

ASSESSMENT & REVALUATION FREQUENTLY ASKED QUESTIONS

Dear East Lyme Property Owners,

The Assessor's Office would like to take this opportunity to thank all property owners for their interest and cooperation in this very important project.

This booklet prepared by some Assessors and has been designed to answer your questions concerning the 2016 Revaluation Update and its effects. We hope that the information will be helpful to you during the revaluation project.

REVALUATION: Facts, Questions, Answers, And Property Assessment

The Assessor is a Town employee, professionally educated and State certified as a municipal assessment officer.

The Assessment Connecticut law requires all real estate, motor vehicles, and certain types of personal property to be assessed at 70% of fair market value. Fair market value is defined as the price established between a willing buyer and a willing seller taking into consideration all the uses to which a property is adapted. Connecticut courts have established criteria, which assessors must use to establish fair market value.

The Grand List

After individual property assessments have been determined, the Assessor compiles a complete listing of all property. The total assessments of all listed property are called the grand list.

The Mill Rate (Property Tax Rate)

The annual budget determines the amount of property taxes needed to operate the town. The mill rate is determined by dividing the amount of property taxes needed to operate the town by the taxable grand list as prepared by the Assessor.

The Tax Bill

Your property tax pays for the major part of town services including public education, police and fire protection, street and highway maintenance, recreation and many other services. The tax bill is your property assessment (which is 70% of value) multiplied by the mill rate.

Revaluation

Connecticut law requires all real estate to be revalued for assessment purposes every five (5) years. Towns and cities that do not adhere to the revaluation requirements will be penalized 10% of their State grants. Revaluations are required to ensure uniformity in property valuations. A revaluation program includes modernizing the assessment system, taking a complete description and inventory of all property, and setting new assessed values on a current basis. Because regular assessment work must be carried on along with the revaluation program, most assessors find it necessary to seek the assistance of a private appraisal company in conducting a revaluation. Responsibility for final determination of value, however, remains with the Assessor.

Company Assisting The Town with the 2016 Revaluation Update

Vision Government Solutions of Northboro, MA

QUESTIONS AND ANSWERS

What Is Meant By “Revaluation”?

The revaluation process involves the reappraisal of all real estate in town, in order to bring about uniformity in property valuations and to assure all property owners that they are paying only their fair share of the cost for community services. Revaluation is NOT intended to raise revenues; its purpose is to value all properties by the same standards at the same point in time. Revaluation projects are referred to as either a physical or an update (often referred to as a “statistical”) revaluation.

A **physical revaluation** involves a complete re-inspection and re-measurement of all properties resulting in new values for all properties.

An **update (statistical) revaluation** does not require re-inspection and re-measurement of all properties even though this process results in new values for all properties. However some properties are inspected even under an update revaluation. Properties requiring re-inspection may include (but not limited to) properties that have sold to a new owner, properties with outstanding and/or current building permits, properties with new construction. Data mailer forms are sent to residential property owners to verify that the existing town records contain accurate information. Any inaccuracies should be reported to the Assessor and in some cases these changes may initiate a phone call and/or a physical inspection of the property.

Why Conduct A Revaluation?

Section 12-62 of the Connecticut Statutes requires that each municipality conduct a revaluation of all property at least every five (5) years with a physical inspection required every ten (10) years.

Why Do Assessment/Revaluation Personnel Need To Visit My Property?

While it is not mandatory for residents to allow inspectors interior access, the data collection phase is vitally important to the accuracy and uniformity of the assessments and your cooperation is greatly appreciated.

What Happens During Data Collection Process?

Data collection is an important and the most highly visible phase of a revaluation. During this process, assessment/revaluation personnel (also known as data collectors) will visit those properties needing to be inspected and measure the exterior of each building and physically inspect the interior if provided access. They will note building size, age, and quality of construction, condition of improvements, land topography, utilities and numerous other characteristics of both inside and out. To ensure that a home was inspected, the homeowner will be asked to sign the data collection form to verify that in the inspection took place. The entire process will take approximately fifteen (15) minutes for most properties.

The Town of East Lyme and Vision Government Solutions full understand the sensitivities of the interior inspection process. We realize that there will also be many cases where homeowners are not at home during the day due to their work schedule and other reasons. Thus, data collectors will measure the exterior of the home; and make one more attempt to visit the property. If unsuccessful, Vision will send a “call back letter” to property owners whose properties they were unable to inspect asking them to contact Vision to set up alternative arrangements for the inspection of the property.

Why Is Revaluation Needed?

It has been five (5) years since the last complete revaluation of all real estate. Meanwhile, a constantly changing local real estate market together with economic conditions has caused inequalities. The solution of this problem is to reappraise all real estate based upon current market values.

What Kind of Inequalities Exist Now?

Changes in value occur in any community over a period of time. Inequalities develop by neighborhood and or individually. The desirability of some properties change, meaning that some properties have become *over*-valued or *under*-valued when compared to similar properties; some properties increase at a faster rate than others. Revaluation returns all properties to current market values and to the fair-share basis.

How Is The Market Value Established?

