



Rethinking Special Assessments October 2019

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§66.0703 ... as a complete alternative to all other methods provided by law, any city, town or village may, by resolution of its governing body, levy and collect special assessments upon property in a limited and determinable area for special benefits conferred upon the property by any municipal work or improvement; and may provide for the payment of all or any part of the cost of the work or improvement out of the proceeds of the special assessments.

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Two types of Special Assessments

Police Power –

for the health, safety and welfare of the public

3 general requirements:

- The improvement must be local rather than general
- The improvement must confer special benefits on the property to be assessed
- The assessment must be fair and equitable and in proportion to the benefits accruing / must be made on a reasonable basis
 - Not arbitrary
 - Not allocated in an unequal or unfair manner

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Two types of Special Assessments

Taxing Power –

- Power of governments to levy taxes to pay for improvements and services
- More direct connection
- Special Assessments may not exceed the actual benefits conferred on the property

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Benefits of Using Special Assessments

- Very limited exceptions, properties that may be assessed include:
 - Residential, Commercial, Industrial, Institutional, Tax exempt

- Exceptions include ROW, certain RR property and property of the Federal Government

- Can specially assess benefitted properties in adjacent municipality with cooperation of adjacent municipality

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Benefits of Using Special Assessments, cont'd.

- Familiar – authorized by Wisconsin Statutes since 1945
- Provides a source of revenue outside of the property tax levy and general obligation debt
- Collection - Can be placed on property tax roll

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Challenges of Using Special Assessments

- Administration can be burdensome
 - Assessed Costs vs. Actual Costs
 - Credits
 - Dealing with unique situations
 - Repayment Issues
 - Insolvent Funds (Negative Cash)
- High costs for property owners
- Property owner challenges to special assessments
 - CED v. City of Oshkosh

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Exploring Alternatives to Special Assessments

Eliminate Special Assessments and Fund with Tax Levy
Vehicle Registration Fees
Transportation Utility Fees

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