

## RECERTIFICATION PROCESS – FISCAL YEAR 2010

The Bureau of Local Assessment of the Department of Revenue for the Commonwealth of Massachusetts provides detailed guidelines to assist assessors to plan and perform a reassessment program necessary to achieve full and fair cash value assessments, in accordance with the requirements of Massachusetts General Laws, Chapter 40, Section 56 and Chapter 58, Sections 1, 1A and 3.

Every year, the assessors are required to make interim adjustments and every three years the assessors undergo intense scrutiny in their recertification to ensure consistency and uniformity of local assessments. We are required to look at all of our data and provide written documentation to support the mass appraisal system that includes items like cost and depreciation schedules, field review documentation, income and expense analysis, land valuation schedules and sales ratio studies.

The Town of Norfolk completed a recertification of values as required by the Department of Revenue and received preliminary approval of those values. The Fiscal Year 2010 values are based on the value of property on January 1, 2009 and were developed based on calendar year 2008 sales and on income and expense information received from commercial and industrial properties.

The analysis by the Assessor's Department and consultants from Vision Appraisal Technologies indicated the following statistical changes:

<u>Type of Property</u>	<u>Percentage Change</u>
Residential Condominiums	-2%
Residential Land	+10%
Single Family Homes	+1%
Commercial Property	+6%
Industrial Property	+3%

These are statistical averages town-wide and statistics can be deceiving. In general, there has been a decrease in the market value of property in the last fiscal cycle. However, in the single family class as an example, some properties remained essentially the same in value while approximately 40% of the properties decreased in value and approximately 60% of the properties increased in value. Some of the increases were more substantial than others if there were additions or renovations or corrections to the property record card or a location on the water.

### Statistics

#### **Single Family Homes**

1,200 ± Single Family Homes or **40%** of the Single Family Homes in Norfolk **Decreased** in Value

1,700 ± Single Family Homes or **60%** of the Single Family Homes in Norfolk **Increased** in Value

Consider the following sample list of twenty single family properties on different streets and in different price ranges in Norfolk and you'll see that even in this limited sample the numbers range from a decrease in value from -1% to -4% and an increase in value from +1% to +7%.

<u>Property Address</u>	<u>Fiscal Year 2009 Assessed Value</u>	<u>Fiscal Year 2010 Assessed Value</u>	<u>Dollar Difference</u>	<u>Percentage Difference</u>
Alice Avenue	\$303,700	\$291,600	-\$12,100	-4.15%
Alice Avenue	\$289,600	\$308,000	\$18,400	5.97%
Mirror Lake Avenue	\$314,000	\$303,800	-\$10,200	-3.36%
Mirror Lake Avenue	\$339,500	\$364,100	\$24,600	6.76%
Sweetland Farm Road	\$379,400	\$373,900	-\$5,500	-1.47%
Sweetland Farm Road	\$390,200	\$406,800	\$16,600	4.08%
Boardman Street	\$426,600	\$417,800	-\$8,800	-2.11%
Boardman Street	\$410,400	\$424,800	\$14,400	3.39%
Barnstable Road	\$484,100	\$473,400	-\$10,700	-2.26%
Barnstable Road	\$473,700	\$488,100	\$14,400	2.95%
Maple Street	\$524,400	\$506,300	-\$18,100	-3.57%
Maple Street	\$491,800	\$502,000	\$10,200	2.03%
Robin Road	\$511,300	\$520,200	\$8,900	1.71%
Robin Road	\$547,700	\$536,900	-\$10,800	-2.01%
Chicatabut Avenue	\$549,900	\$544,600	-\$5,300	-0.97%
Chicatabut Avenue	\$580,300	\$587,300	\$7,000	1.19%
Berkshire Street	\$644,300	\$630,800	-\$13,500	-2.14%
Berkshire Street	\$617,300	\$621,100	\$3,800	0.61%
Stop River Road	\$890,800	\$871,700	-\$19,100	-2.19%
Stop River Road	\$925,300	\$951,500	\$26,200	2.75%
Average Percentage Difference on this Sample				0.36%

A public disclosure advertisement was published in the Norfolk Boomerang on December 25, 2009 and in the Sun Chronicle on December 26, 2009 advising Norfolk property owners that the proposed values were available for review at Town Hall and the Library during normal business hours from December 28, 2009 to January 8, 2010 and were on the town's website at [www.town.norfolk.ma.us](http://www.town.norfolk.ma.us) under the assessor's page listed as 2010 Proposed Values.