PEOPLE make the market; a WILLING BUYER and a WILLING SELLER. It is the responsibility of the Assessor to research and determine fair market value in a particular area. The most significant part of the appraisal process is accomplished by gathering sales data occurring between October 2015 and October 1, 2016 and comparing those sales to your property. From a study of sales of similar properties in like neighborhoods, the average sale price of properties can be ascertained.

Isn't Fair Market Value What I Paid For My Property?

Not always. You may have purchased your property years ago when prices and value were considerably different. The true test is what your property could sell for in *today's* real estate market.

When And How Will I Receive My New Assessment?

You will be notified by mail in November 2016.

When Will The New Assessments Be Effective?

The revalued assessments will create the October 1, 2016 Grand List. The tax bill you receive for July 1 of 2017 will be based on your new assessment.

Who Sets My Assessment And What Can I Do If I Think It Is Wrong?

The Assessor determines the market value. If you believe your appraised value is in excess of current fair market value, the first step is to contact the revaluation company for an informal hearing. (Instructions will be included on your revaluation notice sent in November 2017) This is the proper time and place to correct any errors. A representative from the revaluation company will review your property card with you. Adjustments will be made if justified. If a discrepancy exists which requires an inspection, office personnel will schedule a review of your property. In some cases, where factual evidence is presented, adjustments can be made without further review.

What If I Still Disagree With The Assessment?

There are three (3) steps available to all property owners, including the right to appeal in court. In the first two steps there is an opportunity to resolve your appraisal disagreement without hiring professional assistance. The three steps are:

- 1) An informal hearing held with the Revaluation Company.
- 2) A formal hearing before the Board of Assessment Appeals. At these meetings legal counsel is not required. Any evidence you have that may affect your assessment should be presented. Meeting dates of the Board of Assessment Appeals will be announced after the informal hearings with the revaluation company are completed.
- 3) The final step in the appeals process, should you disagree with the assessed value, is to appeal to the courts under section 12-117a of the Connecticut General Statutes (provided you made an appeal to the Board of Assessment Appeals.)

Must I Pay My Taxes If I Choose To Appeal?

Yes. You should pay your taxes to avoid interest being added and to avoid court costs, including attorney's fees, if your non-payment is referred to collection. Keep in mind that any overpayment found by the court in your appeal will be refunded.

How Are Tax Rates Established?

The tax rate (mill rate) is established by dividing the approved Town budget by the net taxable grand list. (Budget / Grand List = Mill Rate). The mill rate usually changes annually because the budget and grand list change each year.

When Can I Learn What My Taxes Will Be?

Until a total grand list including all new values (real estate, motor vehicles, and certain personal property) is completed AND a new budget is adopted, the mill rate cannot be determined. When you receive your new assessment notice (November 2016) the motor vehicle and personal property portions of the grand list have not been completed yet. In addition, the new Town budget and the mill rate are not adopted until May 2017. It is important not to estimate your July 2017 tax bill by multiplying your new assessment by the previous year's mill rate. The new mill rate generally will be lower. Because the total amount of tax dollars needed to run the Town does not decrease; yet motor vehicle and personal property taxes do decrease if the mill rate is lowered in a year of revaluation, real estate taxes normally increase. How much they increase for each property will vary. This is the purpose of a revaluation is to correct and shift the tax burden.

What About Motor Vehicle Taxes?

Motor vehicles are assessed at 70% of their average retail value each year. After revaluation the property tax rate (mill rate) generally will be reduced. Due to these factors motor vehicle taxes will generally decrease.

What About The Elderly Who May Be On Fixed Income Situations Where Special Exemptions Might Occur?

The Assessor is required by law to assess property and not the people who own it. As sympathetic as the Assessor may be, State law does not permit the Assessor to take matters of hardship into consideration. All property is appraised at fair market value and assessed at 70% of that value. There are, however, two Statutes (12-129b & 12-170d), which provide tax relief for qualifying low-income residents over the age of 65. Other Statutes provide exemptions for those who are veterans, disabled, or blind. If you are now receiving an exemption it will be automatically deducted at tax billing time. You may consult with the Assessor about your qualification for tax relief.

OCTOBER 1, 2016 REVALUATION TIMETABLE

| | |
|---|---------------------------------|
| <u>Data Collection / Market Analysis:</u> | October 2015 – October 2016 |
| <u>Effective Date of Revaluation:</u> | October 1, 2016 |
| <u>Notices Of New Values Mailed:</u> | November 2016 |
| <u>Informal Hearings:</u> <u>(Call Revaluation Company For Informal Hearing)</u> | November 16 – December 20, 2016 |
| <u>Results Of Informal Hearings Mailed:</u> | January 2017 |
| <u>Board Of Assessment Appeals Application Period:</u> | February 1 – February 20, 2017 |
| <u>Board of Assessment Appeals Decisions Mailed:</u> | March 31, 2017 |
| <u>Town Budget Process:</u> | March – May 2017 |
| <u>Mill Rate Established:</u> | May 2017 |
| <u>Tax Bills Based On New Values and New Mill Rate</u> | Mailed June 30, 2017 |
| <u>Tax Bills Due and Payable:</u> | July 1 - August 1, 2017 |

Still Have Questions?

Please contact the Assessor's Office at: (860) 739-6931
Monday – Friday 8:00-4:00