

# Valuation Impact on Levy & Mill Rate



Be aware of total **levy** impact.



\$10.0M		\$100M				\$10.00
\$10.0M	÷	\$114M	×	\$1,000	=	\$ 8.77
\$11.4M		\$114M				\$10.00

# Economic Growth vs. New Construction

BAIRD

County 40 Milwaukee  
City 291 Wauwatosa



REAL ESTATE	2021 RE Equalized Value	Removal of Prior Year Compensation	% Change	\$ Amount of Economic Change	% Change	\$ Amount of New Constr	% Change
<b>Residential</b>							
Land	1,426,210,200	9,200	0%	199,670,700	14%	135,700	0%
Imp	2,817,037,500	11,600	0%	394,376,500	14%	30,032,600	1%
Total	4,243,247,700	20,800	0%	594,047,200	14%	30,168,300	1%
<b>Commercial</b>							
Land	754,218,100	0	0%	38,924,200	5%	5,250,600	1%
Imp	2,203,796,200	0	0%	122,030,300	6%	101,135,600	5%
Total	2,958,014,300	0	0%	160,954,500	5%	106,386,200	4%
<b>Manufacturing</b>							
Land	45,732,700	0	0%	958,900	2%	0	0%
Imp	96,273,100	581,300	1%	725,800	1%	550,300	1%
Total	142,005,800	581,300	0%	1,684,700	1%	550,300	0%

- **Economic Change** (example = 10%)  
Change in what a property is worth  
(same taxpayers)

versus

- **New Construction** (example = 2%)  
Addition to tax Base  
(new taxpayers)

<b>Total Real Estate</b>							
Land	2,226,161,000	9,200	0%	239,553,800	11%	5,386,300	0%
Imp	5,117,106,800	592,900	0%	517,132,600	10%	131,718,500	3%
Total	7,343,267,800	602,100	0%	756,686,400	10%	137,104,800	2%

Link to Wisconsin DOR, "Statement of Changes in Equalized Value":

<https://www.revenue.wi.gov/Pages/Report/soc-eqv.aspx>

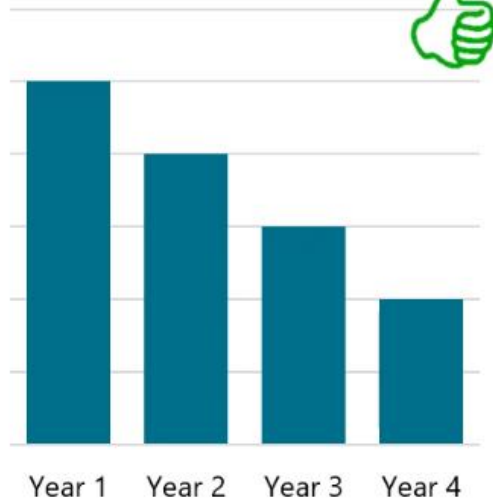
## Levy Fluctuations / Stabilization

BAIRD

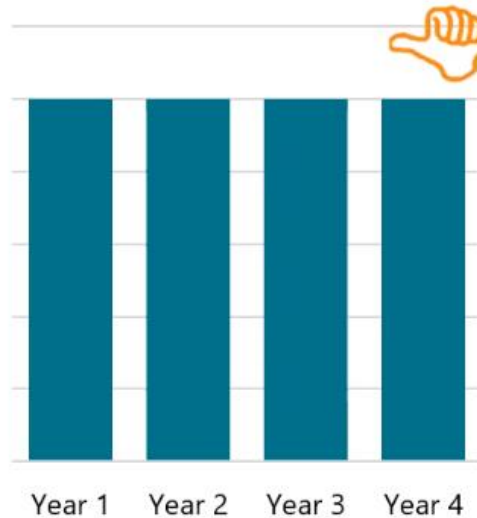
Is good will a good long-term plan?

- Biennial Budget Uncertainties
- Equalized Value Fluctuations
- Equalization Aid Unknowns

Sample Levy/Mill Rate



Sample Levy/Mill Rate



Sample Levy/Mill Rate



## Assessed Value vs. Equalized Value

---

The logo for BAIRD is a blue parallelogram with the word "BAIRD" in white, uppercase, sans-serif font.

