

# **FREQUENTLY ASKED REVALUATION QUESTIONS**

by Tax Assessor Ted Gwartney

## **Q. Why is Greenwich undergoing a revaluation now?**

**A.** Property values change at differing rates for various locations and property types. A revaluation ensures fairness and equity in the collection of revenue for Town purposes. The purpose of a revaluation is to eliminate any assessment inequities that may have developed since the implementation of the previous 2005 revaluation. This balances the Town's real property tax burden among its taxpayers. Values have declined in many areas.

## **Q. What is a revaluation?**

**A.** An updating of all real property values as of October 1, 2010. It consists of appraising the value of the properties, both taxable and exempt, using recent sales, building costs and income and expense information of similar properties. All residential, commercial, apartments, industrial, vacant land, churches, school buildings and all other real estate will be valued.

## **Q. When will the revaluation be in effect?**

**A.** The revaluation will be effective as of the October 1, 2010 Grand List (a document containing a list of all real property, personal property and motor vehicles, showing the value, description and ownership). The taxes due in July 2011 and January 2012 will be based upon the new October 1, 2010 assessment.

## **Q. How is the town going to go about revaluing all of the property?**

**A.** The Town will be contracting with consultants to assist in the analysis of sales, review of calculated values and meeting with the public to answer questions about the methods utilized and the concluded assessments. Local appraisers and experts on valuing specific types of properties will also be enlisted to assist staff in the Assessor's Office. The Assessor's Office will be directing all activities of the revaluation consultants, and will be overseeing quality control and valuation analyses. We are developing valuation models based upon data collected since the last revaluation. Those property owners desiring an interior inspection may phone to schedule an appointment.

## **Q. How is the market value of a property determined?**

**A.** There are three different methods of estimating market value. The *Sales Comparison* method compares a property with similar properties that have recently sold in the same or similar neighborhoods. All properties for which there are a sufficient number of reasonably comparable sales will be valued using this method. The *Replacement Cost* method estimates what it would cost at current local prices for construction material and labor to replace the building. Depreciation and obsolescence are subtracted to reach a net value for the buildings, and then the value of the land is added to reach a market value for the property. As a check, property will also be valued using the Cost approach. The *Capitalization of Income* method is used primarily for office, commercial and apartment properties. This method estimates the predictable net rental income after expenses are deducted that would be generated for the property and then determines the market value on the basis of what a prudent investor would pay for such a property. After reviewing the valuations using the above three approaches where applicable, a *final correlated value* will be determined to be used as the basis of the market value.

## **Q. What is the difference between assessed value and market value?**

**A.** The assessed value is 70% of the appraised market value and is used as the basis for determining the property taxes. Market value is the typical price that a willing buyer would pay a willing seller if the property were offered on the open market, and buyer and seller are not related in any way or under any pressure to buy or sell.

## **Q. What are the benefits of a revaluation to me as a property tax payer?**

**A.** A revaluation was last conducted in Greenwich for the October 2005 Grand List. Since that time, property values may have changed. Many properties have undergone changes -- many have been improved, some have deteriorated since then. Over time, different neighborhood values change at different rates. Different types and classes of properties changed in value in different ways. The fairness or equity of the property tax depends on whether similar properties are treated alike. If the assessments do not keep pace with property changes and market conditions, inequities creep into the Grand List. When

that occurs, some property owners may be assessed at more than others with comparable homes and are paying more than their fair share of property taxes, while others are paying less. A revaluation of all properties corrects inequities and inaccuracies so that each property tax payer is paying his or her fair share.

**Q. What is my "fair share" of property tax?**

**A.** The property tax is designed as an "ad valorem" tax, which means it is a tax based on the value of the property. The premise is that if someone owns a \$1,000,000 property, he or she should pay twice as much in taxes as someone who owns a \$500,000 property. Therefore, the market value of property is the standard that is used to determine one's fair share.

**Q. What if I believe that my assessment is incorrect?**

**A.** The Town Assessors job is to insure fairness in assessment. The property owner should check the assessment records to see if any errors in data or property characteristics are present. The assessor will correct errors. Informal reviews of market values for 2010 will be scheduled with the revaluation appraisers by appointment.

If property owners are not satisfied with their new assessment, they may apply for a hearing with the Board of Assessment Appeals (BAA) pursuant to Connecticut General Statute (C.G.S.) §12-117. Applications may be obtained at the assessor's office or the Town's website. Assessment appeals to the Board must be in writing on the prescribed form and postmarked or hand-delivered to the office in Town Hall designated for the Board of Assessment Appeals. The Board will notify you of the hearing date by mail.

**Q. How do I obtain information on a property in Greenwich?**

**A.** You may find the assessments and sales records online under Assessor on the Town Website. The assessor's office has public access computer terminals in the office for public use. The information includes various details about the parcel ID number, size, type, year built, ownership, latest assessment and legal description. If you need information on one particular property you may call the assessors' office. Information provided by phone, however, may be limited so that we may keep the phone lines available to others calling us. Descriptive property data for the entire town (sort-able in Excel format) is available for purchase on a CD at the assessor's office. Information on zoning related matters are best addressed through the Planning and Zoning Department. Information on taxes due may be obtained through the Tax Collector's Office.

**Q. Who do I speak to if I discover an error on the information on property record card in the assessor's office for my property?**

**A.** Call the assessor's office and provide them with your name, phone number, parcel number and the nature of the error. The appraiser assigned to your neighborhood will follow up on the request by calling you and if necessary, setting up a day and time for an inspection of the property to correct the record.

**Q. What is a mill rate?**

**A.** In Connecticut, property tax rates are expressed in mills, or thousandths of a dollar. A property tax rate of 8.316 mills (2008 mill rate), or .008316 expressed in decimal form, results in the payment of \$8.316 for each \$1,000 of the property's assessed value. The Board of Estimate and Taxation sets the mill rate in May of every year in time for the July tax billing.

**Q. When and where can I file for Senior Homeowner Tax Relief Benefits?**

**A.** To file for state and local Senior Homeowner's Tax Relief Benefits, you must complete an application, which is available in the Assessor's Office, and file it between February 1st and May 15th.