Town of Georgetown residential is the only major class of property. In 2022, the residential class comprised 94.79% of the total full value of the Town.

The Town was awarded 15 out of 15 points for uniformity between classes.

Uniformity Within Classes of Property

Residential Class – The analysis included 15 residential properties which sold during 2020 and 2021 and 50 randomly residential non-sale sample properties. The physical characteristics of the improvements were taken from the local property record cards and verified on site and using the Multiple Listing Service (MLS) to verify sale properties. Market adjustments were developed using the sales data and applied to the replacement cost new less depreciation (RCNLD) of the non-sale properties, to arrive at an estimated market value of the improvements. Vacant land sales were analyzed and used to estimate site values for each property. The estimated market values were then compared to the 2022 assessed values to determine equity within the residential class. The valuation analysis resulted in a coefficient of dispersion of 15.65 (fair) and a coefficient of concentration of 74.47 (average).

Commercial Class – The analysis included 15 properties. The physical characteristics of the improvements were taken from the local property record cards and verified on site. A county-wide sales analysis provided market adjustments applied to the RCNLD, to arrive at an estimated market value of the improvements. Vacant land sales were analyzed and used to estimate site values for each property. The properties were then compared with their current assessed values to determine equity within the class. The valuation analysis resulted in a coefficient of dispersion 27.54 and the coefficient of concentration as 41.67, both considered poor. It should be noted, the commercial class comprised 1.11% of the total full value of the Town. It is not considered a "major class", and the results are not measured as part of this investigation.

Other Class (agricultural improvements) – The analysis included 20 properties viewed on site and verified for accuracy of the physical data listed on the property record cards and valued using the cost approach. A county-wide sales analysis provided market adjustments applied to the RCNLD to arrive at an estimated market value of the improvements. The properties were then compared with their current assessed values to determine equity within the class. The valuation analysis resulted in a coefficient of dispersion 20.14 (fair) and the coefficient of concentration of 60 (poor). It should be noted, the Other class comprised 1.06% of the total full value of the Town. It is not considered a "major class", and the results are not measured as part of this investigation.

The Town was awarded 32.5 out of 45 points for uniformity within major classes.

Assessment Practices Review

This portion included a review of the assessor's property record cards, sales analysis, maps, and general record keeping. Interviews were conducted with the assessor and clerk covering a series of questions related to assessment administration. Each question was assigned possible points, ranging from .25 to 3.0, and separated into four categories. The points were awarded based on compliance with the requirements of each question. Overall, the assessor's section received 20.75 out of 33.0 points, and the municipal administration section received 5.25 out of 7.0 points.

The Town was awarded 26.0 out of 40 points for assessment practices.

SUMMARY OF POINTS

Category	Points Possible	Points Achieved
Assessment Equity – Ratio Study		
Uniformity Between Classes of Property	15.0	15.0
Uniformity Within Classes of Property	<u>45.0</u>	<u>32.5</u>
TOTAL	60.0	47.5
Assessment Practices		
Property Data & Record Cards	10.0	6.50
Classification	5.5	5.50
Valuation	17.5	8.75
Administration & Public Relations	<u>7.0</u>	<u>5.25</u>
TOTAL	40.0	26.00
GRAND TOTAL	<u>100.0</u>	<u>73.50</u>

Overall Performance Measures

Considering the importance of all the elements of this study, the assessments are not in compliance with the law if the score is below 70 points. However, the complaints expressed by the petition signers as well as the public interest are taken into consideration in the Department of Revenue's determination.

Recommendations and Conclusions

Valuation Studies – Aggregate Ratio/Overall Level of Assessment

The overall assessment performance for the Town of Georgetown earns 73.50 points out of 100 possible points. The Town has one major class of property, which does not provide a true measure of uniformity between classes of property. Due to the low number of points awarded for both uniformity within classes of property and assessment practices, and the issues outlined below, it is in the best interest of the property owners to order a Department of Revenue Supervised Assessment. Due to the late submission of this petition to the Department, it is not possible to complete a supervised assessment in 2023, therefore, the Department is ordering a supervised assessment in 2024.

