

# YOUR ASSESSING DEPARTMENT

**What's Behind The Curtain?**



# WHY IS YOUR ASSESSING DEPARTMENT SO IMPORTANT?

- **A PROFESSIONAL, ACCURATE AND ACCESSIBLE ASSESSING FUNCTION IS CRITICAL TO YOUR COMMUNITY'S ABILITY TO:**
  - **RAISE AND COLLECT THE LOCAL REVENUES THAT FUND YOUR BUDGET**
  - **MAINTAIN POSITIVE, CONSTRUCTIVE RELATIONSHIPS WITH ALL TAXPAYERS**
  - **PLAY AN IMPORTANT ROLE IN DEVELOPING YOUR BUDGET AND OPTIONS THAT EFFECT YOUR TAX RATE**
  - **SUPPORT ELECTED AND APPOINTED OFFICIALS ON LOCAL FINANCE ISSUES**

# YOUR ASSESSING DEPARTMENT



## THE MONEY TREE



PROPERTY TAXES



MOTOR VEHICLE EXCISE TAXES

PERSONAL PROPERTY  
TAXES



BOAT EXCISE TAX



FARM ANIMAL EXCISE TAX



# DUTIES & RESPONSIBILITIES OF THE ASSESSING DEPARTMENT

- **VALUE EVERY PARCEL**
  - **ASSESSORS MUST VALUE ALL REAL AND PERSONAL PROPERTY WITHIN THEIR COMMUNITIES AS OF JANUARY 1 EACH YEAR**
    - **PERFORM THIS WORK WITH STAFF**
    - **OR HIRE PROFESSIONAL APPRAISAL FIRMS**
    - **DOR REVIEWS A COMMUNITY'S VALUES EVERY FIVE YEARS AND CERTIFIES THEY REFLECT CURRENT FAIR CASH VALUES**
    - **ASSESSED VALUATIONS IN THE INTERVENING YEARS MUST ALSO REFLECT CURRENT MARKET VALUE, AND ARE REVIEWED BY THE DOR, BUT NOT CERTIFIED**

# HOW DO THEY DO THAT?



## – DATA COLLECTION (WHERE IT STARTS)

- INSPECT SALES
- INSPECT BUILDING PERMITS
- CYCLICAL INSPECTIONS
  - (EVERY PARCEL EVERY 10 YEARS)
- ABATEMENT INSPECTIONS
- KNOW THE COMMUNITY
  - THROUGH INSPECTIONAL SERVICES
  - INTERVIEWING BUYERS AND SELLERS
  - INTERVIEW REAL ESTATE AGENTS
  - SPEAKING WITH APPRAISERS



# THE PROCESS

**DATA  
COLLECTION**

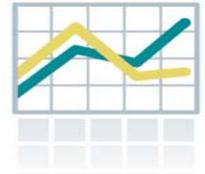


**ANALYZE DATA**  
**Meet Department  
of Revenue  
Guidelines**

**APPLY RESULTS**

**REVIEW & TEST  
METHODOLOGY**

**SUBMIT  
VALUATIONS  
FOR D.O.R.  
APPROVAL**



# ANALYSIS OF SALES

- **REVIEW ASSESSMENT TO SALES RATIOS**

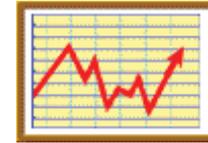
**ASSESSMENT/SALE PRICE = ASR**

**ASR'S MUST BE WITHIN 10% ABOVE OR BELOW**

- **BY USE**
- **BY BUILDING STYLE**
- **BY AGE**
- **BY PRICE RANGE (PRICE QUARTILE)**
- **BY NEIGHBORHOOD**

# OTHER RESPONSIBILITIES

- **DETERMINE TAX BASE GROWTH**



- ASSESSORS CALCULATE THE ANNUAL “NEW GROWTH” INCREASE IN THE COMMUNITY’S LEVY LIMIT UNDER PROPOSITION 2 ½ AND OBTAIN CERTIFICATION OF THE AMOUNT BY DLS
- 2 ½ PROVIDES CITIES AND TOWNS WITH ANNUAL INCREASES IN THEIR LEVY LIMITS OF 2.5% PLUS “NEW GROWTH”
- NEW GROWTH IS AN ADDITIONAL AMOUNT BASED ON THE ASSESSED VALUE OF NEW CONSTRUCTION AND OTHER GROWTH IN THE TAX BASE THAT IS NOT THE RESULT OF PROPERTY REVALUATION



