

**TOWN OF WEST NEWBURY**

**INFORMATIONAL BOOKLET**

**EVERYTHING YOU NEED TO KNOW ABOUT  
YOUR ASSESSING DEPARTMENT**

### **1. WHAT DOES THE ASSESSOR DO?**

The Assessors are required by Massachusetts Law to list and value all real and personal property. The valuations are subject to ad valorem taxation on the assessment roll each year. The "ad valorem" basis for taxation means that all property should be taxed "according to value", which is the definition of ad valorem. Assessed values in Massachusetts are based on "full and fair cash value," or 100 percent of fair market value.

Assessors are required to submit these values to the State Department of Revenue for certification every three years. Our last recertification year was Fiscal Year 2013. In the years between certification, Assessors are required to do interim adjustments and maintain the values. The Board of Assessors reviews sales and the market every year and thereby reassesses various areas of the Town each and every year where the need is indicated. This is done so that the property taxpayer pays his or her fair share of the cost of local government, in proportion to the amount of money the property is worth, on a yearly basis rather than every three years. The West Newbury Assessor's Office must appraise and assess approximately 2,000 parcels of real estate. In addition, the Department also administers the Motor Vehicle and Boat Excise taxes.

### **2. WHAT THE ASSESSOR DOES NOT DO.**

The Assessor does not raise or lower taxes. The Assessor does not make the laws which affect property owners. The Massachusetts Constitution requires that direct taxes on persons be proportionately and reasonably imposed, In addition, the Declaration of Rights, Part I, Article 10, requires each individual to bear his fair share of the public expenses.

The Board of Assessors is required to annually assess taxes in an amount sufficient to cover the State and Local appropriations chargeable to the Town. These taxes assessed will include State and County assessments which have been duly certified to the Board, and Town appropriations voted by the Town Meeting.

The Assessor's Office has nothing to do with the total amount of taxes collected. The Assessor's primary responsibility is to find the "full and fair cash value" of your property, so that you may pay only your fair share of the taxes. The tax rate is determined by all the taxing agencies within the Town, and is the basis for the budget needed to provide services, such as schools, roads, fire, law enforcement, etc. The tax rates are simply those rates which will provide funds to pay for those services.

### **3. WHAT IS PROPOSITION 2 ½?**

Proposition 2 ½ places constraints on the amount of the levy (money raised by taxes) raised by the Town and on how much the levy can be increased from year to year by the Town. It provides the Town with annual increases in their levy limits of: (1) 2.5 percent; and (2) an additional amount based on the valuation of certain new construction and other allowable growth in the tax base that is not the result of property revaluation ("new growth"). In no event may the levy limit exceed the levy ceiling of the total full and fair cash value of the Town.

### **4. HOW IS YOUR ASSESSMENT DETERMINED?**

To arrive at "full and fair cash value" for your property, the Assessors must know what "willing sellers" and "willing buyers" are doing in the market place. The Assessor also must collect, record and analyze a great deal of information about property and market characteristics in order to estimate the fair market value, including keeping current on the cost of construction in the area and any changes in zoning, financing and economic conditions which may affect property values.

The Assessor uses the three nationally recognized appraisal approaches to value: cost, income and market. This data is then correlated into a final value.

The object of the revaluation program is to estimate "full and fair cash value" as of January 1 (known as the "assessment date") prior to the fiscal year that starts on July 1. For example, the assessment date for Fiscal Year 2016 runs from July 1, 2015 through to June 30, 2016.

#### **5. HOW CAN MY TAXES INCREASE?**

When additional appropriations are voted by the Town Meeting, an individual's property tax bill may increase. Also, when market value increases, naturally, so does the assessed value. If you were to make improvements to your existing property, for instance: add a garage or add an additional room, the "full and fair cash value" and therefore the assessed value would also increase.

**The Assessor has not created the value. People make the value by their transactions in the market place. The Assessor simply has the legal and moral responsibility to study those transactions and appraise your property accordingly.**

#### **6. WHAT IF I DISAGREE WITH THE ASSESSED VALUE OF MY PROPERTY?**

If your opinion of the value of your property differs from the assessed value, by all means go to the Assessor's office and collect pertinent data to support your opinion. The Board of Assessors will be glad to answer your questions about the reassessment procedures. When questioning the assessed value, ask yourself these questions:

Is my data correct?