Specific Issues:

- Property Records Cards are incomplete and inaccurate
 - Property records and assessed values include buildings that no longer exist
 - Property records and assessed values omit newly constructed buildings
 - Property records contain inaccurate building measurements, which likely lead to inaccurate assessed values
- Waterfront land values are inconsistent and non-uniform

Valuation Studies (Residential Class) – Level of Assessment/Aggregate Ratio

The Department's valuation study measured the aggregate ratio (overall level of assessment) which measures assessed values in relation to full value. The Department measured the aggregate ratio in three separate valuation studies: (1) a sample of all properties; (2) a sample of properties who's assessed values were adjusted in 2022; and (3) a sample of properties who's assessed values were not adjusted in 2022. Following are the aggregate ratios for each study:

- All property: 73.57%
- Properties adjusted: 78.16%
- Properties not adjusted: 72.03%

When properties are revalued, it is expected the aggregate ratio is at or close to 100%, meaning the adjusted assessments reflect market value. That is not the case for the portion of properties revalued in 2022. These measures indicate the assessment uniformity and resulting taxes paid by the property owners

in 2022 are not nearly as significant as expected, since the revalued assessment were only marginally closer to market value than the non-revalued assessments.

Valuation Studies (Residential Class) – Measure of Assessment Uniformity

The studies also measured the coefficient of dispersion (COD), which is a measure of uniformity of the assessments. A lower COD reflects greater uniformity. Following are the COD's for each study:

- All property: 15.65%
- Properties adjusted: 11.42%
- Properties not adjusted: 16.19%

These measures indicate overall assessment uniformity is fair/good, which is the primary indicator of whether the assessment issues identified in this investigation warrant a reassessment of the 2022 assessments. A measure of fair, bordering on the "good" category does not indicate uniformity issues severe enough, and in the public interest to order a 2022 reassessment.

(Note, a COD from 0 – 9 is considered excellent; 10-14 is considered good; 15-20 is considered fair; and below 20 is poor).

Issues Identified by Petitioners

In addition to the standard investigation, DOR reviews specific issues raised by the petitioners. The following lists the issues raised by the petitioners and DOR's findings:

1. **Petitioner Issue:** The assessor applied the increased property value to 40% of the Town of Georgetown. How did he decide what properties were in the 40%?

DOR Findings: The assessor provided written statement that he applied increases to approximately 720 parcels out of approximately 1200 parcels but did not provide information related to how the 720 parcels were selected. DOR's valuation study showed a difference in the aggregate ratio for parcels that were revalued in 2022, however, the difference is not considered significant.

2. **Petitioner Issue:** Waterfront land values are not uniform.

DOR Findings: A land study to support the assessed values was not provided by the assessor. The assessor provided a written statement, indicating an adjustment of approximately 25% was made to calculation factors for land and buildings. Generally, DOR's review indicated that land values are lacking uniformity.

If the petitioners and/or municipal officials so desire, Department representatives will be available to attend a meeting, at a mutually agreeable time and place, to explain the findings of this investigation.

FIELD AND OFFICE INVESTIGATION – Town of Georgetown, Polk County

Field Investigation – Real Estate Parcel Count

Property Class	Vacant Parcels	Improved Parcels
Residential	0	65
Commercial	3	15
Agricultural	0	N/A
Undeveloped	0	N/A
Agricultural Forest	0	N/A
Productive Forest	0	N/A
Other		20
TOTAL	3	100

Personal Property

Number of Accounts: No personal property accounts reviewed

ASSESSMENT EQUITY

Assessment equity measures the uniformity of assessments between and within classes of property.

Assessment Ratio Study

The following assessment ratio study is used as an indicator of uniformity between classes of property.

2022 Value Summary

(1)	(2)	(3)	(4)	(5)	(6)
Class of Property	Assessed Value	Full Value	Aggregate Ratio	Relationship to all Property Ratio	% to all Property Total
1. Residential	343,535,400	483,666,900	71.03%	98.57%	94.79%
2. Commercial	4,485,600	5,676,300	79.02%	109.66%	1.11%
4. Agricultural	1,368,100	1,411,600	96.92%	134.49%	.28%
5. Undeveloped	1,499,500	1,596,900	93.90%	130.31%	.31%
5m. Ag Forest	1,684,500	1,915,200	87.95%	122.05%	.38%
6. Forest	9,280,900	9,324,000	99.54%	138.13%	1.83%
7. Other	4,696,900	5,410,100	86.82%	102.48%	1.06%%
Sum of 5, 5m, 6 & 7	1,7161,800	18,246,200	94.05%	130.52%	3.58%
All Real Estate	366,550,900	509,001,000	72.01%	99.93%	99.76%
Personal Property	1,135,900	1,234,700	92.00%	127.67%	.24%
Total All Property	367,686,800	510,235,700	72.06%	100.00	100.00

