



The Property Assessment and Tax Process for Towns, Villages, and Cities

*Revised by LGC Local Government Specialist Kate Lawton
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Administration of the property tax takes place locally, subject to detailed statutory control established by the Legislature. The elements are simple:

1. Identify all property through real property listing and personal property assessing.
2. Establish the value of the property through assessment.
3. Apply the tax rates (determined by the amount of taxes levied by the taxing jurisdictions in which the property lies) to the assessed value.
4. Compute the total taxes due plus special assessments and charges after applying all state credits.
5. Send tax bills to the property owners.
6. Collect the payments of taxes.
7. Distribute the proper amount of the collected taxes to each taxing jurisdiction (school, sewerage, sanitary, Technical College District Board, and lake management districts; the county; the State of Wisconsin, for its forestry tax; and the municipality where the property is located).

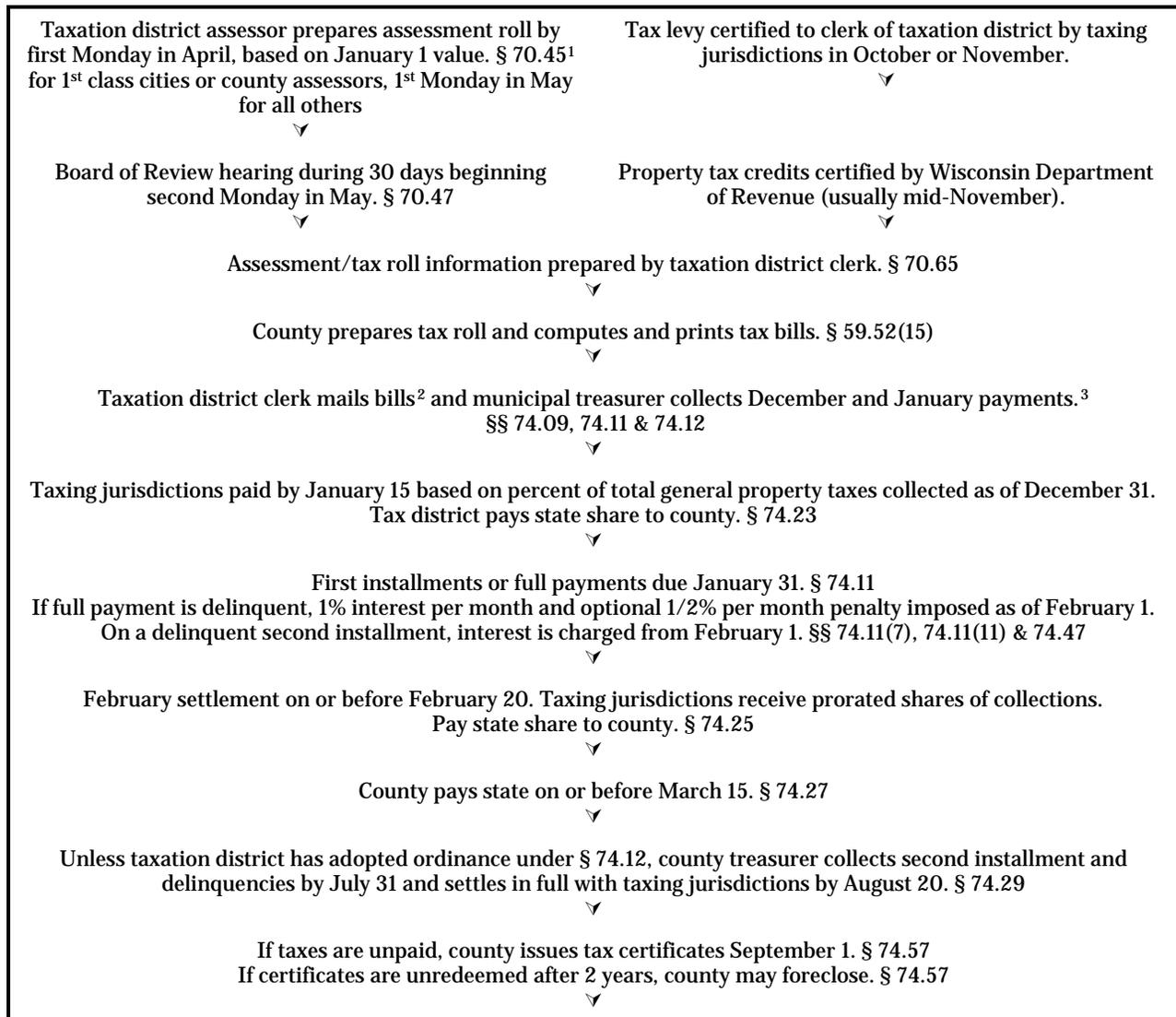
The process is shown on the next page. When reading the chart, remember that *taxing jurisdictions* are all the units of government that can levy a property tax, including schools and the other jurisdictions listed above. Most taxing jurisdictions include several taxation districts. *Taxation districts* are towns, villages, and cities. They assess property and bill and collect property taxes.

In reality, the system is confusing to many people. Some of the main sources of confusion are:

- Not understanding the assessment principles established by the State of Wisconsin, by which the work of assessors is guided. These are found in the Wisconsin Property Assessment Manual, prepared by the Wisconsin Department of Revenue.
- The fact that towns, villages and cities (the taxation districts), which are the primary administrators of the property tax, receive for their own purposes only a modest portion of the taxes they and the county treasurer collect. Public discontent over property taxes

often focuses on the municipalities, rather than the school districts, which often receive the majority of the taxes collected.

- The meaning of equalized value, which the Wisconsin Department of Revenue establishes, is the full market value of the classes of property within a taxation district (town, village, city).
- The meaning of assessed value, which the local assessor establishes, is the estimated value of real and certain personal property. The assessed value is often somewhat less than full market value. State law requires that total assessed values of a town, village, or city be within 10% of equalized value at least once in any five -year period, or else the Department of Revenue may order a complete reassessment by an assessor of its choosing. Real property includes land, buildings, and improvements. Taxable personal property includes machinery, tools and patterns, furniture, fixtures, and some office equipment used in a business or for a commercial purpose. Assessors work for towns, villages, and cities.



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Initially prepared by Edward V. Schten, Department of Government Affairs, University of Wisconsin-Madison. Revised by Kate Lawton of the UW-Extension Local Government Center and Jennifer Miller and Marilyn Hendricks of the Wisconsin Department of Revenue.

¹ At least 15 days prior to having the assessment roll open for examination by the public; the clerk must publish a Class 1 notice. The assessor must be present during the examination for at least two hours.

² Many counties also mail out bills after printing them.

³ Some counties collect all installment payments for taxation districts.