Is my value in line with others on the street?

Is my value in line with recent sale prices in my neighborhood?

Keep in mind what's important: recent sale prices, condition, neighborhood, building area and lot area are the most critical factors in the valuation process. There is a variety of information available to help you determine whether your assessment is fair and equitable. The Assessors and their staff will be happy to assist you.

#### **7. FILING AN ABATEMENT APPLICATION.**

If after discussing the matter with the Assessors or their staff, and researching the assessments of comparable properties within your area, a difference of opinion still exists, you may appeal your assessment to the Board of Assessors by filing an abatement application.

The Town of West Newbury is on quarterly tax bills. The first two bills issued are preliminary tax payments based on your prior year's taxes. The notice of the third payment, referred to as the "actual tax bill" is when the filing period for abatement applications commences. The third tax bill (actual bill) is usually issued the end of December. The application for abatement must be filed with the Board of Assessors no later than February 1, or have a **United States Post Office postmark of no later than February 1**. The information regarding the filing an abatement or exemption applications is also on your tax bill. The application must be on file in the Assessor's office or have a United States post office post mark as of that date.

You are appealing your assessment, not your taxes.

You must pay your taxes pending your appeal.

Wish to appeal? The application is easy, but...Make a case...Give reasons. We do respond to your specific concerns and comparisons.

Once the application is date-stamped by the Assessor's Office, it cannot be added to, changed or withdrawn - it is accepted as is, once it is stamped with the date and "Received by the Board of Assessors". The Board of Assessors will accept an addendum with additional information and attach it to the application, if necessary.

If you have any questions, please come in for an application or contact the Assessors Office and an application will be mailed to you or downloaded from our web site (wnewbury.org).

Applications are not available until after the third or actual tax bills are mailed.

If Abatement is denied you will receive a notice indicating your application was denied.

You may call and set up an appointment to meet with the Board of Assessors to discuss the reason for the denial.

Or, you may appeal to the State Appellate Tax Board (ATB) within three months of the date of the Assessors decision.

If Abatement is approved you will receive an abatement certificate indicating the amount of the abatement.

How much was the value indicated by the abatement? Divide the tax abatement by the tax rate. Your abatement will normally be credited toward your Fourth payment or spring tax bill.

If your abatement is granted after your bill is paid in full, you will automatically receive a refund check.

**ATTENTION: NEW HOMEOWNERS!!**

Keep in mind that the assessment date is January 1, as it affects your ownership status. The property is legally assessed to the owner as of January 1, but make sure you get a bill! You may be entitled to file an application for abatement if you dispute your value. Or you may be entitled to file an application for one of the statutory exemptions that are available, providing you own, occupy and otherwise qualify as of July 1, the beginning of the current fiscal year.

**NOTE**

The tax bills are mailed directly to the taxpayer. The Collector handles requests for copies of the tax bills to be mailed to the Mortgage Company or bank. If asked, this will be done. However, we do not advise it. If the tax bill goes directly to the Mortgage Company or bank, the taxpayer will not be aware of what their property valuation is or what taxes are due. They will find this out when the bank or mortgage company requests more money for their escrow account. By this time, if they have a question on their valuation or taxes, the filing period for abatement applications will have passed and they will be unable to appeal their value or taxes.

## **WHAT TYPES OF EXEMPTIONS (REDUCTION OF REAL ESTATE TAXES) DOES THE TOWN OF WEST NEWBURY OFFER?**

A variety of exemptions is available to reduce property tax obligations for certain qualifying taxpayers: elderly persons, blind persons, disabled veterans, surviving spouse, or orphaned minor child, surviving spouse or orphaned minor of police officer or fire fighter killed in the line of duty and extreme hardship. Also available is a tax deferral for persons 70 years of age or over or from poverty or financial hardship resulting from a change to active military status, not including the initial enlistment. **Contact the Assessor's Office if you have any questions on the requirements for these exemptions and to find out if you qualify.**

The qualifying date for these exemptions is July 1, the first day of the fiscal year. You must own, occupy and otherwise qualify for the exemption as of July 1. The application may also be filed by someone who owns the property in a life estate or in a trust. If the property is in a trust the applicant must be one of the trustees and also have beneficial interest, thereby having legal title and beneficial interest. Applications must be filed within three months from the mailing of the third notice or actual tax bill. However, the Assessors strongly advise that applications be filed as soon as possible after October 1 so that they can be processed early and be ready to be reflected on the third (actual) tax bill.