Difference between lowest and highest ratio of major classes from column 5 = 0 (Residential is the only major class)

Column Definitions

- (1) The statutory classes of property in the assessment roll.
- (2) The assessed value of each class of property for the year complained of.
- (3) The Department of Revenue's base full value of the year complained of adjusted by any amended Assessor's Final Reports.
- (4) The assessed value of the class divided by the full value of the same class. This gives the level of assessment for that class of property.
- (5) The aggregate ratio of each class of property divided by the aggregate ratio of all property. A ratio of less than 100% indicates under-assessment, and a ratio greater than 100% indicates over-assessment.
- (6) The full value of each class divided by the full value of all property. This represents the percentage of the total municipal value in each class of property.

ASSESSMENT EQUITY, cont.

Uniformity Between Classes of Property

Considering the implications of sec. 70.05(5) (d), Wis. Stats., the total relative spread between classes of property should not vary from the aggregate all property ratio by more than 20 points (i.e. 90-110% if the aggregate ratio were 100%). In order to be considered a major class, per sec. 70.05, Wis. Stats., a class of property must represent at least 10% of all property, exclusive of manufacturing, in the municipality, based on DOR's base values. Because measurements of inter-class equity must be in relative terms, the ratio for each class of property must be divided by the aggregate all-property ratio before determining the spread between classes. If there are more than two major classes, the relative percentage point differential shall be calculated using the highest and lowest percentages of over and under-assessment for those classes of property. For purposes of this investigation, Undeveloped, Agricultural Forest, Productive Forest and Other are treated together as one class. The agricultural class will be considered a "major class" for the purposes of these calculations if it exceeds 5%.

Difference Between Major Classes	Possible Points
0 to 10%	15
>10 to 12%	12
>12 to 14%	9
>14 to 16%	6
>16 to 18%	3
>18 to 20%	1
Above 20%	0

Relative difference between major classes of property = 0 % Points awarded = 15 .

Uniformity Within Classes of Property

The Coefficient of Dispersion (COD) is used to measure uniformity within classes of property. The COD is defined as the average absolute deviation from the median. It describes how much variance there is in the assessments. The lower the number, the better, with anything less than 10% considered excellent. The Coefficient of Concentration (COC) measures assessment uniformity by calculating the percentage of ratios which lie within +/- 15% of the median. The higher the number, the better, with anything higher than 85% considered excellent.

The COD and COC should be calculated for each major class of property. When there are an insufficient number of sales in the class, the sales will be supplemented with appraisals to measure assessment equity. In this case, the assessment to appraisal ratio will proxy for an assessment to sales ratio.

These measurements of assessment uniformity are industry-accepted standards. Major class CODs and COCs are weighted by the percentage of each major class base value compared to the total base value for all major classes.

The following point assignments are based on the Coefficient of Dispersion for the Major Classes:***

Coefficient of Dispersion	Possible Points	Class of Property	COD	Points	X	Weight	=	Points Earned
0 to 10%	22.5	Residential (A1)	15.65	15	X	100%	=	15
>12 to 14%	17.5	TOTAL						
>14 to 16%	15.0							
>16 to 18%	10.0							
>18 to 20%	5.0							
Above 20%	0.0							

ASSESSMENT EQUITY, cont.

The following point assignments are based on the Coefficient of Concentration for the Major-Class:***

Coefficient of Concentration	Possible Points	Class of Property	COC	Points	X	Weight	=	Points Earned
100 to 85%	22.5	Residential (A1)	74.47	17.5	X	100%	=	17.5
<78 to 71%	17.5	TOTAL						
<71 to 64%	15.0							
<64 to 57%	10.0							
<57 to 50%	5.0							
Under 50%	0.0							

*** Points for each major class are weighted based on the relative size of the base value for each major class and summed to determine the total COD and COC points for the municipality. Maximum points earned for each measurement (COD and COC) are 22.5 points including all major classes.



State of Wisconsin • DEPARTMENT OF REVENUE

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WISCONSIN DEPARTMENT OF REVENUE

In the matter of the written complaint concerning the assessment of the Town of Georgetown, Polk County, Wisconsin for the year 2022, under the provisions of sec. 70.75, Wis. Stats.

