

Town of Framingham
Assessing Department
Framingham, MA. 01702

The Most Frequently Asked Questions Concerning The Triennial Revaluation In FY06

1. What is a revaluation?

A revaluation is an update of all assessments in the town conducted under the direction of the Board of Assessors. The Board of Assessors are state - certified individuals whose duties are to discover, list, and value all real and personal property in the town, in a uniform and equitable manner. The Board of Assessors are not involved in the collection of property taxes.

2. Why is a revaluation necessary?

State law requires that all property in the town be assessed within ten percent of market value every three years. A revaluation is the most equitable way to accomplish this. Assessors are also required to adjust assessments annually due to market changes.

3. Will all property values change?

Most likely, yes. However, not all property values will change at the same rate. Market value will 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 property values.

4. Who will do the revaluation?

Members of the assessor's staff will do the revaluation. They have many years of experience in property assessment and are familiar with the marketplace in the town. From time to time it may be necessary to hire some outside help. Primarily they would be utilized in the office for data entry or computer analysis.

5. When will the revaluation start?

The revaluation will begin January 2 and we expect to complete the work by the middle of November. The resulting values will be effective as of January 1, 2005. These assessments will be the basis for the tax bill, which will be mailed in December 2005.

6. Is it necessary that you view the inside of my property?

To make a proper assessment on a building, it is desirable that assessors see the inside as well as the outside of the property.

The law requires that property be valued from an actual view or the best information available. We will be performing a data quality control study on our existing information.

If we are unable to enter your property, we will still review your assessment based on the existing records and sales of properties similar to yours.

7. What if I refuse to let assessment personnel in my property?

All assessing staff will have an identification card with their picture on it. Our phone number is 508-620-4858 if you need verification. To ensure accurate assessment, it is to your advantage to allow the assessor inside your property when an inspection is required. By denying an inspection, you may lose some rights if you feel the need to appeal your assessment.

8. What is market value?

State law requires that your property be assessed at market value. Market value is defined, as the amount a typical, well-informed purchaser would be willing to pay for a property. For a sale to be a market value (arm's-length) sale, the seller and buyer must be unrelated, the seller must be willing (but not under pressure) to buy, the property must be on the market for a reasonable length of time, the payment must be in cash or its equivalent, and the financing must be typical for that type of property.

9. What if there hasn't been a recent arm's-length sale of my property?

The next best evidence is the arm's-length sales of reasonably comparable properties. These are properties similar to yours in location, age, style, condition, and other features that affect market value, such as the number of bedrooms and bathrooms and size of garage.

10. What if there are no reasonably comparable sales?

We will then consider all other factors that may affect the market value of your property. The cost to replace your building (s), less any depreciation, plus the value of the land could be used to estimate market value. For rental properties, the income and expenses could be considered.

11. I have recently built my home. Will the actual construction costs be considered?

Your construction cost is a historical figure that may or may not reflect the current market value of your property. It is only one element that will be considered.

12. What will happen to my assessment if I improve my property?

Generally speaking, improvements that increase the market value of a property will increase the assessment. The following examples are typical items that may increase the assessed value of your property.

- * Added rooms or garage
- * Substantial modernization of kitchen or baths
- * Central air - conditioning
- * Fireplaces
- * Extensive remodeling

13. Will my assessment go up if I repair my property?

Normal maintenance will help retain the market value of your property, but generally will not affect your assessment.

14. How can my assessment change when I haven't done anything to my property?

General economic conditions such as interest rates, inflation rates, and changes in the tax laws will influence the value of real estate. As property values change in the marketplace (sales), those changes must be reflected on the assessment roll.

15. Do all assessments change at the same rate?

There are differences between individual properties and between neighborhoods. In one area, the sales may indicate a substantial increase in value in a given year. In another neighborhood, there may be no change, or even a decrease in property values.

Different types of properties within the same neighborhood may also show different value changes. For example, one - story houses may be more in demand than two - story houses or vice versa. Older homes in the same area may be rising in value more slowly than newer homes.

Among the numerous factors to be considered that will cause values to differ are location, condition, size, quality, number of baths, basement finish, garages, and many others.

16. Will the person who inspects my property be able to tell me my new assessment?

No. If an inspection is necessary of your property, we have to analyze all of the information we gathered before placing a value on your property. We will then further review this information to ensure that your assessment corresponds fairly to the assessments of other properties.

17. Will I be notified if there is a change in my assessment?

After the Department of Revenue reviews the new values, there will be a public review period. This time will be advertised in the newspaper and on the radio and cable.

18. What if I don't agree with my assessment?

Talk with an assessor. During the informal public review period you can learn how your assessment was made, what factors were considered, and what type of records we have on your property.

