

# Town of Groton Board of Assessors

## Assessment Process: Residential Properties

The Board of Assessors consists of three members, each elected for a three year term. They are responsible for carrying out the state's mandate to establish the fair market value of each property for tax purposes. The Board must follow state guidelines and must obtain state certification of the town-wide revaluation process.

The Assessor's Office assists the Board in its mission: the personnel in the Assessors' Office are town employees, hired and supervised by the Board. The assessors are not responsible for mailing the property tax bills, or collecting the taxes, that is the responsibility of the town tax collector and is carried out after Town Meeting establishes the annual budget.

### Revaluations

Determining the value of every property is called valuation. The Assessors are required to value property at market value. Each property is revalued at least once every three years and inspected at least once every ten years in accordance with Massachusetts state law. Occasionally property selling prices indicate that market value have changed significantly in the past year. When this occurs, the Board is required to make interim year adjustments to bring the value within the requirements outlined in the "Guidelines to a Minimum Reassessment Program".

### Inspections and Property Records

To ensure a thorough and fair property analysis, the Board must evaluate the interior and exterior of the residence, the land upon which the residence is sited, the condition of the property, the location of the property, and the attractiveness to a prospective, *Arm's length buyer*. **During the inspection process the property inspector records the key features, dimensions, and condition of the property. That information is entered into the property record card to determine the value of the property. The Board uses the information from the property record card to determine the value of the property.**

The Assessors' Office assists the Board with property inspections, record maintenance, and data analysis.

### The Assessment Process

#### Determining Fair Market Value

**When the Board conducts a revaluation, it must determine fair cash (market) value for every property in town. Market Values are determined by analyzing the sale prices and characteristics of properties that sold during the year, which precedes the revaluation date. If there are insufficient arm's length sales during that year to form a statistically valid baseline, additional months backward and forward may be added. Massachusetts's law allows two popular methods for establishing market values for non-rental residential properties.**

The first method, "the market adjusted cost approach" is the approach that is currently used in Groton. This approach establishes the value by adding the market value of the land and the cost of construction of a similar house/ condo unit at current market prices, adjusted for depreciation, condition, market appeal and other factors. The market value of the land is determined from recent sales (Middlesex South Registry of Deeds).

The second method is "comparable sales" or "market approach", as it is also called, employs several sequentially preformed steps. The first step entails a statistical analysis of recent sales.

The analysis determines the influence of property characteristics- such as square footage of the residence, style of the building, neighborhood, lot size, number of bathrooms, and quality of construction- on a property's market value. This analysis indicates which features and characteristics of a property add to market value. These factors are not constants, they may differ from year to year as market conditions and preferences change.

The Board reviews the preliminary assessed value for each property to determine if the valuation for each parcel is supportable. If necessary, the assessors recheck the data, and adjustments are made. Adjustments are also made and approved by the Board for influence factors (street traffic, wetlands, waterfront, scenic views, etc.) before setting the fair market value for each property.

## **State Certification**

The Assessors are required to ensure the accuracy of the assessment data. The Board must obtain state Certification every three years verifying that the property valuations meet the state criteria for fair market value. The proposed assessments are provided to the Department of Revenue, Division of Local Services, ([www.dls.state.ma.us](http://www.dls.state.ma.us)) for statistical testing and confirmation. The DOR/ DLS checks the assessed values for accuracy- both sold and unsold properties- by comparing them to actual property sales.

The State, as of FY 2005, required that an interim year adjustment form be filed with them for the two years between recertification, and that statistics conform to requirements outlined in the "Guidelines to a Minimum Reassessment Program".

Overall, regardless of the method used, the statistically derived estimates must fall within a 10% range of actual selling prices( properties are grouped by various categories, such as neighborhood or building type) in order to satisfy state guidelines. Once approved by the DOR, the new assessments are available in the assessor's office.

## **Property Tax Bills**

Each annual property tax bill is calculated by multiplying the assessed value of the property by the current tax rate. The tax rate in Groton is the same for both residential and commercial properties. Property taxes are due in four quarterly installments. The first and second tax bills of a fiscal year state the estimated tax, whereas the third bill is the actual tax bill. It is usually mailed to taxpayers in December. The third and fourth quarter tax bills show the current assessment and the new residential tax rate.

The tax rate is determined by the size of the town budget for the fiscal year (July 1 to June 30). The budget is decided each year at Annual Town Meeting. Taxpayers are encouraged to attend Town Meeting and to vote on budget items, thereby setting budgets and indirectly, the tax rate.

## **The Abatement Process**

There is no perfect assessment process, and from time to time errors of facts or judgment will occur. That is why the state provides for an abatement process. This process allows taxpayers to present arguments, supported by sales data, that their assessments are too high or that they have been disproportionately assessed. Abatements are granted only for the current fiscal year, so you must file an abatement request for each fiscal year that you disagree with your assessment. If an abatement request is granted in order to correct an error on the property record card, you will not need to reapply for abatement the following year.

## **Filing for Abatement**

**Abatement applications must be filed with the Assessors on or before February 1<sup>st</sup>. You should file an official application for abatement form if you think your property has been incorrectly assessed. Applications are not considered received until the Assessors Office has them dated stamped in hand.**

**Data entry errors will be corrected although an abatement request is still necessary. An inspection of your property's required to determine whether there is a data error on the property record card. If you decide to proceed with an abatement request, you will need information about other comparables properties in Groton. Comparables are properties that are similar to your property.**

**To succeed with an abatement request, you must have specific, objective information about "comparables". You must show that comparables are assessed at values lower than your assessed value.**

**Begin by finding properties that sold in the same time period as used by the assessors. They should be in the same style and in the same neighborhood if possible. You can locate comparable properties using data in the Assessors' Office.**

### **Note**

**If you want a hearing, be sure to ask for one on the official abatement form. You will have to add this request since it is not on the form. The Assessors Office will contact you with a proposed hearing date.**

**After the Board had reviewed your request for abatement, they will send you their official written decision. If you are dissatisfied with the Board's decision, you may appeal to the state's Appellate Tax board.**