On May 23, 2023, Chad Wagner and others made a written complaint to the Wisconsin Department of Revenue stating that:

1. They were the owners of more than five percent of the assessed valuation of all property in the Town of Georgetown, Polk County, according to the assessment sought to be corrected.
2. The said assessment of property in said Town for the year 2022 was not made in substantial compliance with the law.
3. The interest of the public would be promoted by a reassessment thereof.

Under the authority of sec. 73.03(1), Wis. Stats., the Department of Revenue, therefore, conducted an investigation and held a public hearing pursuant to sec. 70.75(1), Wis. Stats.

Such public hearing was duly noticed under the date of June 8, 2023, and was conducted on June 26, 2023, at 4:00 p.m. at the Georgetown Town Hall, 1847 100th St., Balsam Lake, Wisconsin before examiner Mary Gawryleski and other Department of Revenue employees.

The above proceedings were thereafter duly adjourned to the office of the Secretary of Revenue for final determination and adjudication.

FINDING OF FACT

1. The most recent full revaluation in the Town of Georgetown was completed in 2015.
2. Uniformity between the major classes of property cannot be adequately measured because there is only one major class of property.
3. Uniformity within classes of property is considered fair.
4. Waterfront land values are inconsistent and non-uniform.
5. There are unsatisfactory assessment practices by the assessor and the municipality.
6. On specific properties, the property records and associated values are inaccurate and were not substantially completed according to state statutes and the *Wisconsin Property Assessment Manual*.

CONCLUSION OF LAW

1. That the 2022 assessment was not made in substantial compliance with the law.
2. That the interest of the taxpayers of the district will best be promoted by special supervision of the succeeding assessments to the end that the assessments of the district shall therefore be lawfully made pursuant to s. 70.75(3), Stats.

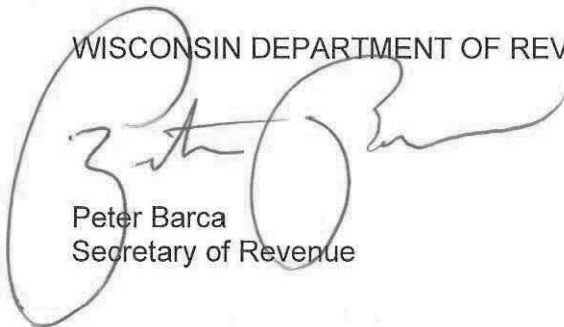
NOW, THEREFORE, from the testimony presented, the files and records of the Wisconsin Department of Revenue and in accordance with the authority vested in the Department by subsection (1) of sec. 70.75, Wis. Stats.

IT IS ORDERED:

1. That there will be general supervision by the Department of Revenue of the 2023 assessment under sec. 73.03(1) Wis. Stats.
2. That there will be a supervised assessment in 2024 under sec. 70.75(3) Wis. Stats, of all taxable property in said taxation district.
3. That as soon as circumstances will permit, a supplementary order will be issued regarding the appointment and compensation of personnel to assist in making the 2024 assessment.
4. That the 2024 assessment work performed shall be according to standard specifications and contract forms prepared by the Department of Revenue.

Dated at Madison, Wisconsin, this 10 day of Oct, 2023.

WISCONSIN DEPARTMENT OF REVENUE



Peter Barca
Secretary of Revenue

cc: Chad Wagner, First Signer of Petition, Town of Georgetown
Cheryl True, Clerk, Town of Georgetown
Jeffrey Traynor, Chair, Town of Georgetown
William Koepp, Assessor, Town of Georgetown
Lynette Heffner, Supervisor of Equalization, Eau Claire District
Mary Gawryleski, Deputy Administrator, Division of State & Local Finance, Madison
Valeah Foy, Administrator, Division of State & Local Finance, Madison

Town of Georgetown, Polk County Investigation Report Addendum

ASSESSMENT PRACTICES REVIEW (ASSESSOR DIRECTED)

Assessment Practices

These components relate to appraisal techniques and procedures that are necessary to achieve assessment equity and accuracy in an efficient manner. Proper assessment practices provide for an explanation of the assessment process and a prompt response to property owner inquiry, as well as to defend assessments upon appeal.

