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**For immediate release**

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**Region's property tax levies rise 1.5% - smallest increase in past decade**

*But annual analysis shows rates are on the rise to offset declining property values*

**MILWAUKEE, Wisconsin** – *Thursday, August 11, 2011* – Spurred by declining property values in each of the region's seven counties, officials in southeast Wisconsin increased property tax levies by just 1.5% in 2011, the smallest increase since at least 2000. The relatively small increase in total levies, however, was accompanied by a 6% increase in the aggregated gross tax rate for municipalities and school districts in the region, from \$20.36 per \$1,000 of property value in 2010 to \$21.58 in 2011.

Those findings are included in the Public Policy Forum's latest property tax and values report, an annual publication that measures trends in property values – one of the region's most critical indicators of economic health – and examines how they impact the capacity of local governments and school districts to raise revenues.

The report finds that this relationship has changed dramatically since the onset of the economic downturn.

“Five years ago, for example, property values in southeast Wisconsin increased nearly 11%, allowing the region's local governments and school districts to collectively increase tax levies by 5%, while at the same time *decreasing* the aggregate tax rate by \$1.10 per \$1,000 of assessed value,” says the report. “Today, we find that a 4% decline in property values precipitated an *increase* of \$1.22 in the aggregate gross tax rate, and that even this substantial rate increase only was able to generate a 1.5% increase in the amount of property tax levied.”

The report adds that the relatively small property tax increase “may be good news for taxpayers, but it also may raise questions regarding the capacity of the property tax to support desired levels of local government services.”

Other key findings from the 2011 analysis of property values and taxes in southeast Wisconsin:

- Aggregate property values in every southeast Wisconsin county decreased from 2009 to 2010, the first universal decline since the Forum began collecting data in 1992. Overall, total property values in southeast Wisconsin decreased 4.2% from 2009 to 2010, the second consecutive year with a decrease.
- A decline in residential property values was the driving force behind the overall decrease in values. In 2010, the value of residential property in the region totaled \$132.8 billion, a decrease of 4.6% from 2009. The value of commercial property declined 3.8%.
- Property tax rates in southeast Wisconsin continued their growth trend in 2011. For the fourth consecutive year, the aggregate gross tax rate increased, rising \$1.22 per \$1,000 of property value to \$21.58. Every municipality in southeast Wisconsin saw its gross tax rate increase from 2010 to 2011.

It is important to note that when the report references the gross tax rate or levy for a particular county, it does not refer to the rate or levy attributable to county government in that county, but to the aggregate total of all taxing jurisdictions in the county (including the county government).

The Forum report was sponsored by Baird. It can be downloaded from the Forum’s Web site at [www.publicpolicyforum.org](http://www.publicpolicyforum.org).

Milwaukee-based Public Policy Forum, established in 1913 as a local government watchdog, is a nonpartisan, nonprofit organization dedicated to enhancing the effectiveness of government and the development of southeastern Wisconsin through objective research of public policy issues.