# HOW DOES THIS 2.5% WORK?

## **DETERMINE TAX LEVY (amount to be raised)**

**Prior FY levy limit**

**+ 2-1/2% allowed increase**

**+ new growth**

**+ debt exclusion**

**+ override(s)**

**Current FY Permitted Levy**

# MORE RESPONSIBILITIES

- **CALCULATING THE TAX RATE**



- **ASSESSORS PROVIDE ALL NECESSARY INFORMATION TO SET THE ANNUAL TAX LEVY AND CALCULATE THE TAX RATE EACH YEAR**
- **THEY SUBMIT THE TAX RATE RECAPITULATION (RECAP) TO DLS FOR APPROVAL**
- **THE RECAP DISPLAYS THE YEARS BUDGETED EXPENDITURES AND REVENUES AND ESTABLISHES THE AMOUNT THAT MUST BE LEVIED IN PROPERTY TAXES TO HAVE A BALANCED BUDGET**
- **RECAP PREPERATION REQUIRES COORDINATION AND COOPERATION AMONG VARIOUS OFFICIALS**



# RESPONSIBILITIES (CONTINUED)



- **ASSESS TAXES**

- **PREPARE TAX LIST & COMMIT TO COLLECTOR**
- **THE LIST FIXES THE TAX LIABILITY OF EACH TAXPAYER**
- **THE WARRANT AUTHORIZES THE COLLECTOR TO COLLECT THE TAXES**
- **LIST CONTAINS THE ASSESSORS OATH**

- **THAT THEY HAVE ASSESSED ALL TAXABLE PROPERTY AT FAIR CASH VALUE**



# ABATEMENTS



- **ABATE TAXES**

- **IF TAXPAYERS FEEL THEY ARE BEING OVERVALUED, THEY CAN FILE AN ABATEMENT APPLICATION WITH YOUR LOCAL ASSESSOR'S OFFICE (YOUR ASSESSMENT DETERMINES YOUR SHARE OF TAXES)**
- **YOUR LOCAL ASSESSOR WILL PROVIDE A FULL INSPECTION OF YOUR PROPERTY TO DETERMINE IT'S FAIR CASH VALUE**
- **IF YOU ARE DENIED, YOU HAVE THE RIGHT TO APPEAL THAT DECISION TO THE APPELLATE TAX BOARD (ATB)**
- **REMEMBER AN ASSESSOR SWEARS BY OATH, THEY HAVE ASSESSED ALL TAXABLE PROPERTY AT FAIR CASH VALUE**

# EXEMPTIONS FROM LOCAL TAXES

- **EXEMPTION OF TAXES**

- **EXEMPT PROPERTIES**

- CHURCHES
    - CHARITIES
    - EDUCATIONAL



- **EXEMPT PERSONS**

- DISABLED VETERANS
    - BLIND
    - SENIORS



- **REIMBURSEMENTS**

- THE STATE REIMBURSES LOCAL COMMUNITIES FOR A PORTION OF MOST OF THE PERSONAL EXEMPTIONS
    - THE ASSESSORS ARE RESPONSIBLE FOR FILING THE FORMS NECESSARY FOR REIMBURSEMENT WITH DOR

