

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 9 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**

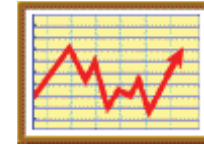
ASSESSMENT/SALE PRICE = ASR

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%

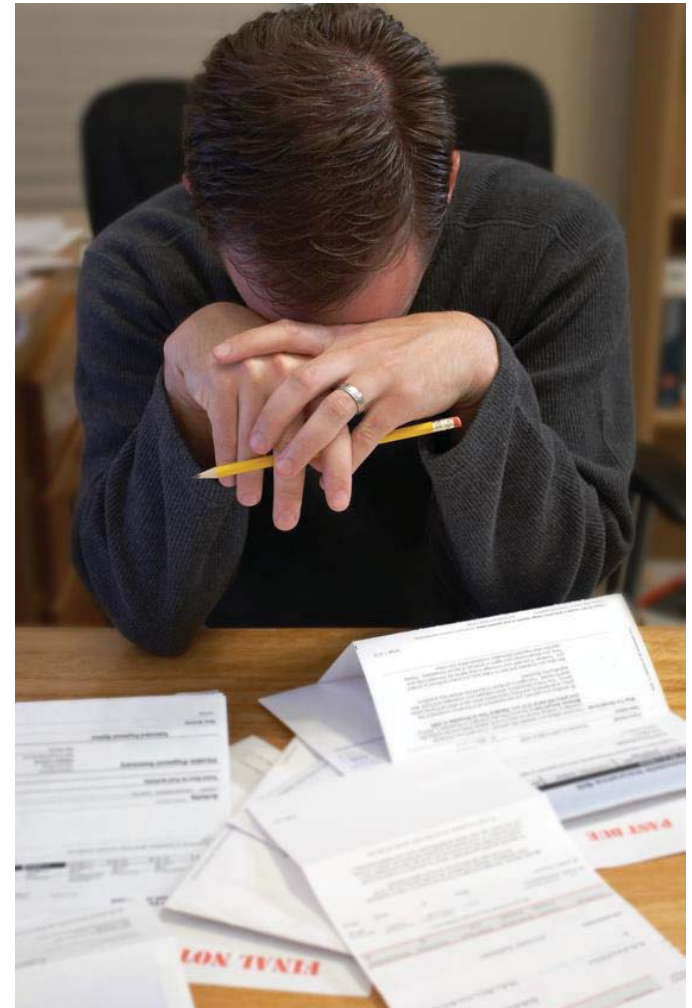
CALCULATION:

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)

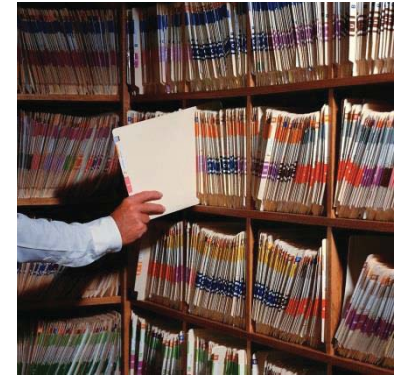
- **PRIMARY ROLE**

- **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.**

