

Frequently Asked Questions

Q: If the OUSD mill rate has been decreasing, why does my property tax bill show an increase?

A: The increase on the school district portion of the residents' property tax bill is due to annual increases in the estimated fair market value of the property, which is calculated by the Wisconsin Department of Revenue. Over the last five years, the average fair market value increase for Oconto Unified School District property owners is 8.03%.

Q: If the school district mill rate decreases, does that guarantee that my school property tax bill will decrease?

A: A lower mill rate does not guarantee that property tax bills will decrease, but it does lessen any potential increase in taxes due to rising fair market value of your property. Please continue reading for additional details and some examples.

As noted above, the fair market value of the property, determined annually by the Wisconsin Department of Revenue, affects school property taxes. Using the five year average from the answer above as a reference, we can project a range of possible outcomes of a lower \$9.01 mill rate on individual tax bills.

Last year's \$9.43 mill rate equates to \$943 in property taxes per \$100,000 of fair market property value. This year's lower mill rate of \$9.01 would mean a drop of \$42 on your tax bill for every \$100,000 of fair market property value. This scenario is based on a 0% increase in the fair market value.

If we instead base a scenario on OUSD's fair market value average annual increase of 8.03%, that would mean a mill rate decrease from \$9.43 to \$9.01 would change a potential school property tax impact from an increase of \$88.92 per \$100,000 of property value (for a \$9.43 rate) to an increase of \$42.96 per \$100,000 of property value (for a \$9.01 rate). In this example, the new, lower \$9.01 mill rate doesn't lower your property taxes, but it does lessen the increase in taxes due to rising fair market value of your property.

Q: Why do school Districts use fair market value to calculate property taxes instead of assessed value?

A: The District's mill rate is determined using the equalized value of property as determined by the Wisconsin Department of Revenue. The municipalities use the assessed value with an adjustment to get a balance between the assessed and equalized property value.

DPI Explanation: The two commonly-used methods of valuing property in Wisconsin are assessed and equalized. **Assessed valuation** is property value as determined by the local municipal assessor on January 1 in any given year. **Equalized valuation** results when the Department of Revenue applies an adjustment factor to the assessed value. The adjustment factor incorporates, among other elements, actual property sales in the municipality during the past year and is meant to ensure each type of property has comparable value regardless of local assessment practices.