### **TAX DEFERRALS (CLAUSE 41A)**

Many retired homeowners feel "house rich" and "income poor". The property taxes can constitute a serious financial burden. West Newbury offers a Tax Deferral Program which allows owners to defer all or part of their annual property taxes. The deferred taxes accumulate, with simple interest at 8%, as a lien on the property until it is sold. No sale or transfer can be consummated during the lifetime of the taxpayer, unless the deferred taxes and interest due are paid in full. If the owner(s) has deceased and the deferral is continued by the surviving spouse, repayment is not required during the lifetime of the surviving spouse. If the deferral is not continued by the surviving spouse, or if the property is sold, the deferred taxes, plus interest at 16% shall be paid by the estate. Applicants must be 65 or over on July 1, have been domiciled in Massachusetts for the preceding ten years. The applicant also must have owned and occupied the property or other real property in the Commonwealth for five years. The total amount of taxes due, plus interest, for the current and prior years, cannot exceed 50% of the full and fair cash value of the property. A lien filed pursuant to this section shall be subsequent to any liens incurred by securing a reverse mortgage. Contact the Assessor's office, if you are interested. The interest rate provided for under Chapter 59, Section 5, Clause 41A is 8%. Chapter 136 of the Acts of 2005 allows communities to adopt an interest rate lower than the 8%. This must be done annually, prior to the start of the fiscal year.

### **GENERAL INFORMATION ON EXEMPTIONS**

#### **APPLICATIONS**

Applications must be on forms approved by the Commissioner of Revenue and should contain sufficient information for the Assessors to determine eligibility for exemption.

Applications for exemption are not open to public inspection.

## **NUMBER OF EXEMPTIONS ALLOWED**

The interpretation of exemptions laws up until the decision of the Supreme Judicial Court in the case of Anthony J. DeCenzo vs. Board of Assessors of Framingham, 372 Mass. 523 (1977) allowed only one exemption per person per parcel except where a Clause 18 exemption (for the aged, infirm and impoverished), a tax deferral or a Clause 45 exemption (for solar or wind-powered systems) applied.

With the advent of the DeCenzo case, if two or more persons, whether or not related or married, own a single parcel and each qualifies for a different exemption, each would be entitled to receive the exemption for which he qualifies.

However, if two or more persons qualify for the same exemption on the same property, only one may receive the exemption unless the legislature expressly provided for a double exemption as in Clause 22, the veteran's exemption, where both husband and wife had a war-service connected disability of 10% or more. In this case each would be entitled to a reduction of actual taxes due.

Under Clause 17D the exemption of actual taxes due may be apportioned among persons whose title to the property was acquired by inheritance (minors) and who qualify. Under Clause 41, 41 B or 41 D, if two or more persons owning the same property qualify, each will receive a proportion of the total exemption of actual taxes due. The Appellate Tax Board has held that under Clause 41A a person may receive an exemption and also receive a deferral of taxes on the same property.

## **MINIMUM TAX BILL**

With the exception of paraplegic veterans, and Clauses 42 & 43, no exemption can reduce the amount of taxes paid to less than 10% of the total tax bill. (59:5C) If the application of any exemption would result in a tax of less than the 10% minimum due, the total exemption cannot be allowed.

## **OPTIONAL ADDITIONAL REAL ESTATE EXEMPTIONS**

A local option allows a city or town to increase the amount of exemption for those who qualify for exemptions to persons. The increase must be uniform for all exemptions. A percentage is recommended over a dollar amount. The exemption cannot reduce the applicant's tax bill to less than he paid the preceding year, nor can it reduce the tax bill to less than 10% of what it should be, except where a Clause 18 (hardship) exemption, a Clause 42 or 43 exemptions, or a paraplegic exemption is involved.

Only communities which are certified by the Commissioner of Revenue as assessing all property at its full and fair cash value may choose this option. This option must be accepted by a majority vote of town meeting or by the Mayor with the approval of the City Council, in a city. The determination as to whether to grant the additional exemption must be made annually prior to the approval of the tax rate. The Commissioner must certify that sufficient sums have been provided to cover the costs of local (v accepted exemptions before the tax rate will be approved. The new option applies to Clauses 17, 17D, 22, 22A, 22B, 22C, 22D, 22E, 37A, 41C. (See IGR 89-207)

A municipality accepting Section 4 of Chapter 73 of the Acts of 1986 (as most recently amended by Chapter 126 of the Acts of 1988) must advise the Division of Local Services by submitting a form with a copy of the vote and the certification of such vote by the City or Town Clerk.