19. What if, after the actual bill goes out, I still disagree with the assessment?

You will need to file an abatement application with the Assessing Department by February 1, 2006. The Board of Assessors has three months on which to act on your application. They will notify you on an approved Department of Revenue form of their decision within that time.

20. What evidence do I need to present to the Board of Assessors?

State law puts the burden of proof on the property owner to show that the assessment is incorrect. Stating that property taxes are too high is not relevant. You should establish in your mind what you think your property is worth.

The best evidence that could be considered would be a recent sale price of your property. The next best evidence would be recent sales prices of properties that are similar to yours. The closer in similarity and proximity, the better the evidence.

Another type of evidence that could be considered would be a recent appraisal of your property.

21. How will my taxes change as a result of the new assessment?

Although the value of your property affects your share of taxes, the actual amount you pay is determined by the budget needs of the town and school. These will decide what services will be provided in the coming year and how much they will need to provide these services. Once this decision is made, a tax rate is adopted that will generate the needed dollars. Your property taxes are determined by multiplying the tax rate by your assessment. $\text{Tax Rate} \times \text{Assessed Value} = \text{Taxes}$.

The total amount that the Town can spend for services, buildings and infrastructure, is limited to the total amount last year plus an increase of 2.5%, new growth tax dollars and voter approved debt exclusion or overrides. The tax rate is established based on that amount. A separate tax rate has been established historically, for residential and commercial classes of property.

Information on assessments:

Wayland Website: <http://www.wayland.ma.us/assessors/index.htm>

Welcome to the Board of Assessors official Website!

The Board of Assessors is responsible for the valuation of real and personal property for the purposes of real and personal property for the purposes of levying the property tax. Being an assessors requires technical training, taking responsibility for maintaining assessments at full and fair cash value and meeting the Commissioner of Revenue's re-certification requirements of property valuation every three years.

As part of their duties, assessors must maintain a database on each parcel of property in the town. This information is typically recorded on a property record card. Included on the property record card is information such as the address of the owner and/or the property, the measurements of the land and a description of any structures, including their quality and condition. Assessors then value property based on a full and fair cash value standard using mass appraisal techniques. Thus, if a four-bedroom colonial is selling for \$300,000 range, other properties with similar characteristics should be valued similarly (as of January 1 of each year, or June 30 for new construction.)

The assessors are also responsible for submitting annually a Tax Rate Recapitulation Sheet, to the Department of Revenue's Bureau of Accounts. This calculation is submitted to the D.O.R. as evidence that the town has a balanced budget within the limits of Proposition 2 ½. (A primer on 2 ½ is available through the D.O.R. at www.state.ma.us/dls/publics.htm) The Department must approve the annual levy growth, Tax Recap Sheet, and set the tax rate before a community can issue tax bills.

Assessors also have the authority to grant abatements and exemptions to taxpayers. An abatement request is filed when a taxpayer feels the assessed value of his or her property is too high or disproportionately assessed. The assessors then examine the circumstances to see if the request has merit.

New growth is generated by an improvement to a property or an increase in a property's value independent of market inflation. New growth is calculated by multiplying the allowable new valuation times the prior year's tax rate. It directly increases the levy limit of a community.

Exemption from taxations is a statutory privilege conferred on various categories of persons or property. Some of the most frequent exemptions include religious or charitable organizations, disabled veterans, elderly persons, surviving spouses and the blind.

All [abatements](#) and [exemptions](#) are funded from an account called the overlay. This is a special account, the amount of which is established annually by the

assessors prior to setting the tax rate.

Board of Assessors

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 Assessors' 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 taxes assessors do not make the market nor do they spend money.

Duties and Responsibilities

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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 the year to form a statistically valid baseline, additional months backward and forward may be added. Assessment and Appraisal organizations recognize three approaches to value, cost, market and income.

The first method is the "cost approach". 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.

The second method is the "comparable sales" or "market approach", as it is also called, which employs several sequentially performed 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, quality of construction – on a property's market value. These factors are not constants, and they may differ from year to year as market conditions and preferences change.

The third approach is the "income approach". This is also referred to as the capitalization of net income. The capitalization process restates market value by converting the future benefits of property ownership into an expression of present worth. Data is collected on rental and income information within the town to

formulate a mass appraisal of area rents.

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 may be made. Adjustments are also made and approved by the Board for influence factors (street traffic, flood zone, noise, waterfront, scenic views, etc.) before setting 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 3 years verifying that the property valuations meet the state criteria for fair market value. The proposed assessments are provided to the Department of Revenue for statistical testing and confirmation. The Department of Revenue checks the assessed values for accuracy – both sold and unsold properties – by comparing them to actual property sales.

Overall, regardless of the method used, the statistically derived estimates must fall within a ten percent range of actual selling prices (properties are grouped by various categories, such as neighborhood or building style) in order to satisfy state guidelines. Once approved by the Department of Revenue, the new assessments are released for public disclosure.