The following questionnaire is designed to address the most important assessment functions in a municipality. It includes 50 questions that are divided into categories to assist the investigator in addressing these topics fairly and efficiently. The three columns to the left of the questions are used to record the investigators findings for each question. A "S" (Satisfactory) indicates that the topic is properly addressed by the assessor or local official and full points for that question are awarded. A "NI" (Needs Improvement) result indicates that the topic may be handled correctly in some areas but in other areas it does not follow the guidelines in Wisconsin Statutes and/or the Wisconsin Property Assessment Manual (WPAM). In this case, the investigator awards half of the possible points. A "UN" (Unsatisfactory) score indicates that the assessment work in regard to the topic is not in compliance with Wisconsin Statutes and/or the WPAM, therefore no points are awarded. If a question does not apply to a particular municipality, that question is not scored and the points are re-allocated to the question with the highest point value within that section.

An explanation for awarding partial points or no points will be provided in the comment area at the end of each section.

Section 1 - Property Data and Record Cards

Total Possible
10.00

The Property Record Card is the primary property listing tool used by the assessor and must be maintained for every parcel in the municipality. Sec. 70.32, Wis. Stats., specifies that real property shall be valued "...from actual view or from the best information that the assessor can practicably obtain...". The WPAM provides detailed guidelines for the assessor regarding property inspection procedures, sales verification, data evaluation, and record card preparation. It is essential that the assessor have an accurate detailed description of each property in order to establish a basis for adjustments using the market approach, to accurately estimate replacement cost new and depreciation, and to better defend the final assessment.

* For topics identified with * , the investigator refers to the process that was used to arrive at the assessments that are in the current roll, e.g. in the year of the last revaluation.

<i>S = Satisfactory, NI = Needs Improvement, UN = Unsatisfactory</i>			Possible Rating	Actual Rating
S	NI	UN	Topic	
check one				
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.50	<input style="width: 100px;" type="text" value="1.50"/>
1 classification and current assessment for all parcels? Do the assessments on the cards match those on the roll?				
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3.00	<input style="width: 100px;" type="text" value="2.00"/>
2 Is there an accurate description of each building's physical characteristics listed on the property record card for the following classes of property?				
<ul style="list-style-type: none"> • Class 1 • Class 2 • Class 7 				
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.50	<input style="width: 100px;" type="text" value="0.50"/>
3 Are land improvements valued with improvements (e.g. well and septic systems, retaining walls, driveways, landscaping, etc.) as stated in the WPAM?				

ASSESSMENT PRACTICES REVIEW (ASSESSOR DIRECTED), cont.

S = Satisfactory, NI = Needs Improvement, UN = Unsatisfactory

S	NI	UN	Topic	Possible Rating	Actual Rating
		x	4 Are properties inspected and the record cards and assessments updated when physical changes to building occur? (e.g. new construction, demolition, annexation)?	1.00	0.00
x			5 Are recent sales inspected and posted on the property record cards?	0.50	0.50
x			6 Is there a land sketch or a parcel map with parcel identified for each parcel (included in assessor records or county GIS)?	0.50	0.50
x			7 Are all land assessments calculated showing front feet, square feet, or per acre value and recorded on the property record card?	0.50	0.50
		x	8 Is there a building sketch for each major building showing all dimensions drawn to scale?	1.00	0.00
x			9* Are there current photographs of each major building attached to or inserted in the property record card?	0.50	0.50
	x		10 Does the municipality and/or county possess and maintain all of the following that are available and are they used when relevant? <ul style="list-style-type: none"> • Recorded Subdivisions • Aerial Photographs or Slides • Plat Books or Section Maps • Soil survey or Association Maps • Zoning Maps 	1.00	0.50
Section One Total				10.00	6.50

Section 1 Comments	<i>The Assessor does not use the commercial module program ASDPS offers. Q. 9 - included photos only when records were printed; photos were not stored electronically with individual parcel records. The Assessor is also the building inspector for the Town of Georgetown. Question 6 - he uses the county GIS, but does not have a copy of the parcel map or a sketch within each parcel record.</i>
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ASSESSMENT PRACTICES REVIEW (ASSESSOR DIRECTED), cont.

Section 2 - Classification

Total Possible
5.50

Sec. 70.32, Wis. Stats., provides for the classification of real property according to its use. Proper land use classification allows for comparability between localities and regions, and also allows for the study of real estate value trends in individual areas. It is essential that land use classification be uniform within and between individual municipalities. The statutory land use classification established in Wisconsin provides for an uniform system of use classification and valuation. Sec. 70.32 (2)(a), Wis. Stats., defines classifications of property, as well as the valuation of Classes 4, 5, and 5m to be valued differently than the remaining classes, which require a market value assessment. Class 4-Agricultural is assessed according to use value, as annually determined by DOR, and Classes 5 and 5M are valued at 50% of full value.