## **MOTOR VEHICLE EXCISE TAX**

Chapter 60A of the General Laws provides for the issuance of Motor Vehicle Excise tax bills for all motor vehicles that are registered.

The valuation for Motor Vehicle Excise tax purposes is based on a percentage of the manufacturer's suggested factory list price, new. In the year prior to the year of manufacture; for example a 2008 vehicle registered in 2007; the valuation would be 50% of the factory list price; in its first year (2008 in 2008) the valuation would be 90% of the factory list price; in the second year (2008 in 2009) the valuation would be 60% of the factory list price; in the third year; 40% of the factory list price; in the fourth year 25% of the factory list price and in the fifth year and older, 10% of the original factory list price.

The tax rate for this tax is \$25.00 per thousand dollars of value. This is calculated from the date of registration to the end of the calendar year. It is prorated by the month, so whether a vehicle is registered the beginning or the end of the month, the billing starts with that full month.

Once a vehicle is registered, a bill is created by the Registry of Motor Vehicles and sent to the community where the vehicle is garaged, for billing. If the vehicle is registered in Massachusetts, but garaged outside of Massachusetts, the bill will be issued by the Department of Revenue. The bill is due in thirty days, after which a second notice (or demand) is issued with a \$20.00 demand and interest. After 14 days if the bill is still unpaid, the bill will go on warrant which will add warrant fees and deputy fees. If the bill continues to go unpaid, notice will be sent to the Registry of Motor Vehicles to mark the person's license and registration for non-renewal. After that, in order for a person to renew their license and/or register a vehicle, all taxes and fees must be paid in addition to a fee for the release of the lien which indicates all monies due have been paid. On occasion a person will move out of state and feel that they can ignore the bill. However, when they try to register a vehicle or get a license to drive in that other state, the other states' Registry of Motor Vehicles, will check the computer records and if there is any indication that the person owes monies for taxes, anywhere, they will have to pay what they owe before the new state will issue them a license or registration. There is a reciprocal agreement amongst the states whereby they will check for unpaid excise taxes, or fees. This also includes parking tickets. An unpaid parking ticket can also result in the Registry being notified to mark the person's records for non-renewal.

If, after the vehicle is registered, the person sells, trades, junks, or otherwise disposes of their vehicle, and either transfers their registration to another vehicle or turns their plate in to the Registry and gets a plate return receipt, they can apply for a partial abatement of their taxes. When a tax bill is issued, there is an abatement application printed on the back of the bill, which can be completed and returned to the Board of Assessors with the necessary documentation, so that an abatement will be issued. If a vehicle is in an accident and totaled, a letter from the insurance company is necessary stating the date of settlement. If a vehicle is repossessed, a letter from the company who repossessed the vehicle giving the date of repossession is necessary. If a person moves out of state and reregisters the vehicle in that new state, a copy of the Massachusetts plate return receipt and the new state registration is needed. Any time a vehicle is disposed of, totaled, repossessed and the plate is not transferred to another vehicle, the plate must be cancelled at the Registry and a plate return receipt obtained. If the plate is lost or stolen, a form C-19, which is a lost plate affidavit, must be filed with the Registry of Motor Vehicles, so it can be provided to the Assessors when applying for an abatement. To get an abatement, both things must happen; disposition of the vehicle and the transfer or cancellation of the plate. If a vehicle is taken off the road and not sold, an abatement cannot be issued.

If a vehicle is sold and the plate is not transferred or cancelled, an abatement cannot be issued. If the vehicle is stolen and the local police are notified within 48 hours of the discovery of the theft and the certificate of registration is surrendered not less than thirty days after the theft and the registrant has received a certificate of cancellation of registration signed by the Registrar of Motor Vehicles or his authorized agent verifying that the subject vehicle was stolen, an abatement can be applied for. They would also have to provide the Assessors with a letter from the insurance company giving the date of settlement for the loss.

