

YOU AND YOUR PROPERTY TAXES

A Taxpayer's Guide to Assessing in Massachusetts

HOW PROPERTY TAXES ARE DETERMINED

Before Proposition 2 ½ went into effect in Massachusetts in Fiscal Year 1982, the amount to be raised by the property tax in each community was essentially determined by what the community decided to spend in the coming year, through its Annual Town Meeting. In brief, budgets were determined, and then tax rates were set to raise that amount.

With Proposition 2 ½ in effect, the process is reversed. The tax limitation law sets the maximum amount a community may collect from the property tax; budgets must be made to fit within that limit (or within the increased limits of any overrides adopted by the voters).

REVALUATION OF TOWN WIDE PROPERTY

Every three years the Town is required to reassess property, beginning this year the Department of Revenue changed the reassessment to every five years. All properties are reviewed by land sales, residential and commercial sales. Properties are depreciated according to the age and also new rates are set to what it would cost to build less depreciation. According to the Department all statistics are met according to their guidelines.

DETERMINING THE TAX RATE

Once the Assessors have calculated the current total valuation of property and know the amount the Town Meeting has voted to come from the levy, the Assessors prepare a document that shows how much of the value and how much of the proposed levy would come from each of the different classes of property (residential, commercial, industrial, open space and personal). They provide this document to the Selectmen, who must then vote on whether to apply the same tax rate or separate rates to the different property classes.

If community officials chose to utilize different tax rates, a residential rate could, for example, be \$16 per thousand and the commercial/industrial rate \$18 per thousand. (The tax rate is expressed in dollars per thousand of value. A tax rate of \$16 per thousand then would result in a tax of \$1,600 for a property valued at \$100,000, on a residential property).

Next, Assessors prepare a "recapitulation sheet" that lists all the different sources of revenue available to the community in the coming year. The Assessors then submit the "recap sheet" to the Department of Revenue and request certification of the tax rate. Once the rate is certified, the tax bills can be mailed.

WHO ARE ASSESSORS?

There are some 1200 Assessors in Massachusetts. Most are appointed part-time officials contributing their services to the community. More and more often, part-time boards are hiring a full-time person as an "Assistant Assessor/Appraiser".

Once elected or appointed, an Assessor in this state must successfully complete a 30-hour course in Assessment Administration and Law (and pass the 3-hour exam) offered across the state at no charge by the Department of Revenue. Many Assessors also go well beyond this minimum requirement, offered by the Massachusetts Association of Assessing Officer and International Association of Assessing Officers.

THE DEPARTMENT OF REVENUE

Through its Division of Local Services, the unit that has regulatory and assistance responsibilities for municipal finance and taxation, the Department staff certifies both valuations and tax rates for the cities and towns.

The Division of Local Services functions through four Bureaus: Accounts, Local Assessment, Information Technology, and Property Tax. In order to certify valuations, the BUREAU OF LOCAL ASSESSMENT reviews data submitted by the Assessors and conducts field reviews to assure that the valuations are properly derived and equitably applied.

To certify a tax rate, the PROPERTY TAX BUREAU looks over the various items that make up the estimated municipal revenue base and makes certain that the calculations for each category fall within the requirements of various laws, including Proposition 2 ½.

The INFORMATION TECHNOLOGY prepares the annual Cherry Sheets (estimates of local aid and state and county assessments for the next fiscal year) for Assessors and other local officials. It also coordinates the Division's technical assistance program, working with all fiscal officers.

The BUREAU OF ACCOUNTS oversees and provides technical assistance in municipal audits, accounting, and financial reporting.

The Division provides guidelines that inform local officials of new and updated laws and prepares specialized publications for municipal use. It also conducts training courses for fiscal officials, offers workshops and seminars through-out the year, and participates actively and cooperatively in local officials' organizations such as the MAAO.

ABATEMENTS AND APPEALS

The taxpayer also has a formal right to file for an abatement of taxes, once the tax bills have been distributed. The taxpayer can file if he or she believes the property is over assessed, that it is not assessed fairly in comparison to other similar properties, or that it is not classified correctly by the Assessors. All abatements filed are reviewed by the Assessor and an interior inspection is performed. Value is the Total Value not just land or building. Information about this and the deadlines that must be met in filing for abatement are available in the Assessor's office or visit the town's website.

If the Assessors do not grant the desired abatement after an inspection was done on your home and you have met with them, you have the right to appeal to the State's Appellate Tax Board within a certain time period. Information and applications are available from the Appellate Tax Board, 100 Cambridge St., Boston, MA 02204 (617) 727-3100. Check the Assessor's web page for abatement applications or visit the office for a copy.

EXEMPTIONS

By State law, certain taxpayers are allowed exemptions from their property tax bills. These exemptions are allowed to those who are qualified primarily from among the elderly, veterans, the blind, widows and widowers, and the minor children of deceased parents from the above. In order to receive the exemption, however, they must apply at the Assessor's office. As long as the applicant meets all the requirements laid out by the law, the Assessors must grant the exemption.

WHAT THE ASSESSORS DO NOT DO

Assessors do not make the laws that affect property owners. Tax laws are enacted by the Massachusetts Legislature. Various guidelines and regulations to implement the legislation are established by the Department of Revenue. The Assessors, in short, follow the procedures established by others to set the value of property. Value is actually set by buyers and sellers as they establish the worth of comparable properties through their transactions in the real estate marketplace.

The Assessors also do not determine taxes. The level of property taxation is determined by the municipality itself, through its Town Meeting. Similarly, the Assessors don't decide who is entitled to relief on their property tax bills through exemptions; rather they follow the state law.