

# **TOWN OF WALPOLE**

## **SOME IMPORTANT POINTS ABOUT YOUR FISCAL YEAR 2024 ASSESSMENTS:**

Board of Assessors 135 School Street Walpole, MA 02081 508-660-7315

### **Frequently Asked Questions on the Property Tax Process:**

#### **What is an Assessment?**

The assessment is the value of property to be used for local taxation as determined by the Board of Assessors through a series of market analysis of the **2022 Real Estate Market** and regulations set by the Commissioner of Revenue. The assessment is the estimated full and fair cash value of a property on January 1, 2023.

#### **What is full and fair cash value?**

State law requires the assessor to assess property at its “full and fair cash value” (market value) as of January 1 of the assessment year. This is defined as “the estimated price the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.”

#### **How is property assessed?**

The Assessors Office conducts field inspections to collect and verify property descriptions and to identify all characteristics, which might affect a property’s value. These characteristics include, but are not limited to, land area and features, the size of the structure(s), the quality of materials and workmanship, building style and number of stories, number of bedrooms and bathrooms, heat source, and observed condition. The property’s characteristics are used to calculate replacement cost and depreciation, plus land value, which are compared with similar market sales and adjusted to market value based upon prevailing price levels.

#### **Why do property values change?**

The most frequent reason for a change in value of a given property is a change in market conditions. This means a change in the supply or demand for real estate, which typically reflects broader trends in the local or regional economy such as employment levels, household income, inflation or deflation, prevailing interest rates, consumer confidence, or any number of other economic factors. A change in market conditions means a change in the price a seller would be willing to accept or the price a buyer would be willing to pay for a given property. The assessor continually tracks market conditions as reflected in real estate sales prices and overall price levels.

### **Why did my assessment change?**

All communities must update their assessments annually to meet requirements as outlined in the Guidelines to a Minimum Reassessment Program, by the Department of Revenue.

**I. To meet these requirements and based upon residential sales in Walpole in 2022, it is estimated that the average single-family assessment will increase by 10.71 % for FY 2024. (From \$663,600 to \$734,653) an increase of (\$71,053).**

**II. The Average Single Family tax bill will increase by 5.37 % from the previous year. (From \$9,217 to \$9,712) or (\$495 Dollars).**

### **Why did the average single family assessment increase by 10.71%?**

As stated above, the Board of Assessors are required to meet guidelines by the Commissioner of Revenue, the guidelines require that the assessments be based **calendar year 2022** sales and not from **calendar year 2023** sales. Regardless of whether assessments go up or down, the Town will still raise approximately \$92,606,776 in property taxes for FY 2024.

### **Why does Walpole have two different Tax Rates?**

Massachusetts law allows for a shift of the tax burden from the residential class of properties to the commercial, industrial and personal property classes (CIP). Walpole first adopted the shift or a split tax rate in Fiscal Year 1990. The Department of Revenue has authorized the adoption of two tax rates. Walpole currently has a shift of 1.30. With the Current Shift the Average Single Family Tax Bill Saves \$404 in FY 2024.

### **How can my assessment change when I haven't done anything to my property?**

Since assessments must be based upon market value, assessments will continue to change during rising and declining real estate markets. As property values change in the marketplace (sales), those changes must be reflected in the assessments. Not all properties, however, change in value to exactly the same degree. Many factors influence values. Among the numerous factors to be considered are location, condition, size, quality, number of baths, finished basement, garages, additions, traffic, and utilities.

### **Do all assessments change at the same rate?**

Not always, there may be differences between individual properties and between neighborhoods. In one area the sales may indicate a substantial increase in value in a given year, while in another neighborhood there may be no change in value, or even a decrease in value. 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, depending on prevailing market conditions.

### **How often are properties reassessed?**

State law requires all properties to be assessed at market value as of January 1 each year. This does not mean that every property is physically inspected each year. Properties in the Town are required to be physically re-inspected at least every ten years. The purpose of this cyclical re-inspection is to ensure that the assessing department maintains an accurate and up-to-date description of all taxable property in Town, and to capture any unreported structures that may have been added since our last visit.