S = Satisfactory, NI = Needs Improvement, UN = Unsatisfactory			Possible Rating	Actual Rating	
S	NI	UN	Topic		
			Has the assessor properly followed the guidelines specified under §70.32, Chapter Tax 18 and the Wisconsin Property Assessment Manual for each of the following 11 classes?		
x			Class 1 - Residential	0.50	0.50
x			Class 2 - Commercial	0.50	0.50
x			Class 4 - Agricultural	0.50	0.50
x			Class 5 - Undeveloped	0.50	0.50
x			Class 5M - Agricultural Forest	0.50	0.50
x			Class 6 - Forest	0.50	0.50
x			Class 7 - Other (Agricultural Improvements)	0.50	0.50
x			12 Is each class 4, 5, and 5M parcel reviewed annually to determine eligibility for agricultural, agricultural forest, and undeveloped land classifications?	0.50	0.50
x			13 Are soil maps, plat maps, road maps, topographic maps, and/or aerial photos used in the grading of agricultural lands?	0.50	0.50
x			14 Are properties that are classified as Undeveloped, valued in the proper subclass (fallow, swamp & waste or road right-of-way)?	0.50	0.50
x			15 Do site acres accurately reflect the land necessary for the location and convenience of all buildings and improvements?	0.50	0.50
Section Two Total			5.50	5.50	
Section 2 Comments		Question 13 response - Assessor has assessed since 2008, and knows the district			

ASSESSMENT PRACTICES REVIEW (ASSESSOR DIRECTED), cont.

Section 3 - Valuation

Total Possible
17.50

The methods and techniques used to appraise real property in a real property assessment system are known collectively as mass appraisal techniques. The techniques used in mass appraising are adaptations of those used in conventional appraisal practices and employ the three approaches to estimating market value. These are the cost approach, the sales comparison approach and the income approach. The standard of valuation is market value. Exceptions to market value based assessments are Class 4 - Agricultural land which is assessed according to use value, and Class 5 - Undeveloped and Class 5m Agricultural Forest, which are both assessed at 50% of market value.

* For topics identified with * , the investigator refers to the process that was used to arrive at the assessments that are in the current roll, e.g. in the year of the last revaluation.

S = Satisfactory, NI = Needs Improvement, UN = Unsatisfactory				Possible Rating	Actual Rating
S	NI	UN	Topics		
General					
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Is all new construction valued at the same general level of assessment as existing real property?	1.00	1.00
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	17 Does the assessor perform sales ratio studies to determine the level of assessment in the district?	0.50	0.25
Cost Approach					
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18* Is there a cost approach for each improved parcel showing RCN, depreciation and RCNLD computed using a current cost manual?	3.00	3.00
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19* Are structures depreciated on the basis of their effective lives as opposed to their actual lives?	0.50	0.50
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20* Are replacement cost estimates based on current building costs?	0.50	0.50
Sales Comparison Approach					
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	21 Are all real estate sales verified annually and documented as arms-length transactions?	1.00	0.00
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	22* Are time adjustments based on market data and applied to sale prices to reflect the January 1 assessment date?	1.00	0.00
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23 Are land sales analyzed using standard units such as square feet, per acre or front feet?	0.50	0.50
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24 Are these land sales plotted on sales maps?	0.50	0.00
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	25* Is a vacant sales analysis properly used in the valuation of land?	1.50	0.00
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	26* In the land valuation process, are adjustments made for size and/or depth, irregular-shaped lots and other site factors that significantly add to or detract from value?	0.50	0.00
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	27* Is a comparable sales analysis developed for improved properties and applied to the valuation of non-sale properties?	3.00	0.00
Income Approach					
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	28* For income producing properties, is income and expense data gathered and is the income approach used when it is determined to be the best indicator of value?	1.00	0.00

ASSESSMENT PRACTICES REVIEW (ASSESSOR DIRECTED), cont.

