

Chris Eide, Chair  
Kelley Johnson, Vice-Chair  
Phil Carroll  
Ryan Knapp  
Paul Lundquist  
Bob Pickard



## TOWN OF NEWTOWN

The Legislative Council  
Finance and Administration Committee  
met on Monday, March 26th, 2018 at 7:30 PM  
at Newtown Municipal Center, Room 1

### Meeting Minutes

#### CALL TO ORDER

The meeting was called to order by C. Eide, Chair, at 7:36 PM.

#### SALUTE TO THE FLAG

#### ROLL CALL

Members present:

- C. Eide
- P. Carroll
- R. Knapp
- P. Lundquist

Absent:

- K. Johnson
- B. Pickard

#### VOTER COMMENT

None

#### APPROVAL OF THE MINUTES

Motion to approve the minutes of 19 March 2018 made by P. Carroll. Seconded by P. Lundquist. Motion passes 4-0-0.

#### COMMUNICATIONS

E-mail received from K. Johnson regarding the FHA Fund. (SEE ATTACHED)

E-mail received from CCM regarding collection rates in Revaluation Years. (SEE ATTACHED)

OLD BUSINESS

None

NEW BUSINESS

**New Questions Generated by Committee**

Line Item	Member Asking	Question/Answer
Revenue	R. Knapp	How is the electricity generated from the 4MW Solar Array at the Transfer Station being incorporated into the budget (revenue or as offsetted energy costs)? Amount generated should account for 25% of the Town's energy cost. (for Bob)
Revenue	P. Carroll	Is the General Fund receiving funds for energy generated by solar arrays on BOE buildings? (for Michelle, Bob)

Motion	Made By	Seconded	Result
Motion to recommend to Council to amend collection rate from 99.2% to 99.1%	R. Knapp	P. Carroll	Passes 4-0-0

R. Knapp - Last year, the rate was increased from 99.0% to 99.2%; it helped, but reduced "cushion" in volatility in collection rate. Reached out to CCM, didn't find any particular volatility around reval years, but volatility is common. Is concerned; we have more predictability in the State Aid for this year than last. Trying to be more cautious with the number so we don't end up short.

P. Lundquist - Agrees. Number was made a bit short last year. If there's volatility every year, should this be a concern every year?

R. Knapp - Last year, showed data showing we don't hit 99.2% every year.

Motion	Made By	Seconded	Result
Move to recommend to the Council to have a discussion around long-term planning around next year's budget and discussion about any steps taken to plan for impact of State Budget to Town Finances	R. Knapp	P. Carroll	Passes 4-0-0

P. Lundquist - In favor of the discussion. Not convinced we should "pre-penalize" ourselves. Understand that there might be something coming but unsure of the benefit.

R. Knapp - If next year there would need to be an immense tax increase to meet State cuts, taking steps now would help mitigate that. Next year, cuts to ECS are coming down. The State is running a deficit and Municipal Aid is going to be one of the only areas they have available for cuts. Not sure what's coming down, but would like to have the discussion.

Motion	Made By	Seconded	Result
Move to recommend to the Council to reduce EQUIPMENT - TECHNOLOGY line item by \$100,000 back to BOS Proposed \$52,000	C. Eide	P. Carroll	Passes 4-0-0

C. Eide - BOS had a vision with the budget and that budget was focused on road improvements. While these capital investments are important, they can wait for future years. Would like to see limited resources put to where taxpayers want them to go.

Motion	Made By	Seconded	Result
Move to recommend to the Council to increase to Contingency by \$25,000	R. Knapp	P. Carroll	Passes 4-0-0

R. Knapp - Since winter maintenance funding was reduced and contingency has been used in the past for that, worries we could be short with the double deduction.

Motion	Made By	Seconded	Result
Move to reduce FHA REPAIR and MAINTENANCE SERVICES by \$6,000 so new number is a \$4,000 increase	R. Knapp	P. Carroll	Passes 4-0-0

R. Knapp - They have a 6 figure balance in CAM charges and this is the purpose of those charges. This is a requested \$10,000 increase from \$0, can't imagine there is a lot of repair and maintenance costs with everything invested last year, everything should be pretty new.

P. Lundquist - Why is there an increase in repair and maintenance for streetscape project; wasn't that supposed to be grant funded?

R. Knapp - What are the repairs and maintenance to be done to the brand new streetscape project and why wouldn't repair and maintenance come from CAM charges?

#### VOTER COMMENT

None

#### ADJOURNMENT

Motion to adjourn was made by R. Knapp at 8:40 PM, Seconded by P. Lundquist. Passed by unanimous consent.

#### COMMUNICATIONS ATTACH-1

Chris-

A followup question from last night, which you may have already captured.

The 9/11/2017 minutes from the Board of Finance reported NYA was \$61,500 in the rears with common charges at that time. I want to know when that payment was made given the LC Finance subcommittee was told last night that no common fees were owed. If no payment was received from NYA for these charges, I respectfully request a copy of the public record that states the debt was forgiven.

-kelley

## COMMUNICATIONS ATTACH-2

For the Admin and Finance discussion: Data on collection rates. CCM did not feel there was a correlation with reval years but it does show volatility of a few tenths is pretty standard.

-Ryan

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Good afternoon Mr. Knapp,

In response to your request for information on the impact of property revaluation on municipal budgeting, I have assembled the following information.

I examined the [Municipal Fiscal Indicators](#) data from the Connecticut Office of Policy and Management to see if there was a discernable effect on the property tax collection rate following a revaluation. Looking at rates before and after a revaluation, there does not seem to be a significant effect on the collection rate one way or the other. I have attached an Excel document which lists collection rates over the last several years of all municipalities, as well as a calculated change in the collection rate between years.

I have also attached reports from the General Assembly's Office of Legislative Research on revaluation, as well as sample messages to the public on the process.

I hope this information is helpful. If you have any additional inquiries, please feel free to contact me directly at (203) 498-3043 or by email at [mfriedman@ccm-ct.org](mailto:mfriedman@ccm-ct.org).

Sincerely,

Max Friedman  
Associate Research Analyst  
**Connecticut Conference of Municipalities (CCM)**  
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New Haven, CT 06510  
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[www.ccm-ct.org](http://www.ccm-ct.org)

Municipality	2016 Population	YEAR LAST REVAL	FY12_Tax_Collection_Rate	FY13_Tax_Collection_Rate	Change: FY12-FY13	FY14_Tax_Collection_Rate
ANDOVER	3,252	2016	98.9%	98.8%	-0.1%	98.7%
ANSONIA	18,732	2017	96.2%	96.3%	0.1%	95.9%
ASHFORD	4,236	2016	97.9%	97.9%	0.0%	98.1%
AVON	18,364	2013	99.7%	99.8%	0.1%	99.8%
BARKHAMSTED	3,664	2013	97.7%	97.4%	-0.4%	97.5%
BEACON FALLS	6,095	2016	96.6%	97.0%	0.4%	97.4%
BERLIN	20,499	2017	98.5%	98.7%	0.2%	98.9%
BETHANY	5,488	2013	98.6%	98.5%	-0.1%	98.6%
BETHEL	19,627	2017	98.8%	98.7%	-0.1%	98.8%
BETHLEHEM	3,447	2013	97.7%	97.9%	0.2%	97.4%
BLOOMFIELD	20,642	2014	98.7%	98.4%	-0.2%	98.5%
BOLTON	4,930	2013	98.8%	98.9%	0.1%	99.2%
BOZRAH	2,578	2017	98.2%	97.4%	-0.8%	97.6%
BRANFORD	28,028	2014	98.3%	98.6%	0.3%	98.5%
BRIDGEPORT	145,936	2015	97.3%	97.4%	0.1%	97.0%
BRIDGEWATER	1,648	2016	99.5%	99.5%	-0.1%	99.8%
BRISTOL	60,147	2017	98.8%	98.6%	-0.1%	98.2%
BROOKFIELD	17,098	2016	99.2%	99.1%	-0.1%	99.1%
BROOKLYN	8,205	2015	97.4%	97.9%	0.5%	98.5%
BURLINGTON	9,614	2013	99.0%	99.0%	0.0%	99.1%
CANAAN	1,177	2017	98.4%	98.2%	-0.2%	98.2%
CANTERBURY	5,065	2015	97.9%	97.5%	-0.4%	97.9%
CANTON	10,287	2013	99.0%	98.9%	0.0%	98.9%
CHAPLIN	2,246	2013	97.2%	98.0%	0.8%	97.5%
CHESHIRE	29,282	2013	99.6%	99.7%	0.1%	99.8%

Change: FY13-FY14	FY15_Tax_Collection_Rate	Change: FY14-FY15	FY16_Tax_Collection_Rate	Change: FY15-FY16
-0.1%	98.9%	0.3%	98.5%	-0.4%
-0.3%	96.6%	0.7%	96.7%	0.1%
0.2%	97.9%	-0.1%	98.2%	0.3%
0.0%	99.7%	-0.1%	99.7%	0.1%
0.2%	97.5%	0.0%	97.3%	-0.2%
0.4%	97.2%	-0.2%	97.4%	0.2%
0.2%	98.9%	0.0%	98.9%	0.0%
0.1%	98.6%	0.0%	98.8%	0.2%
0.1%	98.7%	-0.1%	98.8%	0.1%
-0.5%	97.6%	0.2%	98.1%	0.6%
0.1%	98.6%	0.1%	98.7%	0.1%
0.4%	99.3%	0.0%	98.9%	-0.3%
0.2%	97.4%	-0.2%	97.9%	0.5%
-0.1%	98.5%	0.0%	98.5%	0.0%
-0.4%	98.3%	1.3%	98.3%	0.0%
0.3%	99.7%	-0.1%	99.7%	0.0%
-0.4%	98.2%	-0.1%	98.1%	0.0%
0.1%	99.0%	-0.1%	99.2%	0.2%
0.6%	98.4%	-0.1%	98.6%	0.3%
0.0%	99.0%	-0.1%	99.3%	0.3%
0.0%	97.3%	-0.9%	98.1%	0.9%
0.4%	98.2%	0.3%	98.9%	0.6%
0.0%	99.1%	0.2%	99.3%	0.3%
-0.5%	98.3%	0.8%	98.6%	0.3%
0.1%	99.8%	0.0%	99.8%	0.0%