### Assessed Value

Used for Levy Apportionment **Within** Municipalities

- Calculated by local municipality
  - Local Assessors
- Determined periodically as required per State Statutes
- Maintains tax equity within municipalities and among taxpayers

### Equalized Value

*(Fair Market Value)*

Used for Levy Apportionment **Among** Municipalities

- Calculated by the State
  - Department of Revenue
- Determined annually
- Maintains tax equity among municipalities for use with overlapping taxing jurisdictions such as:
  - County
  - School District
  - Technical College

***Accurate property values are required to fairly distribute the property tax burden***

## Levy Increases are Expected for 2023-24

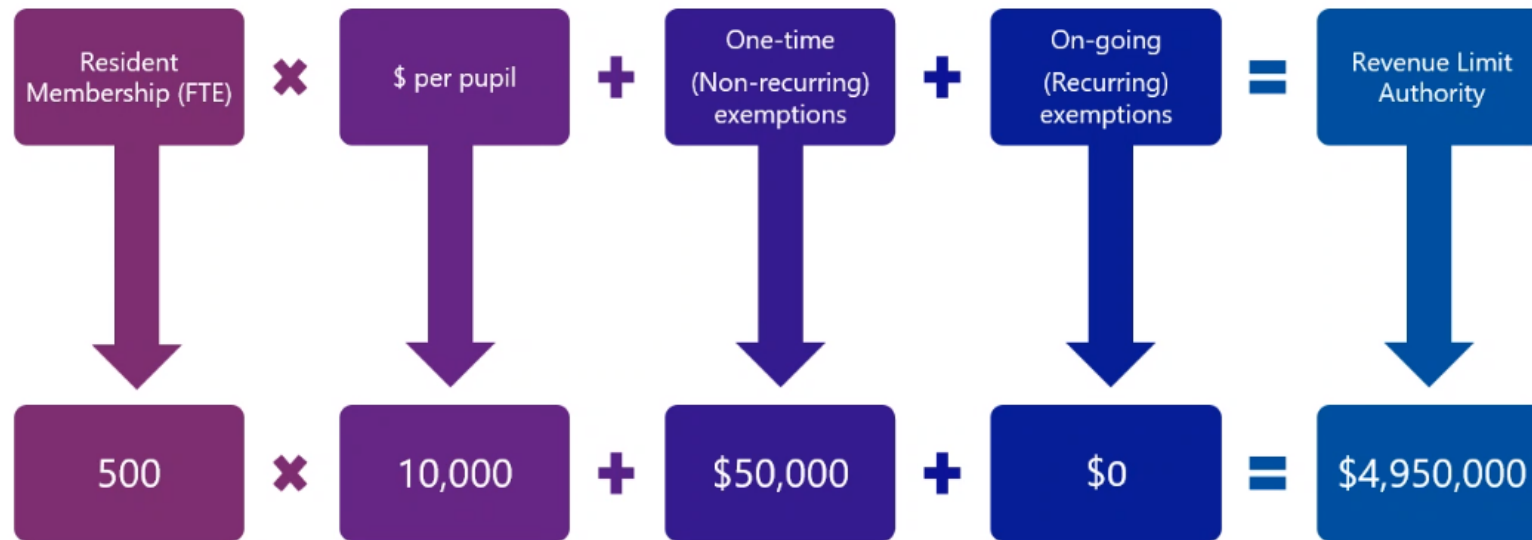
---



- **Expect Operational Levy Increases for 2023-24**
  - Estimated 220 districts > \$325 p/p increase
    - ≈ \$100M increase NR / new Recurring referendum authority
    - ≈ \$ 50M increase for those >\$325 p/p inc.
  - EQ Aid increase is not expected to cover the **base** revenue limit increase
    - However, Biennial budget did increase School Levy Tax Credit funding
- **District is NOT penalized long term if you choose to under-levy the Revenue Limit Authority**
  - Non-Recurring exemptions
    - Only lose funds for the current fiscal year
  - Recurring exemptions
    - Only lose funds for the current fiscal year
    - Authority will carry over to the Revenue Limit formula in the next fiscal year