Assessment of Classes 4, 5, & 5m

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	29 Does the assessor value undeveloped lands at 50% of full value and adjust to the current level of assessment?	0.50	<input type="text" value="0.50"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30 Does the assessor value agricultural forest at 50% of full value and adjust to the current level of assessment?	0.50	<input type="text" value="0.50"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	31 Does the assessor adjust current use values to the local level of assessment when valuing agricultural lands?	0.50	<input type="text" value="0.50"/>

Personal Property

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	32 Are follow-up contacts made with owners of personal property that have failed to file requested statements of personal property before "doomage" assessments are made?	0.50	<input type="text" value="0.50"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	33 Absent the actual view of personal property, is there a Statement of Personal Property for each account in the jurisdiction?	0.50	<input type="text" value="0.50"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	34 Is personal property equated to the same general level of assessment as existing real property?	0.50	<input type="text" value="0.50"/>
Section Three Total				17.50	<input type="text" value="8.75"/>

Section 3 Comments	<i>Questions 18-20 included on Property Record Card. Question 28 does not use Class 2 module offered by ASDPS (software company).</i>				
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ASSESSMENT PRACTICES REVIEW (MUNICIPAL SUPPORT AND RESPONSIBILITIES)

Section 4 - Administration and Public Relations

Total Possible
7.00

It is important that the assessor provide accurate and timely information to both the public and the Department of Revenue. Much of this information is statutorily required. A strong and ongoing effort to provide this information and to build public confidence in assessment operations plays an important role in assessment administration. The procedures followed by the assessor and the municipal clerk in the administration of assessment appeals must comply with the Wisconsin Statutes and the due process clauses of the Wisconsin and Federal constitutions.

S = Satisfactory, NI = Needs Improvement, UN = Unsatisfactory				Possible Rating	Actual Rating
S	NI	UN	Topics		
x			35 Has a properly completed Municipal Assessment Report been submitted to DOR in a timely manner?	1.50	1.50
x			36 Has the assessor submitted sale validation information to DOR in a timely manner?	0.50	0.50
x			37 Does the assessor inform the County Treasurer of land which is subject to a use value conversion charge?	0.50	0.50
x			38 Have notices of changed assessments for real property as required by sec. 70.365, Wis. Stats., been prepared and mailed to taxpayers at least 15 days prior to BOR?	1.00	1.00
		x	39 Are prompt written or oral follow-up responses to inquiries provided when requested?	0.25	0.00
		x	40 Does the assessor send a written request by certified mail to view property if a property owner has refused entry?	0.50	0.00
x			41 Are open records requests responded to within 10 working days as recommended by the Department of Justice?	0.25	0.25
		x	42 Does the municipality have an appropriately detailed written contract with the assessor?	0.50	0.00
x			43 Were the required 15 day notices of the Open Book inspection published and posted as stated under sec. 70.45, Wis. Stats.?	0.25	0.25
		x	44 Are printed informational booklets explaining the assessment process provided at the Open Book as required by sec. 70.45, Wis. Stats.?	0.25	0.00
x			45 Were the required 15 day notices of the BOR Meeting published and posted?	0.25	0.25
x			46 Was a properly completed Assessor's Affidavit attached to the roll?	0.25	0.25
		x	47 Was a recording device or stenographer used to record all BOR proceedings?	0.25	0.00
x			48 Was all testimony presented at the BOR given under oath (including the assessor's)?	0.25	0.25
x			49 Were notices of BOR final decisions provided to the objectors prior to the final adjournment of the BOR?	0.25	0.25

ASSESSMENT PRACTICES REVIEW (MUNICIPAL SUPPORT AND RESPONSIBILITIES), cont.

S = Satisfactory, NI = Needs Improvement, UN = Unsatisfactory

S	NI	UN	Topics	Possible Rating	Actual Rating
x			Has at least one member of the BOR attended annual training as required by sec. 70.46(4), Wis. Stats.?	0.25	0.25
Section Four Total				7.00	5.25
Section 4 Comments		Question 36 does not apply-- Question 37 unsure- Question 38 has received several calls about the assessor-- Question 40 unsure- Question 41 has not received any-- no detail on contract			
TOTAL POSSIBLE POINTS FOR ASSESSMENT PRACTICES: FORTY (40)				40.00	26.00

Overall Comments	Overall the printed property records from the CAMA system are acceptable; most of the required information is present. Lack of computer skills and knowledge of the Cama system have limited the usefulness of the system. Assessor stated making a +25% adjustment to about 720 parcels in 2022 roll and a +23% adjustment to about 1200 parcels for 2023 roll is not the proper method to complete a revaluation.
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