CHESTER	4,255	2013	99.1%	99.0%	-0.1%	98.7%
CLINTON	12,961	2015	99.2%	99.3%	0.1%	99.1%
COLCHESTER	16,061	2016	98.4%	98.4%	-0.1%	98.4%
COLEBROOK	1,430	2015	97.4%	98.3%	0.9%	98.8%
COLUMBIA	5,433	2016	98.2%	98.9%	0.7%	98.7%
CORNWALL	1,380	2016	98.6%	98.5%	-0.1%	98.2%
COVENTRY	12,433	2014	97.8%	98.1%	0.4%	98.3%
CROMWELL	13,960	2017	99.1%	99.0%	-0.1%	99.2%
DANBURY	84,992	2017	98.7%	98.5%	-0.2%	98.3%
DARIEN	21,744	2013	99.4%	99.5%	0.1%	99.3%
DEEP RIVER	4,482	2015	98.6%	98.0%	-0.6%	98.0%
DERBY	12,631	2015	96.6%	96.8%	0.1%	96.8%
DURHAM	7,255	2015	98.8%	98.7%	-0.1%	98.7%
EAST GRANBY	5,170	2013	98.3%	98.4%	0.1%	98.9%
EAST HADDAM	9,023	2017	98.9%	98.9%	-0.1%	98.5%
EAST HAMPTON	12,869	2015	98.0%	97.7%	-0.4%	97.7%
EAST HARTFORD	50,237	2016	97.3%	97.1%	-0.2%	97.9%
EAST HAVEN	28,807	2016	97.3%	97.6%	0.3%	97.7%
EAST LYME	18,886	2016	98.4%	98.5%	0.1%	98.4%
EAST WINDSOR	11,355	2017	97.6%	97.9%	0.3%	97.8%
EASTFORD	1,750	2013	97.5%	97.2%	-0.4%	97.0%
EASTON	7,561	2016	98.6%	98.4%	-0.2%	98.6%
ELLINGTON	16,071	2015	98.5%	98.7%	0.2%	98.8%
ENFIELD	44,368	2016	97.6%	97.7%	0.1%	98.0%
ESSEX	6,539	2013	99.0%	99.0%	-0.1%	98.7%
FAIRFIELD	61,160	2015	98.9%	98.8%	-0.1%	98.7%



-0.4%	99.9%	1.2%	98.8%	-1.1%
-0.2%	99.3%	0.2%	99.3%	0.1%
0.0%	98.5%	0.1%	98.8%	0.3%
0.5%	97.8%	-1.0%	98.4%	0.6%
-0.2%	98.9%	0.2%	98.8%	-0.1%
-0.3%	97.6%	-0.6%	97.9%	0.3%
0.2%	98.2%	0.0%	98.8%	0.5%
0.2%	99.1%	-0.1%	99.1%	0.0%
-0.2%	98.5%	0.2%	98.7%	0.1%
-0.2%	99.6%	0.3%	99.6%	0.0%
0.0%	98.4%	0.4%	98.6%	0.2%
0.0%	97.7%	1.0%	97.9%	0.2%
0.0%	98.9%	0.2%	99.1%	0.1%
0.4%	98.5%	-0.3%	99.0%	0.5%
-0.4%	98.8%	0.3%	98.9%	0.1%
0.0%	98.0%	0.4%	98.0%	-0.1%
0.8%	97.6%	-0.3%	97.3%	-0.2%
0.1%	97.7%	0.0%	97.9%	0.2%
-0.2%	98.5%	0.2%	98.9%	0.4%
-0.1%	98.6%	0.9%	98.8%	0.2%
-0.2%	97.9%	1.0%	97.9%	0.0%
0.1%	98.6%	0.1%	98.7%	0.1%
0.1%	99.1%	0.3%	99.4%	0.3%
0.2%	98.0%	0.0%	98.1%	0.1%
-0.2%	98.8%	0.0%	99.1%	0.3%
-0.1%	98.6%	-0.1%	98.7%	0.1%

FARMINGTON	25,524	2017	99.6%	99.6%	0.1%	99.6%
FRANKLIN	1,955	2013	98.9%	99.4%	0.5%	98.9%
GLASTONBURY	34,584	2017	99.5%	99.4%	0.0%	99.4%
GOSHEN	2,891	2017	99.3%	99.2%	0.0%	99.0%
GRANBY	11,247	2017	98.9%	99.1%	0.1%	99.1%
GREENWICH	62,359	2015	99.3%	99.1%	-0.2%	98.9%
GRISWOLD	11,719	2016	97.8%	97.2%	-0.6%	97.5%
GROTON	39,261	2016	97.8%	98.5%	0.6%	98.7%
GUILFORD	22,277	2017	99.0%	99.1%	0.1%	99.4%
HADDAM	8,260	2015	99.5%	99.5%	0.0%	99.5%
HAMDEN	61,125	2015	98.7%	99.0%	0.2%	98.9%
HAMPTON	1,837	2013	98.9%	98.5%	-0.4%	98.4%
HARTFORD	123,243	2016	97.7%	97.7%	0.0%	98.8%
HARTLAND	2,117	2015	93.8%	94.6%	0.8%	95.0%
HARWINTON	5,466	2013	98.3%	98.6%	0.3%	98.8%
HEBRON	9,529	2016	98.8%	99.2%	0.4%	99.5%
KENT	2,819	2013	98.5%	98.5%	0.0%	98.3%
KILLINGLY	17,069	2013	98.8%	99.0%	0.2%	99.0%
KILLINGWORTH	6,419	2016	97.8%	97.6%	-0.2%	97.6%
LEBANON	7,197	2013	99.3%	99.3%	0.1%	99.2%
LEDYARD	14,911	2015	97.7%	97.9%	0.2%	97.8%
LISBON	4,281	2016	98.8%	98.5%	-0.2%	98.8%
LITCHFIELD	8,175	2013	98.3%	98.3%	0.0%	98.5%
LYME	2,355	2013	98.1%	98.0%	0.0%	98.4%
MADISON	18,151	2013	99.0%	98.6%	-0.4%	99.1%
MANCHESTER	57,873	2016	99.3%	99.5%	0.2%	99.5%
MANSFIELD	25,969	2014	98.1%	97.9%	-0.2%	98.1%

0.0%	99.6%	0.0%	99.8%	0.1%
-0.6%	98.5%	-0.4%	98.3%	-0.2%
0.0%	99.4%	0.0%	99.6%	0.1%
-0.2%	99.5%	0.5%	99.7%	0.2%
0.1%	99.0%	-0.1%	99.1%	0.1%
-0.2%	99.2%	0.2%	99.3%	0.1%
0.2%	97.4%	-0.1%	97.5%	0.2%
0.2%	98.5%	-0.2%	98.6%	0.1%
0.3%	99.1%	-0.3%	99.2%	0.1%
0.0%	99.5%	0.0%	99.5%	0.1%
-0.1%	99.0%	0.2%	99.0%	-0.1%
-0.1%	98.6%	0.2%	98.7%	0.1%
1.1%	98.7%	-0.1%	98.7%	0.0%
0.4%	96.0%	1.0%	95.7%	-0.4%
0.2%	98.7%	-0.1%	98.4%	-0.4%
0.2%	99.6%	0.2%	99.4%	-0.2%
-0.2%	98.4%	0.1%	97.9%	-0.5%
0.0%	98.8%	-0.2%	99.3%	0.4%
0.0%	97.6%	0.0%	97.8%	0.2%
-0.1%	99.3%	0.1%	99.5%	0.1%
-0.1%	97.9%	0.1%	97.9%	0.0%
0.2%	98.8%	0.0%	98.8%	0.0%
0.1%	98.1%	-0.3%	98.4%	0.3%
0.4%	98.9%	0.4%	98.7%	-0.2%
0.5%	99.1%	0.0%	99.1%	0.1%
0.0%	99.4%	-0.1%	99.6%	0.1%
0.3%	98.1%	0.0%	98.3%	0.2%

MARLBORO						
UGH	6,402	2015	98.4%	98.4%	0.0%	98.7%
MERIDEN	59,622	2016	99.0%	99.0%	0.0%	99.2%
MIDDLEBUR						
Y	7,641	2016	97.4%	97.2%	-0.1%	97.3%
MIDDLEFIEL						
D	4,387	2016	98.7%	98.4%	-0.3%	98.8%
MIDDLETO						
WN	46,544	2017	98.3%	98.4%	0.1%	98.6%
MILFORD	54,054	2016	97.9%	97.8%	-0.1%	97.8%
MONROE	19,658	2014	98.2%	98.6%	0.3%	98.3%
MONTVILLE	19,231	2016	98.8%	99.0%	0.2%	98.9%
MORRIS	2,279	2014	94.4%	97.7%	3.3%	97.4%
NAUGATUC						
K	31,392	2012	99.1%	98.9%	-0.2%	99.1%
NEW						
BRITAIN	72,558	2017	95.7%	95.7%	-0.1%	95.0%
NEW						
CANAAN	20,280	2013	96.0%	97.7%	1.7%	97.0%
NEW						
FAIRFIELD	14,005	2014	99.5%	99.5%	-0.1%	99.6%
NEW						
HARTFORD	6,733	2013	99.2%	99.4%	0.2%	99.4%
NEW HAVEN	129,934	2016	98.7%	98.3%	-0.4%	98.6%
NEW						
LONDON	26,984	2013	97.2%	97.5%	0.3%	97.9%
NEW						
MILFORD	27,151	2015	98.1%	98.0%	-0.1%	97.8%
NEWINGTO						
N	30,423	2015	98.1%	98.0%	-0.2%	98.3%
NEWTOWN	27,865	2017	98.9%	99.3%	0.4%	99.1%
NORFOLK	1,632	2013	99.0%	99.0%	0.0%	99.3%

0.3%	98.9%	0.2%	98.8%	-0.1%
0.2%	99.1%	-0.1%	99.3%	0.2%
0.1%	97.6%	0.3%	97.8%	0.2%
0.4%	98.4%	-0.4%	98.4%	0.0%
0.2%	98.4%	-0.2%	98.2%	-0.1%
0.0%	97.7%	-0.1%	97.6%	-0.1%
-0.3%	98.1%	-0.2%	98.0%	-0.1%
-0.1%	98.8%	-0.1%	99.1%	0.2%
-0.3%	97.6%	0.2%	97.7%	0.1%
0.1%	99.4%	0.4%	98.1%	-1.3%
-0.7%	94.3%	-0.7%	93.4%	-0.9%
-0.7%	96.2%	-0.8%	96.6%	0.4%
0.1%	99.7%	0.2%	99.7%	-0.1%
-0.1%	99.5%	0.1%	99.4%	-0.2%
0.3%	98.7%	0.1%	98.5%	-0.1%
0.4%	97.9%	0.0%	98.0%	0.1%
-0.2%	97.2%	-0.5%	97.7%	0.5%
0.3%	98.5%	0.2%	98.4%	-0.1%
-0.2%	99.2%	0.1%	99.3%	0.1%
0.3%	99.2%	-0.1%	99.3%	0.1%

NORTH BRANFORD	14,198	2015	98.2%	98.2%	0.0%	98.1%
NORTH CANAAN	3,186	2017	98.3%	98.6%	0.3%	98.6%
NORTH HAVEN	23,709	2014	97.1%	97.6%	0.5%	97.1%
NORTH STONINGTO N	5,271	2015	98.4%	98.5%	0.1%	98.9%
NORWALK	88,438	2013	97.5%	97.9%	0.4%	98.2%
NORWICH	39,556	2013	98.7%	98.5%	-0.2%	98.6%
OLD LYME	7,469	2014	96.5%	96.5%	0.0%	96.6%
OLD SAYBROOK	10,093	2013	98.6%	98.6%	-0.1%	98.8%
ORANGE	13,912	2017	99.4%	99.3%	-0.1%	99.1%
OXFORD	12,984	2015	98.9%	99.3%	0.3%	99.1%
PLAINFIELD	15,067	2017	98.1%	98.1%	0.0%	98.4%
PLAINVILLE	17,677	2016	96.8%	97.0%	0.2%	96.7%
PLYMOUTH	11,749	2016	97.5%	97.6%	0.1%	97.8%
POMFRET	4,149	2015	95.9%	96.3%	0.4%	97.3%
PORTLAND	9,349	2016	98.1%	98.3%	0.2%	98.5%
PRESTON	4,685	2017	98.6%	98.6%	0.0%	98.5%
PROSPECT	9,755	2015	98.0%	98.3%	0.3%	97.8%
PUTNAM	9,333	2014	98.8%	98.9%	0.1%	98.9%
REDDING	9,216	2017	97.5%	97.4%	-0.1%	97.3%
RIDGEFIELD	25,063	2017	97.9%	98.3%	0.4%	98.6%
ROCKY HILL	20,119	2013	98.5%	98.5%	0.1%	98.7%
ROXBURY	2,176	2017	99.0%	99.1%	0.1%	99.0%
SALEM	4,167	2016	99.1%	99.3%	0.3%	99.2%
SALISBURY	3,618	2015	98.1%	97.9%	-0.2%	97.8%
SCOTLAND	1,678	2013	99.3%	99.4%	0.1%	99.4%
SEYMOUR	16,553	2015	97.3%	97.2%	-0.1%	96.9%
SHARON	2,714	2013	97.8%	98.0%	0.2%	98.0%
SHELTON	41,334	2016	97.9%	97.2%	-0.7%	97.7%

