

# Revaluation

## Questions and Answers

### ***Introduction***

The State of Connecticut requires its Cities and Towns to revalue all real estate on a periodic basis in order to equalize values and distribute the tax burden in a fair and equitable way.

### ***Definitions***

#### ***Revaluation***

According to the *Dictionary of Real Estate Appraisal (Fourth Edition)* published by the Appraisal Institute, a revaluation is the “mass appraisal of all property within an assessment jurisdiction to equalize assessed values; the reappraisal of a property.”

#### ***Mass Appraisal***

Mass appraisal is the process of estimating the market value of a universe of properties, as of a specific date, using standard methodology, which allows for statistical testing and reporting.

#### ***Connecticut Facts***

Under Connecticut law, the assessment of each parcel of real property represents 70% of its fair market value as of the date of a revaluation.

Revaluation is undertaken every 5 years with inspections required every 10 years.

The date of revaluation is also known as the assessment date. In Connecticut, the assessment date is October 1<sup>st</sup>.

Unless there is physical change to a property (e.g., the construction of an improvement or a structure’s demolition), the assessment remains unchanged until the next revaluation, when the property’s market value is determined again.

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

There are many definitions of Market Value. For the purposes of revaluation, and as written in the CAAO Handbook for Connecticut Assessors, “market value is the most probable price in cash that a property would bring in a competitive and open market, assuming that the buyer and seller are acting prudently and knowledgeably, allowing sufficient time for the sale, and assuming that the transaction is not affected by undue pressure.”

Buyers and sellers of real estate determine Market Value. We have seen the effects of the current economic climate on property sales and value over the past several years.

The estimated market value of your property is based on an analysis of the sales in your jurisdiction and local market for one to two years prior to the assessment date. It is the Appraiser's job to research and analyze the sales and create models that reflect and mirror the local real estate market. Some of the factors which contribute to the analysis and resultant value are; location, size, quality of construction, age of improvements, topography, utilities, zoning restrictions if any, etc.

### ***What happens during a Revaluation?***

Depending on where in the revaluation cycle your jurisdiction is, one or more of the following will be performed:

A physical inspection of both the interior and exterior of each property is conducted, where building dimensions and characteristics are noted. This is the Data Collection phase of the project. Each Data Collector carries an identification badge, a letter of introduction on town letterhead and their vehicles are

- A) registered with the Police Department and Assessor's Office.
- B) Data Mailers, which contain the pertinent information currently on file with the jurisdiction, will be mailed to all property owners. Owners will verify the information or indicate a change when returning the document.

While the data collection/verification phase is in progress, appraisers are analyzing the recent sales in order to make comparisons and set valuation parameters (models) which will be utilized to estimate the value of properties which have not been sold.

Each property owner receives an individual notice of the new assessment. Property owners can also review the assessed values of others in the jurisdiction as compared to theirs.

All property owners are given the opportunity to attend an informal hearing to discuss their values with a representative of the jurisdiction. During the hearing, the property owner can voice concerns, discuss inaccuracies or discrepancies with a representative who will review the property record card and explain the value. An appraiser will make the determination as to whether an additional inspection or review of the value is necessary. All those attending a hearing will receive a notice illustrating any changes made to the assessed value.

### ***Will a Revaluation increase my taxes?***

A change in assessment alone has no effect on your tax rate or tax bill. Local budgets and the dollar amount necessary to support services such as education, police and fire, etc. within the jurisdiction are the factors which affect the amount of taxes property owners must pay. For 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.

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

There are two very good methods to determine this. First, compare your properties to similar properties that sold in the previous year. Your value should be in-line with these sale prices. Second, if no recent sales are available, compare your assessment to other similar properties in your area using the Street Listing of Values available in the Assessor's Office or online. Your value should be in-line with these similar properties. Remember, very few properties are exactly alike. Your value should be comparable, but it will seldom be exactly the same as what seems to be similar property.

***What qualifications do the appraisers have?***

Each person employed on this project is certified by passing the State of Connecticut's qualification testing. Each has met the educational, experience and exam requirements defined by the Connecticut Office of Policy and Management, Intergovernmental Affairs Unit for the phase they are involved in.

**Project Manager or Supervisor:**

1. Has a minimum of 3 years in the field of assessing, evaluation, or appraising.
2. Holds Land/Residential Certification
3. Holds Commercial/Industrial Certification
4. Passing grade on examination in the areas of mass appraisal, Connecticut revaluation legal requirements, sales analysis, and statistical evaluation of the revaluation.

They must possess extensive knowledge of state laws, department rules, appraisal manuals, governing local assessment administration and have demonstrated an ability to apply these to unusual situations of property appraisal, assessment and review.

**Commercial and Industrial Appraisers:**

1. Has a minimum of 3 years in the field of assessing, evaluation, or appraising.
2. Holds Land/Residential Certification
3. Passing grade on examination in the area of valuation of Commercial and Industrial properties.

**Residential Appraisers:**

1. Minimum of 2 years experience in the field of assessing, revaluation or appraising.
2. Passing grade in the area of valuation of Land and Residential properties

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

If any property owner believes the assessment on their property to be inaccurate, disproportionate or excessive, they may appeal through the local Board of Assessment Appeals within their jurisdiction. Should the property owner still feel the assessment is incorrect, they may appeal to the Superior Court for the judicial district in which they are located.