# WHAT IS AN OVERLAY ACCOUNT?

- **THE OVERLAY ACCOUNT**

- ASSESSORS ESTABLISH A RESERVE TO FUND ANTICIPATED PROPERTY TAX ABATEMENTS AND EXEMPTIONS
- ASSESSORS MAINTAIN UNTIL THEY DETERMINE FUNDS ARE NO LONGER NEEDED
- IF THE ASSESSORS DETERMINE ANY SURPLUS, THEY NOTIFY THE ACCOUNTING OFFICER TO TRANSFER THE SURPLUS TO AN OVERLAY RESERVE
- MONEY IS THEN AVAILABLE FOR APPROPRIATION
- ASSESSORS HAVE FINAL AUTHORITY TO DETERMINE HOW MUCH TO RETAIN IN THE OVERLAY



# WHAT IS A BETTERMENT OR SPECIAL ASSESSMENT?

- **BETTERMENTS & SPECIAL ASSESSMENTS**

- ASSESSORS INITIATE THE COLLECTION
- THESE ARE SPECIAL TAXES ASSESSED TO PAY FOR CONSTRUCTION OF PUBLIC IMPROVEMENTS (WATER & SEWER CONSTRUCTION)
- SELECTMEN OR COMMISSIONERS DETERMINES ASSESSMENT AND CERTIFIES AMOUNTS TO THE ASSESSORS
- BOARD OR OFFICERS THAT ASSESSED THE BETTERMENT, NOT THE ASSESSORS, GRANTS ABATEMENTS



# RESPONSIBILITIES (CONTINUED)



- **EXCISE TAXES**

- **ASSESSORS ADMINISTER LOCAL EXCISE TAXES IN LIEU OF PERSONAL PROPERTY TAXES ON MOTOR VEHICLES, BOATS AND FARM ANIMALS**
- **PROCESS INVOLVES ANNUAL ACTIVITIES SIMILAR TO THOSE FOR ASSESSING PROPERTY TAXES**
  - **PREPARING A TAX LIST**
  - **COMMITTING THE LIST TO COLLECTOR WITH WARRANT TO INITIATE THE BILLING PROCESS**
  - **GRANTING ABATEMENTS AND EXEMPTIONS AFTER BILLING, AS APPROPRIATE**

# EXCISE TAX CALCULATIONS

- **THE MANUFACTURER'S SUGGESTED RETAIL PRICE WHEN THE VEHICLE WAS NEW IS DEPRECIATED**

In the year preceding the designated year of manufacture  
50%

In the year of manufacture 90%

In the second year 60%

In the third year 40%

In the fourth year 25%

In the fifth and succeeding years 10%

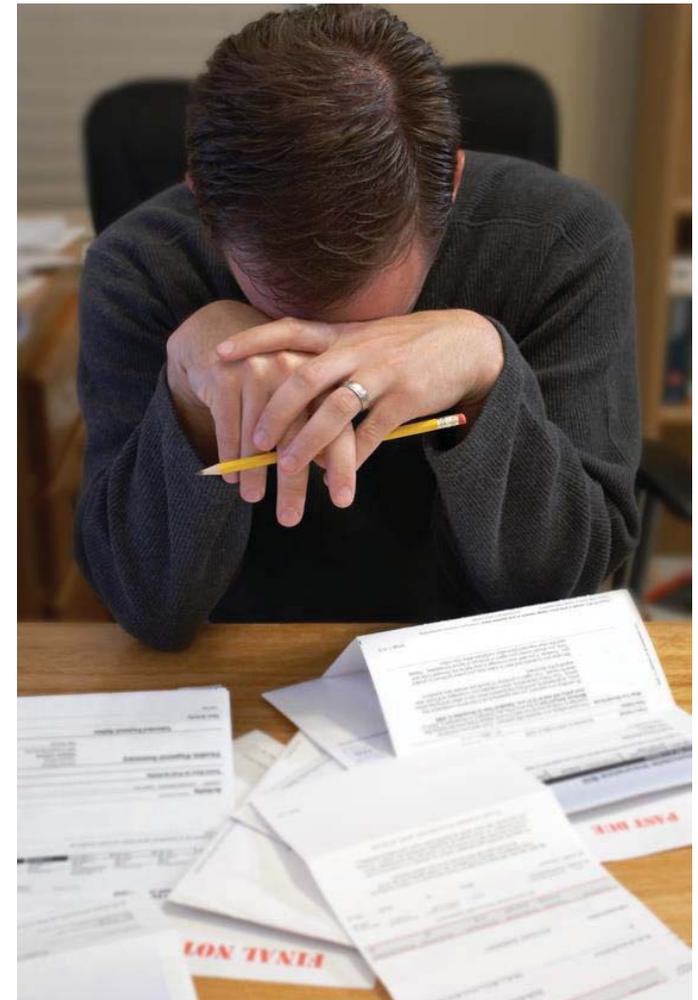
## CALCULATION:

**PRICE NEW x % GOOD = VALUE**

**VALUE/1000 X \$25 = TAX**

# ASSESSORS & THE BUDGET PROCESS

- **REVENUE ESTIMATES**
  - LEVY LIMIT
  - EXCESS LEVY CAPACITY
  - NEW GROWTH
- **EXPENDITURE BUDGETS**
  - BUDGET PERSONNEL
  - CONTRACTUAL SERVICES
  - OVERLAY ACCOUNT



# ASSESSORS & THE BUDGET PROCESS (CONTINUED)

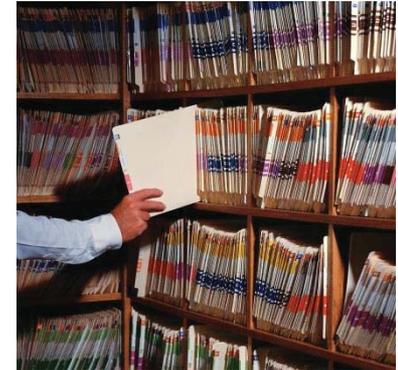
- **PRIMARY ROLE**

- **ENSURE PROPERTY TAX BILLS ARE ISSUED ON SCHEDULE**

- **THIS REQUIRES THAT THEY COMPLETE PROPERTY TAX ASSESSMENTS ON TIME AND COORDINATE CALCULATING THE TAX RATE WITH OTHER OFFICIALS**
- **LATE BILLS MIGHT REQUIRE THE TREASURER TO BORROW FOR CASH FLOW PURPOSES, ADDING AN UNPLANNED EXPENSE FOR THE COMMUNITY**

# ASSESSORS DATABASE

- **ASSESSORS DETERMINE WHO IS ASSESSED FOR EACH PROPERTY**
- **IDENTIFY THE OWNERS OF ALL REAL AND PERSONAL PROPERTY AS OF JANUARY 1**
- **IDENTIFY ALL PERSONAL PROPERTY ACCOUNTS, AND BOUNDARIES OF REAL ESTATE PARCELS, AS OF JANUARY 1**
- **DETERMINE HOW PROPERTY IS USED**
  - **RESIDENTIAL, OPEN SPACE, COMMERCIAL, INDUSTRIAL**



# ASSESSORS DATABASE

- **WHY IS IT IMPORTANT**
  - TO ENSURE CORRECT BILLING
  - EMERGENCY 911
  - PLANNING AND ISSUANCE OF ABUTTERS LISTS
  - BUILDING PERMIT VERIFICATIONS
  - GEOGRAPHIC INFORMATION SYSTEM



# WHAT TO DO WHEN COMMUNITIES HAVE A VOID IN ASSESSMENT SERVICES?

- **MAAO – MASTERS COMMITTEE**
- **Advise for small issues and conduit to**
  - **INTERIM SERVICES**
    - **SERVICE ALL ABATEMENT APPLICATIONS**
    - **INSPECTIONAL SERVICES**
    - **REVALUATION HELP**
    - **TRAINING**
    - **ETC.**