-0.1%	98.7%	0.6%	99.2%	0.5%
0.0%	98.8%	0.3%	98.6%	-0.2%
-0.5%	97.7%	0.5%	97.0%	-0.7%
0.4%	98.7%	-0.2%	98.8%	0.1%
0.3%	97.5%	-0.7%	97.4%	-0.1%
0.2%	98.7%	0.1%	98.9%	0.2%
0.1%	96.1%	-0.5%	96.8%	0.7%
0.2%	98.7%	-0.1%	98.7%	0.0%
-0.2%	99.1%	0.1%	99.1%	0.0%
-0.1%	99.3%	0.1%	99.4%	0.1%
0.3%	98.5%	0.1%	98.4%	-0.1%
-0.4%	97.3%	0.7%	97.8%	0.5%
0.2%	97.7%	-0.1%	97.9%	0.2%
1.0%	98.0%	0.7%	97.9%	-0.1%
0.2%	99.0%	0.5%	99.1%	0.1%
-0.1%	98.3%	-0.2%	98.7%	0.4%
-0.5%	98.1%	0.2%	98.1%	0.0%
0.0%	98.9%	0.0%	99.1%	0.1%
0.0%	97.1%	-0.2%	97.8%	0.7%
0.2%	98.7%	0.2%	98.6%	-0.2%
0.2%	98.8%	0.1%	98.9%	0.1%
-0.1%	99.4%	0.5%	99.3%	-0.1%
-0.2%	99.5%	0.3%	99.4%	-0.1%
0.0%	98.4%	0.6%	98.7%	0.3%
0.0%	99.3%	-0.1%	99.4%	0.1%
-0.3%	98.0%	1.1%	97.9%	-0.1%
0.0%	98.1%	0.1%	98.3%	0.2%
0.6%	97.8%	0.1%	97.8%	0.0%

SHERMAN	3,641	2013	98.9%	98.8%	0.0%	98.9%
SIMSBURY	24,407	2017	99.1%	99.3%	0.2%	99.3%
SOMERS	11,092	2015	99.4%	99.4%	0.0%	99.6%
SOUTH WINDSOR	25,737	2017	99.0%	98.8%	-0.2%	98.7%
SOUTHBURY	19,572	2017	98.7%	98.7%	0.0%	98.6%
SOUTHINGT ON	43,685	2015	99.5%	99.2%	-0.3%	99.2%
SPRAGUE	2,921	2017	98.6%	98.6%	-0.1%	98.7%
STAFFORD	11,758	2015	96.8%	96.7%	0.0%	97.5%
STAMFORD	129,113	2017	96.4%	96.1%	-0.4%	96.2%
STERLING	3,741	2017	98.5%	98.5%	0.0%	98.7%
STONINGTO N	18,647	2017	96.4%	95.8%	-0.6%	96.2%
STRATFORD	52,148	2014	98.5%	98.9%	0.4%	99.0%
SUFFIELD	15,625	2013	98.2%	97.7%	-0.5%	97.5%
THOMASTO N	7,595	2016	99.0%	98.8%	-0.2%	98.9%
THOMPSON	9,266	2014	98.2%	98.4%	0.2%	98.5%
TOLLAND	14,791	2014	98.1%	97.8%	-0.3%	98.0%
TORRINGTO N	34,646	2014	99.0%	99.1%	0.1%	99.2%
TRUMBULL	36,237	2015	100.0%	100.0%	0.0%	100.0%
UNION	840	2013	98.7%	98.0%	-0.7%	98.2%
VERNON	29,148	2016	99.0%	98.3%	-0.7%	98.2%
VOLUNTOW N	2,565	2015	98.6%	98.5%	-0.1%	98.6%
WALLINGFO RD	44,660	2015	97.0%	97.2%	0.2%	97.5%
WARREN	1,408	2017	98.2%	98.1%	-0.1%	98.3%
WASHINGT ON	3,452	2013	99.1%	99.3%	0.1%	99.1%



0.1%	98.7%	-0.2%	99.0%	0.3%
0.0%	99.4%	0.1%	99.7%	0.3%
0.2%	99.6%	0.0%	99.5%	-0.1%
-0.1%	98.8%	0.1%	98.7%	-0.2%
-0.1%	98.4%	-0.2%	98.9%	0.5%
0.1%	99.2%	0.0%	99.3%	0.1%
0.2%	98.8%	0.1%	98.9%	0.0%
0.8%	93.4%	-4.2%	90.7%	-2.6%
0.1%	96.4%	0.2%	97.2%	0.8%
0.2%	98.7%	0.0%	98.7%	0.0%
0.4%	97.1%	0.9%	97.1%	0.0%
0.1%	98.9%	-0.1%	98.7%	-0.2%
-0.3%	97.4%	0.0%	97.5%	0.1%
0.1%	98.7%	-0.1%	99.1%	0.4%
0.1%	98.7%	0.2%	98.8%	0.1%
0.3%	98.0%	-0.1%	98.2%	0.2%
0.1%	99.1%	-0.2%	99.2%	0.1%
0.0%	100.0%	0.0%	100.0%	0.0%
0.2%	98.9%	0.7%	99.1%	0.2%
-0.1%	98.5%	0.2%	98.6%	0.1%
0.1%	98.7%	0.1%	98.9%	0.2%
0.3%	98.2%	0.7%	98.3%	0.1%
0.2%	98.5%	0.2%	98.6%	0.1%
-0.2%	99.2%	0.1%	99.7%	0.5%

WATERBURY	108,272	2017	99.1%	98.6%	-0.4%	98.8%
WATERFORD	19,101	2017	96.8%	97.8%	1.0%	98.4%
WATERTOWN	21,790	2013	99.0%	99.0%	0.0%	99.2%
WEST HARTFORD	62,903	2016	98.5%	98.4%	-0.1%	98.6%
WEST HAVEN	54,516	2015	99.1%	99.1%	0.1%	99.2%
WESTBROOK	6,933	2016	97.9%	98.1%	0.2%	98.1%
WESTON	10,302	2013	98.7%	98.9%	0.2%	99.0%
WESTPORT	27,840	2015	98.9%	99.0%	0.2%	98.6%
WETHERSFIELD	26,195	2013	97.9%	98.3%	0.4%	98.5%
WILLINGTON	5,872	2013	98.9%	99.0%	0.0%	99.0%
WILTON	18,560	2017	99.4%	99.7%	0.3%	99.3%
WINCHESTER	10,754	2017	99.2%	99.2%	0.0%	99.4%
WINDHAM	24,727	2013	97.8%	97.6%	-0.2%	97.4%
WINDSOR	28,875	2013	97.7%	97.8%	0.0%	98.0%
WINDSOR LOCKS	12,512	2013	98.8%	98.7%	-0.1%	98.6%
WOLCOTT	16,643	2016	97.8%	97.9%	0.1%	98.1%
WOODBIDGE	8,842	2014	98.0%	98.2%	0.2%	98.2%
WOODBURY	9,591	2013	99.6%	99.5%	-0.1%	99.6%
WOODSTOCK	7,823	2016	98.3%	98.1%	-0.2%	97.9%
			98.5%	98.4%	-0.1%	98.5%

0.2%	99.0%	0.2%	99.2%	0.1%
0.6%	98.5%	0.1%	98.4%	-0.1%
0.2%	99.2%	0.1%	99.2%	0.0%
0.3%	98.6%	0.0%	98.6%	0.1%
0.0%	99.2%	0.1%	99.3%	0.1%
0.0%	98.4%	0.3%	98.5%	0.2%
0.1%	99.1%	0.1%	99.4%	0.3%
-0.4%	98.9%	0.2%	98.7%	-0.1%
0.2%	98.3%	-0.2%	98.7%	0.4%
0.0%	99.1%	0.2%	99.1%	0.0%
-0.4%	99.6%	0.3%	99.6%	0.0%
0.2%	99.3%	-0.2%	99.3%	0.0%
-0.2%	97.0%	-0.4%	98.1%	1.1%
0.2%	97.7%	-0.3%	98.8%	1.1%
-0.1%	98.8%	0.2%	98.8%	0.0%
0.2%	98.2%	0.1%	98.3%	0.1%
0.0%	98.2%	-0.1%	98.1%	0.0%
0.1%	99.6%	0.0%	99.6%	0.0%
-0.2%	98.3%	0.4%	98.1%	-0.2%
0.1%	98.4%	-0.1%	98.4%	0.0%

**Topic:**

REAL PROPERTY; PROPERTY TAX; MUNICIPALITIES;

**Location:**

ASSESSMENT;

**THE MISPERCEPTIONS ABOUT PROPERTY REVALUATION**

By: John Rappa, Principal Analyst

**A TALE OF TWO HOMES**

It is the best of times for Mary and Bob, who just sold their home for \$360,000, \$100,000 more than they paid for it in 1993. After deciding to retire, sell the home, and move to Florida, Mary and Bob hired a private appraiser to determine their home's value, which he determined was at least \$350,000 in today's market.

But Mary and Bob's good fortune makes their next door neighbors anxious. Helen and Jim own an identical home, which they too purchased in 1993 for the same price. Their home will also be appraised this year, but not by a private appraiser working for them. The town will appraise their home and all other properties in town for property taxes, a process generally referred to as revaluation.

Revaluation concerns homeowners like Helen and Jim because they believe it will increase their taxes. Tax assessors—the town officials who track and record property values—often determine a property's value by comparing it to a similar, recently sold property. And that's why Helen and Jim are worried that Mary and Bob's good fortune will increase their taxes.

The anxiety revaluation generates also explains why mayors and selectmen approach revaluation like most of us approach root canals. The perception that revaluation could lead to higher taxes could mean trouble at the polls.

Rising property values cut both ways. They allow owners to make more money when they sell or give them more equity when they borrow. They also require towns to increase a property's assessment, which is the portion of a property's value that the town taxes. Property owners conclude that raising property assessments inevitably means higher taxes.

This Backgrounder addresses this conclusion, that revaluations necessarily drive up property taxes. It explains how and why towns revalue property and shows that the

amount of taxes a person pays depends on three dynamic factors—a property's assessed value, the assessment of all the other properties in town, and the town's budget.