It was suggested that any taxpayer who was concerned with the accuracy of the valuation of their property should visit or call (508 528-1120) the staff at the Assessor's office. Remember that the assessed value represents the value of the property on **January 1, 2009** and not the current value of the property.

At the end of the public disclosure period, we requested final certification of the assessed values from the Department of Revenue.

The responsibility of the Assessor is to fairly value all of the property in Town. *The Assessor does not set the tax rate.* The tax rate is determined each year as a result of the amount of money the town residents decide to spend at Town Meeting. Norfolk has an Open Town Meeting Form of Government where all the residents can participate in the democratic process within the guidelines published in the Town Meeting Handbook. The residents are directly responsible for any increase or decrease in the total amount of spending and therefore any increase or decrease in the tax rate. The residents choose what services they would like the town to provide and determine whether or not they can afford those services. It's analogous to planning a family budget. The budget approved at Town Meeting is then divided by the total value of properties in town to determine the tax rate. The formula basically looks like this:

$$\text{Total Amount of Levy Divided by Total Valuation of the Town} \quad \times \quad 1000 \quad = \quad \text{Tax Rate}$$

While the taxes in Norfolk might be higher than the taxes on a similar style and size single-family home in Foxborough or Franklin or Walpole, there are also different characteristics and demographics between Norfolk and those towns. Franklin for example has a larger population, a broader tax base and much more commercial and industrial type properties that all contribute to the total tax revenue. Perhaps the residents of Norfolk should advocate for more business development in appropriate sections of town to increase the total tax revenue and to gradually reduce the tax burden on residential property owners.

The following chart compares Norfolk to some other similar or surrounding communities:

**Tax Rate Comparison**

<u>Town</u>	<b>Residential Tax Rate Fiscal Year 2009</b>	<b>Residential Tax Rate Fiscal Year 2010</b>
Foxborough	\$10.91	???
Franklin	\$11.17	\$12.03
Holliston	\$15.46	???
Hopedale*	\$12.69	\$13.52
Hopkinton	\$15.03	\$15.76
Medfield	\$13.85	\$14.24
Medway	\$15.12	\$16.29
Mendon	\$11.66	\$12.47
Millis	\$13.43	???
<b>Norfolk</b>	<b>\$13.87</b>	<b>\$14.07</b>
Sharon	\$17.72	???
Southborough	\$14.16	\$14.06
Walpole*	\$11.67	\$12.64
Wrentham*	\$12.22	???

\*Communities with Split Tax Rate

Perhaps the better comparisons to Norfolk might be Holliston or Hopkinton or Medfield or Medway or Millis? And the unfortunate part of the equation is that if the total valuation of all of the property in the town was in fact lower, then the tax rate would need to be even higher to raise the necessary amount of money that the town needs to operate.

Still, any property owner in Norfolk today might be asking the following very logical questions. “In the current economic climate, how come my property value didn’t go down more or how could my property possibly increase in value?” Here are some of the answers to those questions:

**How Could My Property Assessment Increase in This Market ??????**

**Possible Reasons**

- Addition to the Property
- Renovations to the Property
- Change from Vacant Land to Single Family Home
- Changes to the Property Record Card
- Land Value Increase
- Location on the Water

**Or Consider This Scenario**

<u>Type of Property</u>	<u>Date of Market Value and Assessed Value</u>	<u>Market Value</u>	<u>Assessed Value</u>
Single Family House	1-1-2008	\$500,000	\$425,000
Single Family House	1-1-2009	\$475,000 or Decrease in Value of 5%	\$475,000 Based on Corrections to the Property Record Card

The real question that each property owner needs to answer is not whether the assessed value of their property decreased too little in value or increased too much in value, *but whether the assessment for Fiscal Year 2010 is an accurate reflection of the full and fair cash value of the property as of January 1, 2009!*

A separate article entitled **“Residential Field Review Guidelines”** explains some additional parts of the process that are required to satisfy the requirements of the Department of Review in their review of our assessment procedures.

A homeowner who is concerned with the accuracy of the valuation of their property might read the article entitled **“Procedure for Real Estate Tax Abatement”** that explains the process to follow to file for an abatement.

Both of these articles will be posted to the Town Website.