## Low Revenue Ceiling Increase

BAIRD





## BAIRD

FY 2019  
62% w/  
Voucher  
Exemption

FY 2023  
82% w/  
Voucher  
Exemption

## BAIRD

July 1 Estimate:  
Budget

October 15  
Certification:  
Actuals

Revenue Limit  
Authority

State Equalization Aid  
+ ~~High Poverty~~, Pers Prop  
& Comp Aid

## Revenue Limit Levy

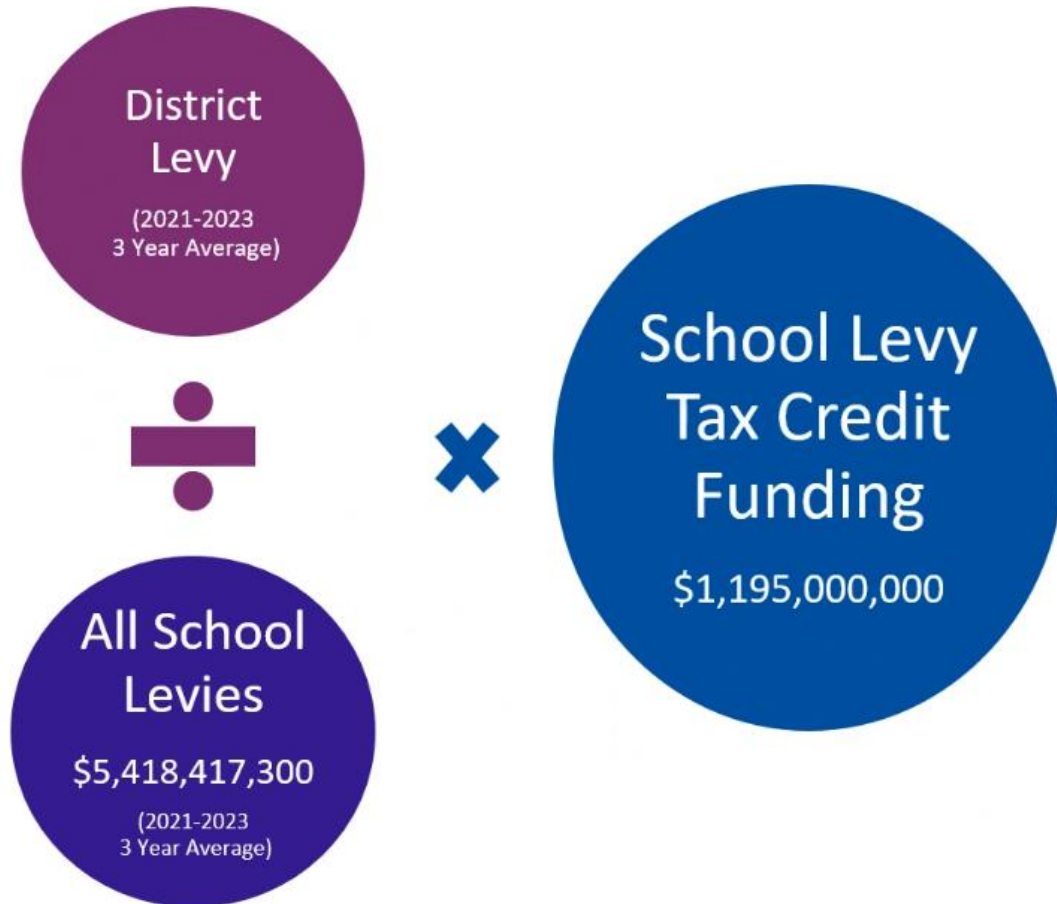
## 2024-25 Equalization Aid Estimate Considerations?



