

# 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

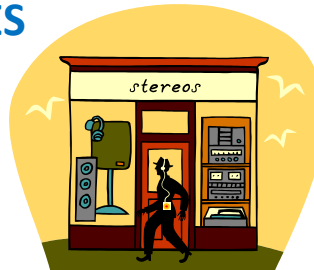


MOTOR VEHICLE EXCISE TAXES



FARM ANIMAL EXCISE TAX

PERSONAL PROPERTY  
TAXES



BOAT 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 THREE YEARS AND CERTIFIES THEY REFLECT CURRENT FAIR CASH VALUES**
    - **ASSESSED VALUATIONS IN THE INTERVENING TWO 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**

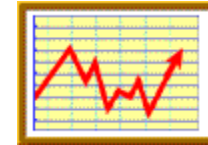
**ASSESSMENT/SALE PRICE = ASR**

**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



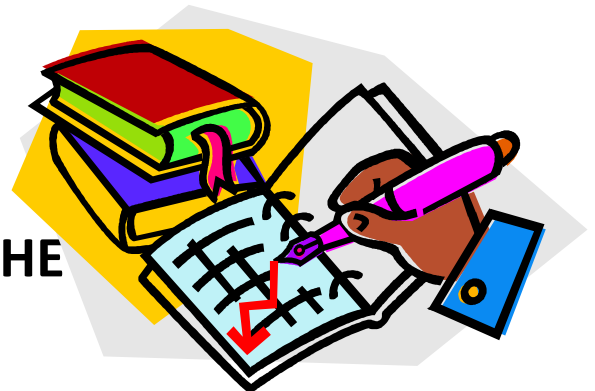
- **REIMBURSEMENTS**

- 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**

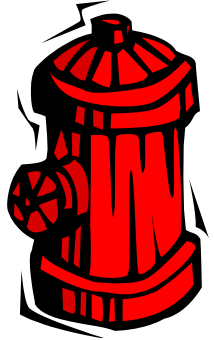
- ASSESSORS ESTABLISH A RESERVE TO FUND ANTICIPATED PROPERTY TAX ABATEMENTS AND EXEMPTIONS
- ASSESSORS MAINTAIN UNTIL THEY DETERMINE FUNDS ARE NO LONGER NEEDED
- IF THE ASSESSORS DETERMINE ANY SURPLUS, THEY NOTIFY THE ACCOUNTING OFFICER TO TRANSFER THE SURPLUS TO AN OVERLAY RESERVE
- MONEY IS THEN AVAILABLE 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%**

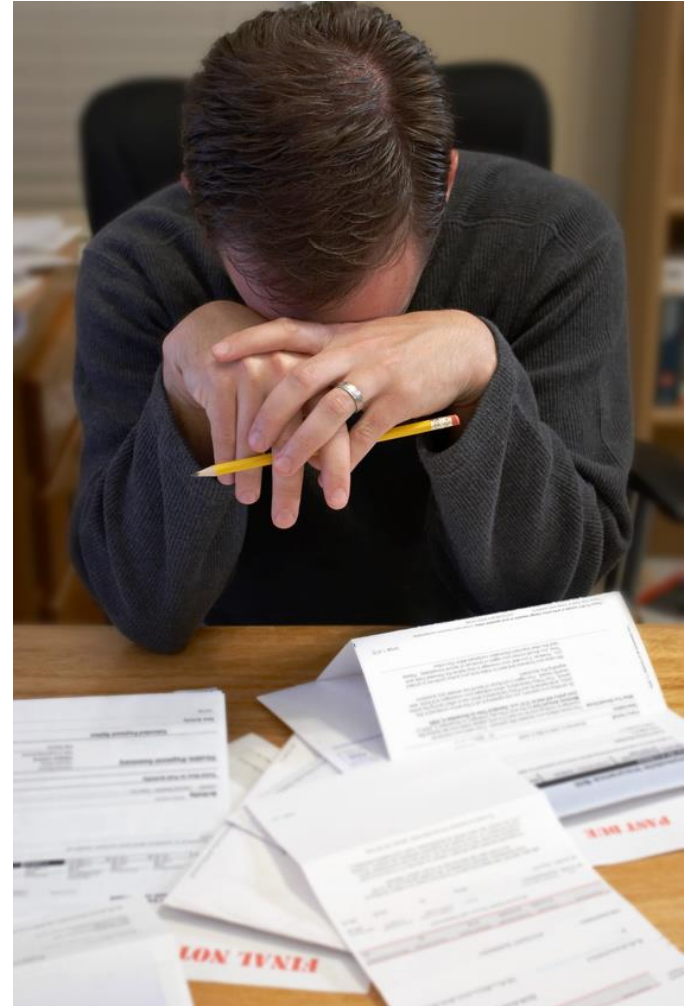
## **CALCULATION:**

**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.**



# THANK YOU FOR ALLOWING US TO SPEAK TODAY

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