

# **UNDERSTANDING THE CITY OF FRANKLIN REVALUATION AND YOUR ASSESSMENT**

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## **What is a statistical revaluation?**

A statistical revaluation is an office review of assessments using existing information in the assessment files and analyzing current market conditions, including records of all property sales and comparables to arrive at a new assessment. During a statistical revaluation, all assessments are examined and adjustments are made where necessary to estimate each property's market value. This is done to assure that taxes are distributed equitably and uniformly as required by State law. The last revaluation for the City of Franklin was conducted in 2010. The 2013 value listed on your Notice of Assessment is intended to reflect the fair market value of your property as of January 1, 2013.

## **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 maintains a database containing detailed information regarding each structure and parcel. It tracks the number of rooms, square footages, and many other pieces of information commonly available from building permits, interior inspections, or a street-side view. The assessor also maintains a record of all property sales in the City. By using a detailed statistical computer model the assessor can identify properties similar to yours that have sold and use that sales data to estimate the fair market value of your property. The assessor used up to 5 comparable properties that sold between January 1, 2011 and December 31, 2012 to arrive at the 2013 assessed value. The comparable properties used to arrive at the 2013 assessment for your property are available at the Assessor's Office upon request.

## **What is market value?**

Market value is defined as the amount a typical, well-informed purchaser would be willing to pay for a property in an open market. In such an instance, 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. Foreclosure sales and short sales are not open market sales and typically sell for far less than open market sales and are, therefore, not used as comparable properties to assist in establishing 2013 assessed values.

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

Yes. Current State Statutes allow the assessor to base the assessment from an actual view, or the best information possible. The 2013 assessment is based on any interior inspections conducted to date, existing records regarding the interior or exterior view (as needed), and open market 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, supply and demand, and changes in the tax laws will influence the value of real estate. As property values change in the market place, State law requires that those changes must be reflected on the assessment roll during a revaluation.

## **Do all assessments change at the same rate?**

There are differences between individual properties and between neighborhoods. In one area the sales may indicate a substantial increase in value in a given year. In another neighborhood there may be a smaller increase in value, no change in value, or a decrease in value. Different types of properties may also reflect different value changes. For example, two story houses and one story houses within the same neighborhood may be increasing in value or decreasing in value at different rates. Again, these changes are different only to the extent that the real estate market place reflects variations.

## **How do I know if my assessment is correct?**

The best way is to stay current on what similar properties are selling for in your area. This can be done by checking multiple websites for current asking prices, as well as checking the Sunday paper for transactions in the real estate section. You can also contact the Assessor's Office for a list of properties that have recently sold. Another method would be to contact a real estate agent or a fee appraiser to assist you with estimating the current market value of your property.

### **What is the Open Book Period?**

The Open Book period is the time when property owners can meet with the assessor in an informal environment to discuss the assessment. Information is exchanged between the property owner and the assessor in order to help clear up any discrepancies. The assessor will also answer questions regarding the assessment process and explain how they arrived at the assessed value. This meeting is purely optional; property owners are not required to attend an Open Book meeting.

### **What should I expect if I meet with the assessor during the Open Book Period?**

You should ask questions that will help you understand the assessment process and how your assessment was determined. A meeting with the assessor during Open Book 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. You can also submit information in support of your opinion of value such as a recent sale price, a recent appraisal, recent sales of comparable properties, and/or photos of existing physical conditions that affect value.

### **What is the Board of Review?**

The Board of Review is a quasi-judicial (court-like) board composed of Franklin residents who volunteer to serve as members. Its function is not one of valuation but of deciding the validity of the facts presented before it. You or your representative must provide testimony and evidence to the Board in objection of your assessment and prove that your property is inequitably assessed when compared to the general level of assessment within the City of Franklin or to other comparable properties.

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

State law places 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 a recent sale or asking price for your property, sales or asking prices for properties similar to yours, or a recent appraisal of your property (performed within the last year). The closer in proximity and similarity of characteristics the comparable sales are to the subject property, the better the evidence of value.

### **Am I required to meet with the assessor prior to appealing to the Board of Review?**

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.

### **Does everybody's property tax go up because of revaluations?**

No. A community's total property tax levy – or the total tax burden – does not go up because of revaluation. In fact, the total property tax burden is completely independent of the assessment and revaluation process. A revaluation simply redistributes the existing property tax burden so that all property owners pay their fair share based on the market value of their property. As such, the average property will see no change in their share of the total tax burden. Individual properties, however, which do not retain value or do not increase in value as much as the average property in the community will see a reduction in their share of the total tax burden. Similarly, individual properties which increase in value or retain value at a higher rate than the average property will see an increase in their share of the total tax burden.

### **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 and will be based upon the tax levy established by the City, as well as the other taxing jurisdictions (School Districts, Technical College, Milwaukee County, State of WI and MMSD where applicable). Budget meetings will be taking place this fall to establish the 2013 tax rate.