## VALUE

Revaluation is the process for periodically measuring and capturing changes in property values. The value is a property's resale or fair market value, which changes over time (CGS § 12-63). Taxpayers worry that taxes will increase if property values increase.

By law, towns must assess property for 70% of fair market value (CGS § 12-62a(b)). Tax assessors are responsible for determining that value; identifying, recording, and valuing new taxable property; and granting tax exemptions, such as those for veterans and elderly and disabled people. They often hire private companies to perform some of this work.

## THE RATIONALE FOR PERIODIC REVALUATIONS

Revaluations are meant to capture changes in fair market value. The fair market value of real property (i.e., land and buildings) tends to fluctuate while the value of personal property (e.g., cars, cash registers, and copiers) tends to decrease. Consequently, fair market values change between revaluations. As they change, properties' assessed values no longer reflect 70% of the actual fair market values. Revaluation captures the change in fair market value and adjusts the assessment to reflect 70% of that value.

To capture these changes, towns must revalue property at least once every five years (CGS § 12-62b(1)). Towns that do not comply with the revaluation requirement risk losing 50% of their Mashantucket Pequot and Mohegan Fund grant and 100% of their Local Capital Improvement Program grant (PA 06-148). (The state can waive this penalty under specified conditions.)

A hypothetical example shows how periodic revaluations save owners from paying more or fewer taxes than they should. To understand how this could happen, one has to remember that a tax bill depends on the property's assessed value and the town's mill rate. (We discuss below how towns determine that rate.) Table 1 compares the tax bills for two properties in a town that revalues property after five years, as state law requires. It assumes that the mill rate did not change.

**Table 1: Hypothetical Example of how Revaluations Prevent Disparities between Taxpayers**

Property	Year 1 Assessment and Taxes	Year 3 Assessment and Taxes	Year 5 Assessment and Taxes		
			With Revaluation	Without Revaluation	Comment
1	Fair Market Value: \$300,000  Assessed Value: \$210,000	Fair Market Value: \$310,000  Assessed Value: \$210,000	Fair Market Value: \$350,000  Assessed Value: \$245,000	Fair Market Value: \$350,000  Assessed Value:	The owner pays \$1,225 fewer taxes in Year 5 if the town does not revalue property

	Assessment Ratio: 70%  Mill Rate: .035  Tax Bill: \$7,350	Assessment Ratio: 68%  Mill Rate: .035  Tax Bill: \$7350	Assessment Ratio: 70%  Mill Rate: .035  Tax Bill: \$8575	\$210,000  Assessment Ratio:  60%  Mill Rate: .035  Tax Bill: \$7,350	
2	Fair Market Value: \$200,000  Assessed Value: \$140,000  Assessment Ratio: 70%  Mill Rate: .035  Tax Bill: \$4,900	Fair Market Value: \$180,000  Assessed Value: \$140,000  Assessment Ratio: 78%  Mill Rate: .035  Tax Bill: \$4,900	Fair Market Value: \$150,000  Assessed Value: \$105,000  Assessment Ratio: 70%  Mill Rate: .035  Tax Bill: \$3,675	Fair Market Value: \$150,000  Assessed Value: \$140,000  Assessment Ratio: 93%  Mill Rate: .035  Tax Bill: \$4,900	The owner pays \$1,225 more taxes in Year 5 if the town does not revalue property
Comment	Both owners pay their proportionate share of the taxes because the tax is based on 70% of their respective properties' fair market values.	By Year 3, the properties' values have changed, but the owners are still paying taxes based on the Year 1 assessments. Owner 1 pays proportionately fewer taxes and Owner 2 proportionately more.	By the fifth year, the properties' values have changed even more, but the revaluation resets the assessments to 70% of the new values. Both owners pay their proportionate share of taxes, as in Year 1.	If the town does not revalue property in the fifth year, it does not capture the changes in the properties' values and continues to tax property based on 70% of the Year 1 values. The disparity between the two owners increases.	Revaluation corrects disparities that arise between property owners as the values of their properties change. For this reason, revaluations often cause the tax burden to shift between property owners.

Revaluation eliminates the disparities that arise when fair market values change. In the first year, both owners paid taxes based on 70% of fair market value as the law requires. In the third year, their properties' fair market values changed but not the assessments, which the towns use to calculate the tax. Consequently, one property owner paid fewer taxes than he would have if the town revalued his property that year while the other paid more. Revaluation corrects these disparities by capturing changes in fair market values and resetting the assessments to 70% of those values.

### HOW ASSESSORS MUST DETERMINE PROPERTY VALUE

The law specifies the methods assessors must use to collect property data and determine value. Some methods require them to collect data on structures by viewing them from the street while others allow them to enter and inspect the structure.

#### *Collecting Data*

The law specifies two methods assessors must use to collect property data. During a revaluation year, they must view each property in its neighborhood setting and record any changes they can see, such as a new addition to a home or factory. Such "field reviews"

allow assessors to collect or update the data they have on a property by observing it from the street or sidewalk. For this reason, field reviews require less time and money to complete.

The law also requires assessors to collect property data by inspecting each property at least once every 10 years or surveying owners about their property. Inspections require the assessor to verify the property's exterior dimension and enter and examine the property's interior. He may do the latter only with the owner's or an adult occupant's permission.

An assessor can comply with this requirement in several ways. Because towns must revalue property every five years, the assessor can inspect half of the properties during each revaluation year and view the other half. Or, the assessor could begin inspecting properties in the years between revaluations. For example, he could inspect 10% of the properties each year and use the data for the next scheduled revaluation. But if he does so, he must view the ones he inspected during the four years preceding the revaluation year.

Alternatively, the assessor can ask those owners whose properties are scheduled for inspection to verify the information he already has on them. He can do this by sending them questionnaires about their properties and evaluating the quality of their responses. If he is satisfied with the quality, the assessor must inspect only those properties for which he received no responses or unsatisfactory ones.

### ***Determining Value***

After completing the field reviews or inspections, the assessor must determine the property's value by using "generally accepted mass appraisal methods." These include comparing the recent sales of comparable property, estimating how much it would cost to replace it, or calculating how much income it generates. The method (s) he uses vary depending on the property's use.

For example, assessors usually determine the value of single-family homes by comparing the sales of recently sold comparable homes. They do so because single-family homes tend to sell more frequently than other types of property and thus provide a larger sample for making comparisons. Apartment buildings, on the other hand, sell less frequently than single-family homes. Consequently, assessors usually determine their value by comparing comparable sales, if there are any, and calculating the income the buildings generate.

The assessor often determines the value of factories, shopping malls and other types of business and utility property by determining how much it would cost to replace the property and, in some cases, how much income it generates. It is harder to determine the value of these properties based on comparable sales since they tend to be more diverse and sell less frequently than residential properties.

### **APPEALING ASSESSMENTS**

Assessors do not have the last word on an assessment because the taxpayer can appeal it to the town's board of assessment appeals. An assessor must notify taxpayers about their

new assessments no sooner than the revaluation's effective date (October 1) and no later than 10 calendar days immediately following the date when the assessor signed the grand list (i.e., the list of all property in the town). The notice must indicate the property's assessment before and after the revaluation, state that the taxpayer has the right to appeal the assessment, and explain the process for doing so (CGS § 12-62).

The taxpayer has until February 20 to file a written appeal with the board, which, by law, cannot hear appeals filed after that date. The board must notify the taxpayer by March 1 about the date, time, and place of the hearing. It must mail the hearing notice no later than seven calendar days before the hearing.

The board must hold a hearing on any assessment except those over \$500,000 for commercial, industrial, utility, or apartment property. If, in these cases, the board chooses not to hold a hearing, it must notify the appellant about its decision by March 1. It must hold the hearings in March and decide the appeals by the last business day of that month. It can meet as often as it wants, but not on Sundays.

## **TAX BILLS AND ASSESSMENTS**

### ***Calculating Tax Bills***

The amount of taxes a person pays on a property equals a percentage of its assessed value. The percentage is commonly referred to as the mill rate, which the town sets after finalizing its budget. Because the municipal fiscal year runs from July to June, most towns finalize their budgets in June.

In determining the total budget, the town weighs the amount of funds it needs to run the government against the revenues it expects to receive during the subsequent fiscal year. It subtracts the revenue it expects to receive from state and federal sources from the total estimated budget. The difference represents the amount it must raise from the property tax in order to balance the budget.

The town divides this amount by the total value of taxable property shown on the grand list (i.e., the net grand list) to determine the mill rate. It multiplies the mill rate against each property's assessment to determine the tax bill. For example, if the town's budget is \$18 million and the grand list is \$600 million, the mill rate would be 30 mills. The tax on a home whose market value is \$100,000 home would be \$2,100:

Home's Fair Market Value: \$100,000

Property Tax Assessment (70% of Fair Market Value): \$70,000

Mill Rate: .030

Tax Bill:  $.030 \times \$70,000 = \$2,100$

### ***Tax Bills after a Revaluation***

Many taxpayers believe revaluations automatically trigger tax increases because their taxes are based on the property's assessment. If the assessment increases, so will the tax



bill. But they do not consider the role the mill rate plays in determining taxes. Unlike the assessment, which does not change between revaluations, towns may change the mill rate each time they prepare the annual budget.

The above example shows how the town could reduce the mill rate and still generate the same amount of taxes when the property's fair market value increases. Assume that the property's fair market value increased to \$150,000 between revaluations and its assessment consequently increased to \$105,000. If the town reduced the mill rate from 30 mills to 20 mills, the owner would still pay \$2,100 in taxes despite the higher assessment.

## **WHY TAXPAYERS BELIEVE REVALUATIONS TRIGGER TAX INCREASES**

### ***Overlapping Fiscal Cycles***

Taxpayers may misperceive the relationship between revaluations and taxes because they are confused by the multiple, overlapping cycles that create this relationship: property assessment, tax collection, and budgeting. As Table 2 shows, some taxpayers receive notice of their new assessments around the time that they pay the second installment on their tax bill. Consequently, they may assume that the mill rate shown on the tax bill automatically applies to the new assessment. But the town will not set the mill rate on that assessment until July, after it adopts the new fiscal year's budget.

**Table 2: Cycles for Assessing Property, Collecting Taxes, and Setting the FY 06-07 Tax Rate**

<i>Month</i>	<i>Assessment Cycle</i>	<i>Collection Cycle</i>	<i>Rate Setting Cycle</i>
October, 2005	October 1 marks the start of the assessment year. Property on the grand list as of that date is subject to taxes that are due July 1, 2006.		
November			

Table 2: -Continued-

<i>Month</i>	<i>Assessment Cycle</i>	<i>Collection Cycle</i>	<i>Rate Setting Cycle</i>
December			
January, 2006	Assessors finalize 2005 grand list	Taxpayers pay the second installment on the taxes due on the October 1, 2004 grand list.	The tax rate for these payments was set in June 2005.  The taxes fund the FY

			05-06 budget.
February	Taxpayers may file applications to appeal their assessments before the board of assessment appeals.		Town begins preparing the budget for the next fiscal year, which runs from July 1, 2006 to June 30, 2007.
March	The board holds hearings and adjusts the assessments.		The town estimates the amount of revenue the 2005 grand list will generate.
April			
May			The town holds hearings on the proposed budget.
June			The town finalizes and adopts the budget and sets the tax rate.
July		Taxpayers make first payment on taxes based on the October 2005 grand list.	
August			
September			
October	October 2007 assessment year begins		

### ***Assessment Cycle***

The assessment cycle or year refers to the period during which assessors update the grand list. Although towns must revalue all property at least once every five years, assessors must update the grand list throughout the year and annually produce a revised list. They must do so because the list could expand or contract during the year and the tax rate is the ratio between the town's total annual budget and the grand list. If the assessors did not add or remove property from the list, then the town would set a mill rate based on an inaccurate measure of its taxable property.