# School Levy Tax Credit

BAIRD

School Levy Tax Credit		
	Funding	YoY Δ
2015	747,400,000	
2016	853,000,000	14%
2017	853,000,000	0%
2018	940,000,000	10%
2019	940,000,000	0%
2020	940,000,000	0%
2021	940,000,000	0%
2022	940,000,000	0%
2023	940,000,000	0%
2024	1,195,000,000	27%
2025	1,275,000,000	7%



***School Levy Tax Credits are calculated by municipality***

# Example Property Tax Bill

BAIRD

Assessed Value Land 174,300	Ass'd. Value Improvements 384,700	Total Assessed Value 559,000	Ave. Assmt. Ratio 1.0153	Net Assessed Value Rate (Does NOT reflect credits) 0.022409168
Est. Fair Mkt. Land 171,700	Est. Fair Mkt. Improvements 378,900	Total Est. Fair Mkt. 550,600	<input type="checkbox"/> A Star in this box means Unpaid Prior Year Taxes	School taxes reduced by school levy tax credit \$ 748.95

Taxing Jurisdiction	2018 Est. State Aids Allocated Tax Dist.	2019 Est. State Aids Allocated Tax Dist.	2018 Net Tax	2019 Net Tax	% Tax Change
STATE OF WISCONSIN				0.00	
MILWAUKEE COUNTY	5,626,248	5,573,836	3,422.49	3,252.65	-5.0%
CITY OF WAUWATOSA	4,021,983	4,332,966	4,086.04	3,940.83	-3.6%
WAUWATOSA SCH DIST	25,939,897	27,929,622	3,614.65	4,393.71	21.6%
MATC	6,017,595	6,039,054	702.05	651.41	-7.2%
METRO SEWER DIST			970.89	906.06	-6.7%
CO SALES TAX CR			-613.12	-617.94	0.8%

# Example Property Tax Bill

Assessed Value Land 174,300	Ass'd. Value Improvements 384,700	Total Assessed Value 559,000	Ave. Assmt. Ratio 1.0153	Net Assessed Value Rate (Does NOT reflect credits) 0.022409168
Est. Fair Mkt. Land 171,700	Est. Fair Mkt. Improvements 378,900	Total Est. Fair Mkt. 550,600 <b>A</b>	A .0093401 Means Impact Prior Year Taxes <b>B</b>	School taxes reduced by school levy tax credit — <b>C</b> \$ 748.95
Taxing Jurisdiction	2018 Est. State Aids Allocated Tax Dist.	2019 Est. State Aids Allocated Tax Dist.	2018 Net Tax	2019 Net Tax % Tax Change
STATE OF WISCONSIN				0.00
MILWAUKEE COUNTY	5,626,248	5,573,836	3,422.49	3,252.65 -5.0%
CITY OF WAUWATOSA	4,021,983	4,332,966	4,086.04	3,940.83 -3.6%
WAUWATOSA SCH DIST	25,939,897	27,929,622	3,614.65	<b>4,393.71</b> <b>D</b> 21.6%
MATC	6,017,595	6,039,054	702.05	651.41 -7.2%
METRO SEWER DIST			970.89	906.06 -6.7%
CO SALES TAX CR			-613.12	-617.94 0.8%

$$\begin{array}{|c|} \hline \text{Fair Market} \\ \text{Value} \\ \hline \mathbf{A} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{School Levy} \\ \text{Rate} \\ \hline \mathbf{B} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{School Levy} \\ \text{Credit} \\ \hline \mathbf{C} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Individuals'} \\ \text{School Levy} \\ \hline \mathbf{D} \\ \hline \end{array}$$

***"In addition to changes in the school districts levy and mill rate, the individual taxpayers' school levy impact can change year to year due to changes in assessed value, assessment ratio, resulting fair market value, and the school levy credit."***

Letter C above will increase by 27%.



## Summary

---

### Key upcoming Deadlines:

- November 1 – Levy & Budget Adoption
- November 6 – PI-401 Report to DPI
- November 10 – Levies Certified to Municipalities

### Levy / Mill Rate Stabilization:

- Review forecast to plan for and/or potentially avoid fluctuations

### Communication:

- Anticipate board / stakeholder questions