### **Why is the assessed value different from the sale price recently paid?**

While a sale price is usually the most reliable indicator of market value, not all sales represent market value. Some sales may represent a distressed seller or buyer, or there may be considerations other than cash paid as part of the transaction, such as a trade of other goods or services. Or, the sale may have been a private transaction, or between related parties, which did not allow adequate exposure in the open marketplace. In addition, a single sale does not make a market, and the assessing department considers all known sales in a given area to establish market trends, which the department then uses to apply a uniform valuation method to all properties in the area.

### **How is an assessment different from a private appraisal?**

The assessing department is concerned not only with market value, but also with equity of assessment, which means making sure that every property is assessed at the same level as all others with respect to market value. For this reason, the assessor uses a broad scope in its approach to value, using overall trends to value all properties in a given market area. In contrast, a private appraisal is only concerned with estimating the value of a single property. Consequently, the scope is usually focused on a small number of comparable sales, and making adjustments for the differences between those sales and the subject. Overall, given adequate market data, the value estimates produced by a mass appraisal assessment process and a private appraisal should be very similar.

### **My house (or new construction project) is not 100% complete. Is it assessable when it is not complete?**

Yes, the Assessor is required by law to assess property at its fair market value regardless of its percentage of completion. The appraiser will estimate the percentage of completion by utilizing a chart that assigns a percentage to each phase of construction as of **June 30th**.

### **What should I do if I find an error or omission in my assessment?**

You should contact the Assessor's office and report the error. It is the property owners' responsibility to notify the assessor of any errors or omissions.

### **Is the purpose of a revaluation to increase taxes?**

No, the purpose of a revaluation is to make assessments for all parcels in Town, fair and equitable in relation to each other, based upon the **2022 Real Estate Market**. Whether taxes as a whole go up or down has more to do with the Town's budget rather than if your assessments decrease or increase. As stated above, the Town will still raise approximately **\$92,606,776** in property taxes for FY 2024 no matter if the assessments increase or decrease.

### **What is the assessor's role in municipal taxation?**

The assessor's duties are to discover, list and value all taxable property in the Town in a fair and uniform manner in accordance with state law. The assessor also administers tax exemption programs as authorized by law. The assessor is not involved in billing or collecting property taxes.

### **How are my taxes determined?**

The amount of taxes you pay is determined by the appropriations voted at Town Meeting. The Town adopts a budget that reflects what services will be provided and the cost to provide those services. After Town Meeting adopts a budget, the amount of taxes to be raised is calculated in accordance with Proposition 2-1/2 and divided by the total taxable valuation of the Town to determine the projected single tax rate. The Board of Selectmen holds a public hearing to determine whether and how much residential tax will be transferred onto the commercial properties, commonly referred to as the split tax rate (commercial properties pay a higher tax rate than residential properties). All the information is forwarded to the Department of Revenue for its review and approval. The tax rates are then finalized to raise the needed dollars to pay for the services that the Town voted to provide.

### **What if I disagree with the assessed value of my property?**

If you believe that your property is over assessed based on calendar year **2022 sales**, not assessed fairly in comparison to other properties, or that it is not classified correctly, you have the right to file for an abatement of taxes. An application must be filed with the Assessors Office. Applications are available at the Assessors Office. In filing an abatement application you will want to be specific about why you disagree with your assessment. Is there some misinformation on your property record card? Did you find values of comparable properties lower than your property? Please provide us with all the necessary information to support your position on valuation.

### **When can I apply for an abatement on my Real or Personal Property?**

Once the ACTUAL TAX bills (3rd installment of Quarterly Billing) are MAILED, you will have until the due date of the 3rd installment (February 1, 2024) to file an abatement application with the Assessor's Office. Please note that the Board of Assessors may only consider an application for an abatement that has been filed with the Assessor's Office in a timely manner. (Feb 1st 2024)

### **I just received a tax bill for my property addressed to the previous owner, why is their name on the bill?**

If you purchased your property after January 1, 2023, state law requires that the owner as of January 1st name must appear on the tax bill for Fiscal Year 2024. (Your name will appear on the first quarter bill for FY 2025 (July 1, 2024).

### **How can I learn more about my rights for an abatement, exemption, or deferral?**

By contacting the Board of Assessors' Office at **(508) 660-7315** or stopping by their office Monday, Wednesday, Thursday - 8:00 am - 4:00 pm, Tuesday - 8:00 am –8:00 pm Friday - 8:00 am – 12:00 pm