To help towns prepare the budget, assessors record the value of the grand list as of

October 1, eight months before the start of the next fiscal year. Property owners can appeal their assessments to the board of assessment appeals, which must hear them in March. The board has until March 31 to decide the appeals and make any changes to the assessments. Taxpayers who appeal their assessments in between revaluation years are generally those whose properties were added to the grand list before October 1 and those whose assessments were changed before that date. The latter include owners whose property values declined because the property was closed or destroyed.

Changes to the grand list affect the amount of taxes each property must generate to cover the town's budget. For this reason, towns try to "grow the grand list" by encouraging new development, which could reduce the tax burden on the other properties. But the opposite happens when homes are abandoned and stores and factories close.

### ***Tax Collection Cycle***

Most towns allow taxpayers to pay their property taxes in two installments, in July and January. The payment periods straddles two assessment years. For example, the July 1, 2005 payment applies to the October 1, 2004 grand list, which the assessors finalized last fall. During January 2006, the assessors finalized the October 1, 2005 grand list. Around that time, taxpayers make the second payment of taxes on the 2004 grand list. The cycle begins again on July 1, when taxpayers make the first payment on the October 1, 2005 grand list.

### ***Fiscal Year***

The town's fiscal year does not align with the assessment and collection years. The fiscal year runs from July 1 to June 30. The taxes paid on July 1 fund that fiscal year's budget but are levied against the grand list that was finalized during the previous fiscal year.

## **EASING THE BURDEN OF HIGHER ASSESSMENTS**

Higher assessments will increase taxes if the town must increase its revenue from the property tax and, consequently, maintain or increase the mill rate. To cushion the shock, state law allows the town, acting through its legislative body, to phase in the increase for up to five years. There are four ways the town can do this.

### ***Dollar Phase-in***

The town can simply phase in the dollar increase in assessed values in equal increments during the phase-in period.

### ***Ratio Phase-in***

The town can phase in the rate (i.e., percentage) at which the assessed values increased after the revaluation. The percentage equals the difference between two ratios:

1. the ratio of the property's assessed value before revaluation to its fair market value after revaluation, and
2. the ratio of the property's assessed value to its fair market value after revaluation,

which is always 70%.

For example, assume that a property's fair market value increased from \$100,000 to \$250,000 between revaluations. For this reason, its assessed value correspondingly increased from \$70,000 to \$175,000 (70% of \$250,000) after revaluation. To calculate the phase-in percentage, the town:

1. calculates the ratio between \$70,000 (the assessed value before revaluation) and \$250,000 (the fair market value after revaluation) and
2. subtracts this percentage from 70%.

The ratio between \$70,000 and \$250,000 is 28%. The town must subtract this percentage from 70%, which yields a difference of 42%. The town must then phase in 42% of the increase in assessed value in equal increments over the term of the phase-in. If the town chose to phase in the rate over five years, it must increase the property's assessed value by 8.4% (42 divided by five) per year. Table 3 shows how the ratio increases the assessed value each year.

**Table 3: Phase-in Based on Rate of Increase in Assessed Value**

<i>Phase-in Year</i>	<i>Ratio</i>	<i>Assessed Value</i>
1	36.4%	\$91,000
2	44.8	112,000
3	53.2	133,000
4	61.6	154,000
5	70.0	175,000

### ***Ratio Phase-in by Property Classes***

In 2006, the legislature authorized a variation of the percentage phase-in method. It allowed towns to divide properties into classes and phase in the rate at which the assessment increased for each class (PA 06-148). In other words, instead of equally phasing in the rate at which all properties' assessment increased, a town could phase in separate rates for all properties within a class. As with the other methods, the phase-in period is up to five years.

The classes are residential, commercial, and vacant land. The commercial class includes apartments containing at least five units, industrial property, and public utility property.

The method works if there are sales records for a class or enough sales within each class to extrapolate a rate of increase for the entire class. For this reason, the town must use the full percentage phase-in option when these conditions cannot be met.

### ***Partial Phase-in***

In 2006, the legislature authorized a fourth phase-in option. It allowed towns to use the dollar value or ratio phase-in option to phase in just a portion of the increased in assessed values or the rate at which they increased. If a town chooses this option, it must phase in at least 25% of either increase. The amount or portion the town phases in is called the “phase-in factor,” and the town must uniformly apply it to all types of properties.

JR:ts



# OLR RESEARCH REPORT

February 21, 2012

2012-R-0098

## PROPERTY TAX REVALUATION

By: John Rappa, Chief Analyst

You asked us to summarize the laws governing property revaluation, including current and prior laws providing options for implementing a revaluation.

### SUMMARY

Every October 1, municipalities assess real property for taxes based on its fair market value, which changes over time. They capture changes in those values by periodically revaluing property according to a statutory process that, among other things, specifies how frequently municipalities must revalue property (i.e., revaluation cycle), the methods they may use to determine value, and how they must notify each property owner about changes in his or her property's value. The process also imposes penalties on municipalities that fail to revalue property when the law requires.

The revaluation statutes also address a revaluation's potential impacts, including tax increases. They do so by allowing municipalities to phase in the new values over five years or, in more limited circumstances, shift the tax burden from residential to non-residential property. The legislature has also allowed some municipalities that were scheduled to revalue property during a specified year to do so in a later year.

Lastly, the statutes allow property owners to appeal their new property values to a municipality's board of assessment within specified timeframes.

## **WHY MUNICIPALITIES REVALUE PROPERTY**

Municipalities revalue property to capture changes in its fair market value, thus ensuring that its owner pays his or her fair share of property taxes. The fair market value is the price a seller and buyer agree upon when both are knowledgeable about the sale and willing and unpressured to make it. Connecticut law prohibits basing fair market value on the results of a forced or auction sale ([CGS § 12-63](#)).

Revaluation captures fluctuations in fair market value and helps municipalities avoid under- or over-taxing property owners. For example, if a property's fair market value jumps from \$200,000 to \$250,000, the property owner pays taxes on the lower value until the municipality revalues property. If the fair market value dropped instead to \$150,000, the owner pays taxes on \$200,000 until the municipality revalues property.

## **REVALUATION CYCLES**

Arguably, municipalities could minimize the chances of under- or over-taxing property by revaluing it every year. But revaluations are costly, especially those in which tax assessors physically inspect each property. The legislature sought to balance the need for frequent revaluations against their cost by adjusting the maximum period municipalities could assess property without revaluing them. It also distinguished between physical inspections and statistical analysis and required municipalities to implement the methods according to different cycles.

### ***Pre 1995: 10-Year Cycle and Embedded Five-Year Subcycle***

Before 1995, the law required municipalities to revalue property by inspecting it every 10 years and allowing them to revalue property by analyzing sales statistics within five years after inspection.

### ***1995: 12-Year Cycle and Two Embedded Four-Year Cycles***

Starting in 1995, the legislature made several changes to the revaluation cycle. That year it lengthened the interval for physical revaluations from 10 to 12 years and required municipalities to revalue

property based on statistics every four years within each 12-year cycle (PA 95-283).

### ***1997: Four-Year Cycle and Separate 12-Year Cycle Inspection Cycle***

In 1997, the legislature made two related changes. It required municipalities to revalue property every four years, but allowed them to decide whether to do so by inspecting property, analyzing sales statistics, or a combination of the two methods. It also required municipalities to inspect each property at least once every 12 years. Taken together, these requirements allowed a municipality to spread out inspection costs over 12 years and use the inspection and statistical data gathered during the four-year period to complete the next revaluation (PA 97-254).

### ***2004: Five-Year Cycle and Separate 12-Year Inspection Cycle***

In 2004, the legislature lengthened the interval between revaluations from four to five years. It has not changed it since [\(CGS § 12-62 \(b\) \(1\)\)](#), as amended by PA 04-2, May Special Session.

## **OCTOBER 1 ASSESSMENT DATE**

The results of a revaluation take effect on October 1, the date by which municipalities must annually assess all property for taxes regardless of whether they revalued it [\(CGS § 12-62a \(a\)\)](#). By law, municipalities must assess property at 70% of its fair market value [\(CGS § 12-62a \(b\)\)](#). During a non revaluation year, a municipality mostly bases the October 1 assessment on the prior year's values, adjusting them for improvements made since the previous October 1. It also adds newly constructed property to its list of taxable property (i.e., the net grand list) and reduces the value of property damaged or destroyed in the previous year.

## **REVALUATIONS AND TAX BILLS**

Regardless of whether assessments go up or down on October 1, property owners believe the change will be reflected in their December 1 tax bills. But, the October 1 assessment does not affect these bills because they are based on property values on October 1 in the prior year.

For example, a property owner does not pay taxes on property assessed for taxes on October 1, 2012 until July 1, 2013. The taxes he or she pays on December 1, 2012 is the second payment on the assessment



the municipality made on October 1, 2011. The property owner made the first payment on the October 1, 2011 assessment on July 1, 2012, which is also the start of the municipal fiscal year ending 2013.

## **REVALUATION METHODS**

In 2006, the legislature revamped and updated the revaluation laws, including those governing revaluations methods. It eliminated the notion that assessors could revalue property only by analyzing statistics or inspecting it and instead allowed them to use several methods and techniques they were already using.

For example, the legislature explicitly allowed tax assessors to use mass appraisal methods, which include determining a property's value by comparing the recent sales of comparable properties, calculating how much it costs to replace buildings on the property, and, in some cases, estimating how much income a property generates ([CGS § 12-62\(b\) \(2\)](#)).

During each revaluation, the legislature also required assessors to view each property in its neighborhood setting (i.e., field review) without necessarily inspecting it and directed them to use the data to update or correct the information they already had ([CGS § 12-62 \(a\) \(2\)](#)).

The legislature kept the requirement that assessors physically inspect each property at least once every 10 years and use the data for the next five-year revaluation. But it also allowed them to skip a scheduled 10-year inspection by assessing the quality of their current data. To do this, an assessor must:

1. send a questionnaire to each owner asking for information about the property's acquisition and to verify the information the assessor already has about the property and
2. evaluate the quality of the responses.

If the assessor is satisfied with the overall results, he or she may inspect only those properties for which they received no responses or unsatisfactory ones ([CGS § 12-62 \(b\) \(4\)](#)).

Lastly, the legislature specified that assessors, when revaluing property, had to verify its exterior dimensions as well as enter and examine the property's interior. It specifically allowed them to enter and inspect it only with the owner's or an adult occupant's permission ([CGS § 12-62 \(a\) \(3\)](#)).

## **PENALTIES FOR FAILING TO IMPLEMENT A REVALUATION**

By law, if a municipality fails to implement a revaluation, it loses 50% of its Mashantucket Pequot and Mohegan Fund grant and 100% of its Local Capital Improvement Program grant. The state imposes these penalties at the start of the July 1 fiscal year following the revaluation's October 1 deadline and continues to do so until the municipality implements the revaluation. The municipality may request the Office of Policy and Management (OPM) secretary to waive the penalties ([CGS § 12-62 \(d\) \(2\)](#)).

