

UNDERSTANDING CITY OF SOUTH MILWAUKEE REVALUATION AND YOUR ASSESSMENT

Answers to the most frequently asked questions

What is a revaluation?

A revaluation is a review of all assessments. During a revaluation, all assessments are updated using information gathered from recently sold properties. The last citywide revaluation occurred in 2011 and was based on sales that occurred in 2009 and 2010. Since the 2011 revaluation, the general level of assessment, also known as assessment ratio, fell to 80% of market value and without conducting the 2022 revaluation that level would have fallen to around 67% of market value as of January 1, 2022. That means the average property would have been assessed 49% below market value as of January 1, 2022 without conducting a revaluation ($100\% / 67\% = 149\%$ or a 49% increase). Note that a 49% increase does not mean a 49% increase in taxes. Typically, in this scenario where the average increase in value is 49%, property owners that receive an increase in value of 39% to 59% do not see a major change to their tax bill.

The 2022 revaluation used sales that occurred between November 2020 and December 2021 to arrive at an estimated fair market value of each property as of January 1, 2022. The goal of the revaluation is to assure that taxes are distributed equitably and uniformly, as well as to comply with State Statutes.

Does everybody's tax go up because of revaluations?

No. Revaluation redistributes the existing property tax burden so that all property owners pay their fair share based on the market value of their property. If the total tax levy remains the same, only those properties which are not presently paying their fair share of the tax burden will pay more tax because of the revaluation. Property owners currently paying more than their fair share would actually pay less after the revaluation. The total amount of taxes levied is completely independent of the overall assessment.

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. The assessor used 1 to 5 comparable properties that sold between November 1, 2020 and December 31, 2021 to arrive at the 2022 assessed value.

What is market value?

Market value is defined as the amount a typical, well-informed purchaser would be willing to pay for a property. The seller and buyer must be unrelated, the seller must be willing, but not under pressure to sell, and the buyer must be willing, but not under any obligation to buy.

Can the assessment on my property be changed even if the assessor has not been inside my property?

The assessor keeps records on the physical characteristics of each property in the municipality. The assessment will be based on the existing records and the sales of similar properties.

How can my assessment change when I haven't done anything to my property?

General economic conditions such as interest rates, inflation rates, and changes in the tax laws, will influence the value of real estate. As property values change in the marketplace, those changes must be reflected on the assessment roll.

Do all assessments change at the same rate?

There are differences between individual properties and between neighborhoods. In one area for a certain type of property, the sales may indicate a substantial increase in value in a given year. In another, there may be no change in value, or even a decrease in property values.

How do I know if my assessment is correct?

You should first attempt to decide for yourself what your property is worth. This can be done by looking at area sales, contacting appraisers, and comparing assessments of similar homes.

Understand that some homes may appear similar but may be different in the amount of living area and may or may not be in the same condition as your property.

Am I required to meet with the assessor?

You are not required to meet with the assessor before appealing to the Board of Review, although it is highly recommended. Minor errors and misunderstandings can often be corrected by meeting with the assessor without initiating a formal appeal.

What should I expect if I meet with the assessor to informally discuss my assessment?

You should ask questions that will help you understand the assessment process and how your assessment was determined. An informal discussion with the assessor can often resolve a problem prior to a formal hearing before the Board of Review. Ask the assessor to show you the records for your property and to explain how your assessment was determined. Ask any questions that will help you understand the assessment process.

What evidence do I need to present to the Board of Review?

State law puts the burden of proof on the property owner to show that the assessment is incorrect. Keep in mind that your evidence must be strong enough to prove that the assessor's value is incorrect. Only relevant testimony given at the hearing will be considered by the Board.

The best evidence for this would be recent sale of your property. If you have not recently purchased your property, the best evidence of values is sales prices for properties similar to yours. The closer in proximity and similarity to your property, the better the evidence.

What happens after the Board of Review makes its decision?

The Board will either give or mail you a notice of its decision. If you do not agree with the Board's determination, the notice will contain information on how you may appeal the Board's decision.

How can I determine what impact this revaluation will have on my property taxes?

The exact amount of your property tax bill will not be known until December, based upon the tax levies established by the City, as well as the other taxing jurisdictions (South Milwaukee School District, MATC and Milwaukee County).

The tax rate for 2022 will not be determined until December of this year.

To **ESTIMATE** taxes based upon the 2021 equalized tax rate, you can use the following formula as a **GUIDE**:

ESTIMATED TAXES BEFORE COUNTY SALES TAX CREDIT, LOTTERY CREDIT AND 1ST DOLLAR CREDIT

Step 2: If you qualified for both the 1st Dollar Credit and Lottery Credit subtract \$347 from the Gross Tax for an estimate of the Net Tax. If you qualified for only the 1st Dollar Credit subtract \$76 from your Gross Tax to get an estimate of the Net Tax.