A person may also file for an abatement if they register the same vehicle more than once in the same year. They will be responsible for the bill for the original registration of the vehicle and receive an abatement of the bills for the subsequent registrations. An abatement may also be filed for reason of overvaluation. This could happen if there is not a proper description of the vehicle on the registration. The valuation would be based on the manufacturer's suggested list price as noted in the NADA book. Documentation such as an original bill of sale and/or registration and insurance coverage selection sheet would be needed.

There are several exemptions from the Motor Vehicle Excise tax. One of the exemptions applies to vehicles owned and registered by the Commonwealth or any of its political subdivisions; another to vehicles owned and registered by charitable or religious organizations whose personal property is exempt under Mass. General Law Chapter 59, Section 5, Clauses 3 and 10. Also exempt are vehicles owned and registered by a leasing company, when the vehicle is leased for a full calendar year to a charitable organization, other than a degree granting or diploma awarding institution.

A handicapped non-veteran who has the loss or permanent loss of use of both arms or both legs or is blind in both eyes, who can provide a doctor's letter to the Board of Assessors can apply for an exemption from the tax. These persons may or may not have a handicap plate. It is not the plate that provides for the exemption, it is person's condition. For a disabled veteran who has a service connected loss or permanent loss of use of one or both arms or one or both legs or is blind in one or both eyes, the tax can also be exempted. A letter or certificate from the VA is necessary for documentation. In this case, the veteran may not have a disabled veteran's plate. It is their condition that provides for the exemption. This exemption is limited to one motor vehicle owned and registered for personal, non-commercial purposes.

Chapter 260 of the Acts of 2006 has created a new exemption for certain disabled veterans. The Registry of Motor Vehicles has a Medical Advisory Board who upon application by a veteran, will determine if they have a condition, other than those noted above, that they feel warrants a disabled veteran's plate to be issued to them. Starting in November, 2006, a disabled veteran with a DV (disabled veteran's) plate can apply for an exemption of their excise tax bill. This exemption is limited to one motor vehicle owned and registered by the veteran for personal, non-commercial purposes.

If a serviceman is legally domiciled in a state other than Massachusetts, but is stationed here in Massachusetts, and has a vehicle registered, their motor vehicle excise tax bill can be abated. They will have to provide a letter from their commanding officer indicating the state of their legal domicile. This is not provided for in Chapter 60A but is a result of a court case "Buzzard vs. the State of California".

All exemptions shall be for only one vehicle owned and registered by the person seeking the exemption and shall on a vehicle used for personal, non-commercial purposes.

All applications for abatements or exemptions must be filed with the Board of Assessors within three (3) years after the date the excise was due, or one (1) year after the excise was paid, whichever is later. If the taxpayer's application is denied, there can be an appeal to the Appellate Tax Board.

## **PERSONAL PROPERTY TAX**

The personal property tax is a tax on businesses. A person or company that is in business as of January 1 is subject to a personal property tax in the community where the business is located. If the business is owned by an individual, partnership, limited liability company or trust it is subject to a tax on everything used in the conduct of their business; furniture, fixtures, equipment, inventory, and/or machinery.

If the business is owned by a corporation, the furniture, fixtures, inventory, and fixtures are exempt locally and they are subject to a tax only on their machinery used in the conduct of their business, poles, wires, underground conduits and machinery used in the distribution of water. There is an exemption on machinery used in the administration of the business, purchasing, selling, refrigeration of goods, the air conditioning of the premises, and laundering.

If the business is owned by a manufacturing corporation, they are only taxable on poles, wires, underground conduits and machinery used in the distribution of water.

In the case of laundries, if the business is owned by an individual, they are subject to a tax on all of their equipment and machinery. If the business is owned by a corporation, the machinery used for laundering is exempt but they are subject to taxes on all other machinery, such as the revolving racks, presses, sewing machines, etc.

**All businesses are required to file a Form of List with the Board of Assessors by March 1 of each year.** This is a declaration by the person owning the business as to what they have, the date of purchase, make and model of machinery and cost new and what they feel the current value is. In addition to reviewing the Forms of List, the Assessors go out in the field to list the property. If, when the tax bills are issued, the taxpayer has a question on what they are being billed for or the valuation; they have the right to file an abatement application. This application must be filed no later than February 1<sup>st</sup>, or if mailed, have a United States post office postmark of no later than February 1<sup>st</sup>.

**If a Form of List is not filed and the taxpayer files an abatement application, an abatement granted will be penalized by 50%.**