## **DEFERRING OR DELAYING REVALUATIONS**

### ***Legislative Deferrals***

The legislature has, on a case-by-case basis, allowed municipalities to delay implementing a scheduled revaluation to a later specified date ([CGS § 12-62d](#)). In 2002, it allowed all municipalities to skip a revaluation without legislative approval if they could show through statistical calculations that properties' fair market value is relatively stable (PA 02-49). Originally, this option was available until October 1, 2007, but the legislature eliminated it in 2006 (PA 06-148).

### ***Local Postponements***

The law allows municipalities to delay implementing a revaluation when they need more time to complete it. A municipal chief executive officer (CEO) can grant a one- or two-month extension to the assessors and board of assessment appeals to complete their duties. The CEO cannot grant longer extensions without the OPM's secretary approval. The secretary may grant a one-year extension if the board cannot meet the statutory deadlines for hearing and deciding appeals. If he does so, he cannot grant another in the subsequent year ([CGS § 12-117](#)).

## **NOTIFYING TAXPAYERS ABOUT REVALUATIONS**

Municipalities must notify property owners about a revaluation's results. Tax assessors must send a written notice to each property owner's last known address no earlier than the October 1 and no later than 10 days after the assessors' sign the grand list. The notice must indicate the property's value before and after revaluation, state that the owner has the legal right to appeal the new assessment, and explain how he or she may do so ([CGS § 12-62 \(f\)](#)).

Municipalities must also allow property owners to inspect the documents used to revalue property. They must allow them to inspect the criteria, guidelines, price schedules, and procedures from the date of they received their assessment notices until the municipality's next revaluation takes effect. For at least 12 months after the revaluation's effective date, municipalities must also allow property owners to inspect the property sales data by neighborhood for the 12 months preceding the revaluation ([CGS § 12-62 \(c\)](#)).

Besides notifying taxpayers, municipalities must notify the OPM secretary within 30 days after the assessor signs and files the revalued grand list ([CGS § 12-62 \(d\)](#)).

### **OPTIONS FOR IMPLEMENTING A REVALUATION (CGS § 12-62c)**

Property taxes could increase if property values increased before a revaluation and the municipality maintains or increases the tax rate in the subsequent fiscal year. Consequently, the legislature has authorized several steps municipalities can take to reduce a revaluation's impact.

#### ***Phase-ins***

The law allows municipalities to phase in some or the entire dollar or percentage increase in a property's assessed value over five years. It also allows them to divide the property into classes and phase in the percent age increase for each class (PA 06-148). (OLR report [2005-R-0751](#) provides more details about the phase-in methods.)

#### ***Relieving Post Revaluation Burdens on Residential Property***

Since 1989 the legislature has authorized several methods to reduce the aftershocks on residential property. PA 89-251 allowed municipalities to grant tax credits to residential property owners while imposing a surcharge on non-residential owners. But a municipality may do so only if the post revaluation tax on residential property exceeded 1.5%. Hartford was the only municipality that used the method. (OLR report [2000-R-0448](#) provides more details about this option.)

In 2006, the legislature repealed the tax cap beginning October 1, 2010, but authorized a new one available only to municipalities that implemented the cap (again, only Hartford). The new cap limited the annual residential property tax increases to 3.5% for five years, but required the municipality to reduce the non-residential property tax surcharge to no more than 7.5% as of October 1, 2010 (PA 06-183).

In 2011, the legislature shifted gears, requiring Hartford to adjust the assessment ratio for residential property (up to three dwelling units) so that its average annual tax increase does not exceed specified limits. It also required Hartford to assess apartments (four or more units) in 2011 at 50% of their fair market value and to proportionately increase the assessment to 70% of that value from 2012 to 2015. (The OLR analysis for [PA 11-212](#) provides more details.)

## **PROPERTY OWNERS APPEAL RIGHTS**

As noted above, municipalities must assess property on October 1 annually for the taxes they will levy in July. Property owners can appeal each annual assessment, regardless of whether it resulted from a revaluation, to the municipality's board of assessment appeals. But a property owner must do so in writing by February 20 and include, among other things, their names, a description of the property, the reasons for the appeal, and their estimate of the property's value ([CGS § 12-111](#)).

The appeals board must hold a hearing on each appeal except those for commercial, industrial, utility, or apartment properties assessed at over \$1 million ([CGS § 12-111](#)). In cases where the board must hold a hearing or chooses to hold one, it must:

1. notify the appellant of the hearing's date, time, and place by March 1;
2. hold the hearing in March; and
3. decide the appeal by the last business day of March.

If the board chooses not to hold a hearing on business or apartment property assessed at over \$1 million, it must notify the appellant about its decision by March 1. An appellant can appeal the board's decision directly to Superior Court ([CGS § 12-111](#)).

The board can increase or decrease the assessment on any taxable property or any interest in it ([CGS § 12-111](#)), but it can reduce the assessment only if:

1. the appellant or his or her attorney or agent appears at the hearing and agrees to be sworn before the board and answers all questions regarding the property and
2. it records the reduction in the minutes of the board's meeting ([CGS § 12-113](#)).

If the board increases or decreases the assessment, the law freezes the new value until the next time the town revalues property, with few statutory exceptions.

A property owner can appeal the board's action to the Superior Court for the judicial district where the property is located, but doing so does not stop the municipality from collecting up to 75% of the tax owed on the property (90% for property assessed at \$500,000 or more) ([CGS § 12-117a](#)).

JR:dy

# **City of Bristol**

## **Revaluation 2007 Overview**

[Click Here to see Frequently Asked Questions](#)

[Click Here for Current Information](#)

The Appraisal Firm of Vision Appraisal Technology has been hired by the City of Bristol to begin a City wide Revaluation Project. The following is a general outline and explanation of each phase of the project.

Vision Appraisal will be working with the Assessor's Office to make the 17 month process a successful one. There are five major phases to a municipal revaluation: Data Collection, Market Analysis, Valuation, Field Review, and Informal Hearings. During these phases over 100 tasks will be implemented in order to successfully complete the revaluation.

The revaluation will be based on an evaluation of the real estate market effective October 1, 2007. The project will utilize verified real property sales collected from 2006 to October 2007. This phase of the revaluation process is collecting current information on each property that has sold since July 2006. Homeowners who have purchased their home since July 2006 will receive a form in the mail requesting that they verify basic information about the purchase price, the condition of their home at the time of sale and other information which will enable the Assessor's Office to determine whether their transaction will be used as part of our analysis. We ask homeowners receiving these forms to fill them out and return them to the Assessor's Office.

### **PHASE 1: DATA COLLECTION**

The first phase, Data Collection, started the first week of June 2006, and will continue through June 2007. During this phase "Listers" go to each property and physically inspect the interior and exterior of each building. These Listers note the buildings style, size, age, quality of construction, improvements, topography, utilities, zoning restrictions, if any, and numerous other characteristics both inside and out. To ensure that a home was inspected, the homeowner is asked to sign the data collection form to verify that the inspection took place. The entire process takes approximately 15 minutes.

All Vision Representatives will carry Identification Cards and have their cars listed with both the Assessing Office and the City of Bristol Police Department.

### **PHASE 2: MARKET ANALYSIS**

A variety of resources are used to analyze the real estate market. While the physical data is being collected by Vision Listers, appraisal personnel will be analyzing recent sales that took place over the last few years to determine which market factors influenced property values. Once all the data is collected and reviewed for accuracy, the appraiser will determine land values and set Neighborhood Site Indexes, that rate the desirability of locations throughout the City.

### **PHASE 3: VALUATION**

Valuation is done using one of the three recognized methods, Replacement Cost, Income Approach and Market Value. Market Value is the most widely used approach, and most easily explained to the taxpayer. During this phase, individual characteristics of the building are analyzed using information gathered in both phase 1 and 2. Each property is compared to other comparable properties with similar characteristics. Then the market value of the improvements are added to the land value that was previously determined. This value is the final estimate for each parcel of property, building and land.

### **PHASE 4: FIELD REVIEW**

Field Review is the method of checking and re-checking both the values that have been determined and the data that has been collected. During this review, properties are viewed in the field by experienced appraisers who double check uniformity and accuracy of information.

### **PHASE 5: INFORMAL MEETINGS OR HEARINGS**

Once the Field Review is completed, a Notice of New Values will be mailed to each property owner. At this time, anyone with questions concerning the revaluation process or about the data collected on their property has an opportunity to meet with a member of Vision's staff to discuss their property value.

After all five phases are completed, all data, files, records, etc. used in the revaluation are then turned over to the Assessors Office.

#### **Informational Link- Vision Appraisal Technology**

The attached link to the Vision Appraisal Technology (the contacted revaluation firm) website <http://reval.visionappraisal.com> is intended to provide a project overview, define objectives, and to serve as an educational resource to the public.

Additional information provided includes a project summary, project flowchart, frequently asked questions, resource links, educational videos, sample revaluation taxpayer forms, revaluation news article, and preparation for a taxpayer hearing.

#### **Planned Project Task and Status**

Representatives from Vision Appraisal Technology of Northboro, Mass, a firm hired by the City of Bristol to assist in the City wide revaluation required for the October 1, 2007 Grand List, will continue collecting data from homes and businesses throughout the city of Bristol. Vision has measured and listed over 2,800 properties since beginning data collection this past June. Properties on city tax map numbers 1 through 10, 18 & 33 that have been visited include the following streets:

