How we identified problems in Wisconsin's assessments system

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Wisconsin's property tax system was built on the principle of fairness – properties of the same size, age, style and condition should be assessed in comparable ways. To identify problems throughout the state, the Milwaukee Journal Sentinel used three primary tools. Each has its limits, but taken together they expose trends and problems.

In addition, we examined values for every residential property in five southeastern Wisconsin counties -- Milwaukee, Waukesha, Ozaukee, Washington and Racine. If values of individual properties fell in an off year, we flagged them for a closer look. We found properties in municipalities across the region demonstrating each of the problems identified in our data analysis.

Changes in non-reassessment years. Cities and towns are not required to reassess all of their properties every year – and most do not. In years when a communitywide reassessment is not done, state guidelines call for the value of individual properties to generally remain the same. In these so-called "maintenance" years, values are only supposed to change based on such things as fire damage, demolitions or additions to a property.

We examined assessors' reports for all 1,852 municipalities in Wisconsin for 2013, and found assessors in 34 communities cut a patchwork of residential values in a maintenance year by what amounted to at least 2% of a community's residential assessed value. In 10 communities, the drop in a spattering of single properties wiped 8% or more off the total taxable amount. Similar drops happened in 2012.

In the City of Glendale, for example, more than $17 million in value was knocked off individual residences in 2013 alone, amounting to about 2% of the municipality's residential

property tax base. And in Rock County's Town of Milton, cuts to an assortment of residential assessments contributed to a $314 increase in taxes for a homeowner whose assessment remained unchanged at $200,000.

Chasing the sale: Once a home is sold, if the assessments match the sales price, it must mean the assessor is doing a good job, right? Wrong. This is termed "chasing the sale" – a practice that is outlawed in some states and in Wisconsin is against Department of Revenue policy.

While the sales price is a key factor that is considered by assessors, there are many other factors that must be considered – how long a house was for sale, how well it was marketed, the condition of the property and comparable sales. All of that makes it highly unlikely the assessed value would exactly match the sale price. Yet, our analysis found this happening time and again.

Coefficient of dispersion: That's a statistical measurement used to determine how close assessors are in their assessment of properties compared to the selling price. Indeed, one way to try to manipulate this number is to use the technique above, and set the value of properties that sold at the sales price.

The state Department of Revenue gathers all of this data and considers a number of 10 or below to indicate "good" performance and anything 20 or higher to signal "poor" work. In other words, 20% or more of the taxes are being paid by the wrong people.

When we crunched the statewide numbers, we found assessors in 72 municipalities doing poor work. (Our analysis looked at municipalities with 20 or more sales in 2013.)

Searchable database: View a full list of municipalities by rank.

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