ALBERTSON WAY    DONNA LA    LORENZO PL    SENECA RD

ALEXANDER ST	DONOVAN CT	LOVERS LA	SHERBROOKE ST
ALLENTOWN RD	DORIS RD	LUCIEN RD	SHINGLE MILL RD
ALOHA LA	DRAYLA DR	MARGARET WAY	SILO RD
AMY LA	EAST RD	MARGERIE ST	SKYRIDGE RD
ASPEN WAY	EBERT DR	MARION ST	SKYTOP DR
BALSAM ST	EMMETT ST	MATTATUCK RD	SOUTH ST
			SOUTHINGTON T L
BAYBERRY DR	EUGENE AVE	MAURICE ST	RD
BEECHER RD	EVELYN RD	MCKINLEY AVE	STERLING WAY
BELMONT ST	EVERGREEN ST	MELINDA LA	SUNNYDALE AVE
BENHAM ST	FAIRVIEW AVE	MERRILL CT	SUNRISE TERR
	FALL MOUNTAIN		
BERNIE AVE	RD	METRO ST	SURREY DR
	FATHER CRUDELE		
BEVERLY LA	DR	MIDDLE ST	SYCAMORE ST
BIANCA RD	FIELD ROCK RD	MILL POND DR	SYLVESTER ST
BIRCH ST	FIRESIDE LA	MITCHELL ST	SYLVIA LA
BISHOP ST	FOREST ST	MOHAWK RD	THISTLE LA
BITTERSWEET LA	GLENN ST	NOEL LA	TIFFANY LA
BONNIE CT	GRAND ST	NORTHMONT RD	TOPSFIELD RD
		NORTHMONT RD	
BRANDONRUN	GREYSTONE AVE	EXT	TOWER RD
BRIARWOOD RD	HADDEN ST	OLD ORCHARD RD	TOWN LINE RD
BRIER RD	HARMONY RD	OLD WOLCOTT RD	TRACY CT
BUFF RD	HARVEST LA	OVERLOOK AVE	TRELLI LA
BUTTERNUT LA	HEMLOCK ST	OWSIANKO LA	TUNXIS RD
CAMERON DR	HEPWORTH ST	PAYTON TERR	TUTTLE RD
CANDLEWOOD DR	HIGH RIDGE RUN	PERRY RD	TYLER WAY
CEDAR RIDGE	HOBSON AVE	PHELPS RD	VILLA CT
CHRISTOPHER ST	INDIAN TR	PINE ST	VILLAGE ST
		PLEASANT VIEW	
CLAREMONT ST	IPSWITCH RD	AVE	VIOLET DR
CLAYTON ST	IROQUOIS RD	POITRAS RD	WALTER PL
CLOOS RD	JAMESDREW LA	POPLAR ST	WANDA DR
COLD SPRINGS RD	JOSEPH ST	PRIDES LA	WATERBURY RD
CORBIN RIDGE	JULIA RD	REDSTONE HILL	WEATHERVANE RD
		REDSTONE HILL	
COVE RD	KILMARTIN AVE	RD	WEST GATE
CRONIN ST	KORY LA	REDSTONE ST	WILLIS ST
DAISY CIR	LAKE AVE	RIDGE RD	WITCHES ROCK RD
DALEY ST	LAKESIDE DR	RITA DR	WOLCOTT RD
DEERING LA	LAKESIDE DR	ROBINWOOD RD	WOLCOTT ST
DEWEY AVE	LANTERN HILL RD	ROGERS RD	WOODMERE RD
DIANE LA	LILLIAN RD	ROSEMONT AVE	WOODRIDGE RD
DINO RD	LOIS ST	ROSEY AVE	YARDE DR
DIPIETRO LA	LONGVIEW AVE	SALEM LA	ZACK LA



Property owners located on the streets above that were not home or available for an interior inspection will receive

SAMPLE

## **Frequently Asked Questions**

### **Will a revaluation increase taxes?**

A: A revaluation may result in an increase or decrease of individual assessments depending on how a property value increased or decreased relative to the average change in assessment. It does not mean that all property taxes will increase or decrease. Remember assessments are only the base that is used to determine the tax burden. The tax burden is the amount that the municipality must raise to operate the local government and support the many services each of us has come to expect, such as schools, police, etc. As an example, if the same amount of money is to be raised after the revaluation as the previous year and each assessment doubles, the tax rate would merely be cut in half.

### **Will all property values change?**

A: Most likely, yes. However, not all property values will change at the same rate. Market value may have increased more for some neighborhoods and property types than for others. Some neighborhoods and property types may have decreased in value and others may have remained the same. One purpose of a revaluation is to make sure that the assessed values reflect the changes that have occurred in the real estate market.

### **How will I know if my assessment is equitable?**

The first thing that you should do is ask yourself if you could sell the property for approximately that amount. (Please note that assessments in Connecticut reflect 70% of market value.)

### **Does the Assessor's Office have the correct information on my property?**

You can review the information that the Assessor's Office has collected on your property to make sure the data is accurate. The City of Bristol will have this information on the internet. The property data will be available in the Vision Appraisal Online Database, or can be reviewed at the Assessor's Office located at 111 North Main Street. While reviewing your property, you should make sure that all measurements on the sketch are accurate. Please note that all measurements are taken from the exterior. You should also check the land size and interior data to ensure accuracy.

### **Why did my land value change differently than my building value?**

A: Since the last revaluation, real estate values have changed significantly. Over the same period, building construction costs have increased at a slower rate than property values have appreciated. Since building costs have not increased as much as total values, the bulk of the total increase, if any, is attributable to land. This makes perfect economic sense, as it is land that is in limited supply.

### **What is market value and who determines my property value?**

A: Market value is determined by people, by the activity in the real estate market and the general economy. The value of your property is based on an analysis of the entire market for a specified period of time before the completion of the revaluation project. The market can generally be defined as, you, the person who sold the property to you, and the person willing to buy it from you. It is the appraiser's job to research and analyze the values in any particular area or neighborhood. In effect, they do what you would do to determine the selling price when putting your property up for sale. However, the appraiser has specific guidelines to follow during their research. Some factors that are examined for each property are: location, size, quality of construction, age of improvements, topography, utilities, zoning restrictions, if any, etc.

### **If I disagree with my assessment after a hearing, what are my options?**

If any property-owner believes the assessment on their property is in excess of its fair market value they should first notify the assessor's office. They may then appeal before the municipality's Board of Assessment Appeals. The Board of Assessment Appeals will review the case and make a determination as to the disposition of the appeal. Should the property-owner still feel the assessment is incorrect, they may appeal to the superior court for the judicial district in which the municipality is located.

### **What is an informal hearing?**

A: Towards the end of the revaluation, every property owner receives a notice of their proposed valuation. If they have a question or concern about the proposed valuation, they are asked to call the Assessor or their contractor to set a date and time for an informal hearing. This appointment is meant to allow a brief discussion about the valuation process, review the specifics of the property in question and to answer general questions the owner may have. Most hearings last about 10-15 minutes. Homeowners are asked to come prepared with their questions and have compared their property to other comparable ones in their neighborhood. They are also encouraged to provide the hearing officer with copies of any documentation they may have regarding specific issues with their proposed assessments.

### **How do I prepare, for a hearing?**

A: When you come to a hearing, bring whatever information that you may have (property information and/or data changes, comparable sales that sold for less than your property, pictures of your property, etc.) to the hearing. If the revaluation required a physical inspection of the property, make sure you allowed a physical inspection to be conducted or you may lose your right to an appeal.

### **How will I know if a change was made to my assessment after my hearing?**

A: At the conclusion of the hearings for your town, appraisal staff will review the notes from your hearing and any information you have provided on your property. They will make changes to the data and/or value of the property if appropriate. After this final review process is complete for all properties, a change notice is sent to you. The new value on this change notice will reflect

the changes made based on your hearing. This value will now be considered your new assessment and will be reflected in the Assessor's records.

The Connecticut State General Statutes require that municipalities perform revaluation no later than five years after the last revaluation and that all real property is assessed at 70% of current actual value. The City of Bristol completed a full physical revaluation in 1998 and an update in 2002. The next revaluation of real property assessments is scheduled for 2007. This revaluation project will be a physical inspection (100% interior inspection) of all real property.

### **Informational Link- Vision Appraisal Technology**

The attached link to the Vision Appraisal Technology (the contactor revaluation firm) website <http://reval.visionappraisal.com> is intended to provide a project overview, define objectives, and to serve as an educational resource to the public.

Additional information provided includes a project summary, project flowchart, frequently asked questions, resource links, educational videos, sample revaluation taxpayer forms, revaluation news article, and preparation for a taxpayer hearing.



# **Town of Griswold, CT Revaluation 2011 Project Kick Off**

Presented by  
Tyler|CLT

# Agenda



- Introduction
- Why Revaluation?
- The Revaluation Process
- Q & A

# Town of Griswold Project Staff



- Genie Flynn – Regional manager for the Northeast. Genie has 35 years of mass appraisal experience.
- Eric Hardy – Area manager for CT. Eric has 27 years of mass appraisal experience.
- Melissa Baer – On site project supervisor. Melissa has 10 years of mass appraisal experience and 6 years of municipal assessment experience. Melissa resides in Plainfield.
- Diane Anderson – Data collector and office supervisor. Diane has 2 years of mass appraisal experience and resides in Danielson.
- Stephanie Sumner – Data collection supervisor. Stephanie has 4 years of mass appraisal experience and resides in Brooklyn.
- Tory Peyton – Clerical support. Tory resides in Pomfret.

# Why Do a Revaluation?



- **Equity** - The market is constantly changing and every property is not affected equally. Fair market value is affected by a number of factors including property class (residential, commercial, industrial), property location, individual property desirability and market supply and demand.



# Why Do a Revaluation?



- **It's the Law** - The State of Connecticut requires that each town and city perform a revaluation of all real property at least every five years (§12-62 of the General Statutes). The last revaluation in Griswold was done for the October 1, 2006 Grand List.
- We are conducting a revaluation for the October 1, 2011 Grand List. The next revaluation will be done in 2016.

# The Revaluation Process



- Collect and quality control data
- Review sales and neighborhood assignments
- Build and test valuation models
- Refine model values
- Value all properties using models
- Review properties in the field
- Inform public and disclose values
- Conduct informal taxpayer reviews

# The Revaluation Process



- **August 2010**
  - Project Start-up
- **September 2010 to April 2011**
  - Data collection of all properties.
  - Photos taken of all properties
- **November 2010 to May 2011**
  - Data mailers mailed to all residential property owners
  - Commercial property cards available for inspection

# The Revaluation Process



- **April to October 2011**
  - Analysis of recent sales
  - Build valuation models in CAMA system
  - Preliminary values produced and reviewed by company appraisers and the Assessor
- **November 2011**
  - Property owners notified of new assessments
  - Informal taxpayer reviews with Tyler | CLT appraisers
- **December 2011**
  - Assessor reviews CLT recommendations
  - Final value notices mailed to property owners

## Q: What will a data collector do when he/she comes to my door?

- They will ask you questions about the property, such as year built, number of rooms, etc.
- Ask permission to view the interior of the property.
- Measure the outside dimensions of the residence and any other structures.
- Take photographs of both the front and rear of each major structure (dwelling or commercial building) AND all outbuildings.
- They will **NOT** be collecting any information on personal property, such as artwork, furniture or appliances.
- They will **NOT** be able to answer questions about the current value or assessment

## **Q: How long will the inspection take?**

- Inspections typically take 10 to 15 minutes to complete. You are encouraged to accompany the data collector during the inspection as they verify the data currently listed for your property.



## **Q: Do I have to cooperate with Tyler | CLT?**

- It is in every taxpayer's best interest to ensure the new assessments are based on accurate data. The best way to achieve this is to allow the data collector to inspect your property.

## **Q: What if I'm not home when the data collector visit?**

- The data collector will verify the exterior measurements of all buildings on the property only and estimate the interior elements based on the best information available.
- Take photographs of both the front and rear of each major structure (dwelling or commercial building) AND all outbuildings.
- A second visit will be made after 5 p.m. or on Saturday.
- If an interior inspection has still not been made, a letter requesting an appointment for the inspection will be sent.



## **Q: Will I be notified of the data that was collected for my property?**

- Yes. Residential property owners will be mailed a data inventory sheet, called a data mailer. Property owners are encouraged to review the information carefully and return the form with any changes to the revaluation office.
- Data mailers will be mailed out between November and May as the properties are inspected.

## **Q: Will I be notified of the data that was collected for my property?**

- Commercial property owners will be notified via mail that their property record card is available for inspection in the revaluation project office located in Town Hall.
- Notifications will be mailed out between November and May as the properties are inspected.

## **Q: How will the value of my property be determined?**

- Based upon the data collected at your property, along with an analysis of recent sales of similar homes in your neighborhood, CLT will utilize a computer assisted mass appraisal process to estimate your home's current market value. Values will be reviewed by both CLT and the Assessor.

## **Q: When will I be notified of my new value?**

- Notice of your new assessment, which represents 70% of fair market value as of October 1, 2011, will be mailed in November, 2011. The new assessment will be reflected in your July, 2012 tax bill.
- New assessments will not be available prior to the mailing of the notices.

# Questions & Answers



Thank you for your interest in the  
2011 Griswold revaluation.

# Revaluation

## **Information about the 2007 Revaluation Project Revaluation**

For The Grand List October 1, 2007

### **Why is a Revaluation being performed in the Town of Madison?**

Connecticut general law mandates, (pursuant to section 12-62 of the General Statutes), that all cities and towns perform a revaluation every 5 years. Madison performed the last revaluation in 2002.

### **What exactly is a Revaluation?**

A Revaluation is the process of estimating new values on real estate based on specific rules and current market data. A careful analysis of recent selling prices is conducted to identify and quantify the features that have motivated buyers and sellers in the real estate market. This analysis results in the creation of schedules which are used to value all of the properties in a city or town. These schedules are then statistically tested to verify their ability to predict estimates of current fair market value, accurately and uniformly. An analysis of current income and expenses supplied by local commercial property owners is utilized in the commercial valuation process. These value estimates are statistically tested and proven.

### **What is "Fair Market Value?"**

The American Institute of Real Estate Appraisers defines fair market value as "the most probable price for which a property will sell in a competitive market with buyer and seller each acting prudently, knowledgeably and for self interest and assuming that neither is under "undue duress".

### **Will my property be inspected?**

Possibly. The revaluation company will be inspecting the recent sales of properties within the Town. For properties that are to be inspected, a revaluation company representative will carry identification in the form of a picture ID. In addition, a



complete description of the representative's vehicle will be registered with the police department and the Assessor's office.

Any owner that wants to have an inspection of their property performed may submit a written request the Assessor's Office, 8 Campus Drive, Madison CT 06443.

After the sales are inspected, a careful study of the properties and their selling price is performed, and the results are analyzed to create updated tables and schedules that are then used to create fair and consistent values throughout the community.

### **Must I allow the authorized representative into my home?**

It is recommended that you do. In cases where owners are unwilling to allow data to be collected by an authorized representative, estimates will be used to determine full and fair values. It is in the property owner's best interest to allow the representative to inspect the property. Under the appeals process, the burden of proof remains with the owner.

The authorized representative will ask that a field card be signed to indicate that they inspected the interior of the property. The signature does not mean that the person is approving of any of the information that is collected, or of the resulting value placed on the property. It merely verifies that the property was inspected.

### **When will the Revaluation project be completed?**

The project will be completed in the spring of 2008.

### **Will the Revaluation raise taxes?**

Revaluation does not, in itself, increase taxes. It simply provides a basis for the fair distribution of the tax burden among all property owners. The Assessor's office is responsible for assessing each property in a fair and impartial manner as provided by law.

### **When will this Revaluation affect my tax bill?**

The Revaluation will first affect your July, 2008 tax bill. The amount of your new tax bill is calculated by multiplying your new assessed value times the new "mill" rate. Since the new mill rate will not be established until the budgetary process has been completed in May of 2008, it is not possible to estimate your new tax bill at this time.

**When will property owners be notified of their new assessed value?**

The Revaluation Company will send out notices that have the new values, sometime in October of 2007.

**REVALUATION SCHEDULE:**

**Data Collection & Sales Verification Process:**

February 07-September 2007

**New assessment Notices Mailed to Property Owners:**

October 2007

**Informal Hearings**

November/December 2007

**New Mill Rate Set:**

May 2008

**Tax Bills Due:**

July 2008

**What Company is working with the Town on this Revaluation Project?**

The Town of Madison has contracted with Appraisal Resource Company to assist with the project. The Appraisal Resource website is located at:

<http://www.appraisalresource.com> . During the process of data collection for the Revaluation, the Town of Madison's on-line data base can still be accessed through <http://www.visionappraisal.com>



**Appraisal Resource**

Company Address:

845 Main Street

East Greenwich, RI 02818

1-866-340-2262

SAMPLE

## Welcome

Welcome to the Vision Appraisal Revaluation Information Site for the Town of Middlebury, Connecticut. The goal of this site is to explain the purpose for the current revaluation as well as to help the taxpayers understand what has been happening in the Middlebury real estate market over the last few years.

**Keep in mind that your new assessment will reflect a change in the market over a five year period since the last revaluation completed in 2001.**

## Revaluation Summary

A Revaluation is the process of performing all of the necessary Market Analysis and Valuation steps to determine accurate and equitable values for all properties within a municipality. The equalization of the values within a City or Town creates a fair distribution of the tax burden. The purpose of a Revaluation is not to raise taxes. The purpose is to create an equitable distribution of the tax load. Another goal is to eliminate any valuation inequities that developed since the implementation of the 2001 revaluation. *Connecticut General Statutes Section 12-62* requires every City and Town to perform a Revaluation or Valuation Update every five years. Middlebury is required to conduct this program for 2006. This year Middlebury will conduct a Valuation Update. An update includes all of the market analysis and valuation steps to determine accurate values but does not necessarily include an interior inspection of each property.

See the flowchart below for all of the actual steps in a Revaluation. The first step is converting the existing Computer Assisted Mass Appraisal Data information into the Vision Appraisal Technology format. Middlebury will then conduct a data verification mailing. This task requires mailing a fact sheet to each taxpayer containing the data characteristics that are on record for their property and asking for verification or correction if necessary. This is a cost effective method to keep the Town database accurate and up to date. Sales from October 1, 2004 to October 1, 2006 and the annual building permits will be visited in the field this year for purposes of verifying data.

## Frequently Asked Questions

Why is the Town revaluing all properties?

A: The State of Connecticut recognizes the need for periodic revaluations and, pursuant to Section 12-62 of the General Statutes, requires that the Town of Middlebury conduct this revaluation for the Grand List of October 1, 2006. The last revaluation was done in 2001. Because property values have changed since that time, some inequities have emerged.

Will this mean the Town is going to collect more taxes as a result of revaluation?

A: No. Revaluation is NOT intended to raise revenues. The purpose of revaluation is to value all property by the same standards at the same point in time to insure equity among the tax payers.

Right now my assessment is only a fraction of the true value of my property. Does this mean I am under-assessed and will pay more taxes?

A: No. Most real estate in Middlebury is assessed at a fraction of fair market value. After revaluation, all properties will be assessed at 70% of fair market value, as per state law. This may result in lower taxes for some people and some paying higher taxes.

How will the Assessor's Office appraise my property?

A: The Assessor's Office will estimate the value of your property by using the data collected and by analyzing recent sales of houses similar to yours in your neighborhood or in a similar neighborhood.

What can I do if I disagree with the new assessment to be implemented?

A: After the data is collected and analyzed, and the property valuation determined, an assessment notice will be mailed to all property owners. If you disagree with the new assessment or have questions concerning your new assessment, you will be provided the information necessary to schedule an appointment with the Assessor's Office during the informal review process currently scheduled to begin in November/December 2006.

When will the reassessment first appear in tax bills?

A: The reassessment will be reflected on tax bills due July 1, 2007. The amount of your new tax bill will be calculated by multiplying your new assessed value by the new mill rate. Since the new mill rate will not be established until the budgetary process has been completed in May of 2007, it is not possible to estimate your new tax bill until that point.

If I have more questions, whom should I contact?

A: Please contact Daniel J. Kenny in the Middlebury Assessor's office at (203)-758-1447.

# Milford, CT

Est. 1639

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## 2006 Revaluation Questions and Answers

### *What is "Revaluation"?*

Revaluation is the process of conducting the data and market analysis necessary to equalize the assessments of all properties within a municipality for the purpose of establishing a fair and equitable tax base.

### *Why is a Revaluation needed?*

For most communities in Connecticut, the real estate property tax is the largest percentage of the tax base from which revenue is generated. Real property assessments are based on seventy percent (70%) of the fair market value of a property at the time of its revaluation. In a market-driven economy such as ours, **property values change over time, and at different rates**, (based upon property type), and therefore inequities between assessments begin to appear in the tax base. The remedy for these inequities is revaluation.

### *Is Revaluation required?*

Yes, Section 12-62 of the Connecticut General Statutes **requires** the Assessor or Board of Assessors of each town to *revalue* all real estate in their respective municipalities for assessment purposes. The statutes provide exhaustive language and mandates that govern the specifics of how a revaluation is to be performed.

### *What is Fair Market Value?*

The Appraisal Foundation defines market value as "**the most probable price which a property should bring** in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." (2005 Uniform Standards of Professional Appraisal Practice, pg. 210)

The Connecticut Assessment and Appraisal communities, as well as the Court system, have adopted the above or very similar language, to define what fair market value is.

### *How is Market Value determined for a particular property?*

Market value is arrived at for a particular property by analyzing the most recent selling prices of properties with similar characteristics as the subject property, making adjustments where necessary, and estimating the most likely selling price for the subject. Property characteristics analyzed during this process are: location, size, quality of construction, age and condition of improvements, topography, utilities, zoning, wetlands, as well as amenities such as bedrooms, baths, fireplaces, air conditioning, garages, pools, etc.

*Briefly explain the Revaluation process?*

The Milford Assessors staff has been compiling and analyzing sales data for the past two years and will continue to monitor sales activity for the duration of the revaluation. Current assessment practice requires the assessor to develop an estimate of value for the land and an estimate of value for the buildings. Land sales are analyzed and estimates of land value are determined, typically by neighborhood and street. Improved property sales are then analyzed and estimates of the depreciated value of the improvements, and their subsequent contribution to the overall market value of the property, is determined and established. Once market-derived cost schedules and land tables have been determined, estimates of value are made for all properties. The Assessing staff will then review the estimated value of all properties in the field, verifying certain exterior improvement data, and, when necessary, make interior inspections. As final value estimates are established, the Assessing staff will continue to review the most recent sales activity so to affirm and/or adjust final value estimates. Property owners will then be notified of their new assessments by mail sometime in early October. Remember, the new assessment should represent seventy percent (70%) of the fair market value as of October 1, 2006.

*How will I know if my assessment is correct?*

There are two very good methods of determining whether or not your new value is both fair and equitable. First, compare your property's new market value (divide the new assessment by .70) to the selling price of homes in your area that are similar to yours. Your value should be in line with these selling prices. Second, compare your assessment to similar properties in your area. You can do this by going online at [www.visionappraisal.com](http://www.visionappraisal.com), click on ONLINE DATABASE ACCESS, click on Connecticut, then find Milford, and then you should be able to search your neighbors' assessments. You may also wish to use the Sales Search option to find sales of properties similar to yours.

*What if I disagree with my assessment?*

If you wish to dispute your assessment, you may schedule an informal hearing with one of the Assessors by calling the number listed on your assessment notice. Informal hearings are a brief opportunity for you to bring to the attention of the Assessor data, which you believe will support your position that the assessment is incorrect. Note: This hearing is not a forum to discuss taxes, only value. After the presentation of your data, the Assessors office will review your claim and respond in writing shortly thereafter.

*What if I am still aggrieved?*

You may then wish to schedule an appointment with the Board of Assessment Appeals. They will begin taking appointments in February for hearings to be held in March of 2007. They will likewise review data presented to them for consideration of a value review. This independent and more formal body of elected officials will deliberate after hearings and the results will be mailed to property owners. Should the property owner still feel the assessment is incorrect, they may appeal to Superior Court.