

INTRODUCTION

This guide is to help you understand the assessment process for the Fiscal 2016 tax year. The tax year runs from July 1, 2015 through June 30, 2016. The assessment date is January 1st preceding the beginning of the tax year; in this case it is January 1, 2015. State law requires that the assessed valuation established for a property should represent fair market value as of that date. In other words, property assessments reflect a past value, and are not a prediction of an anticipated sale price.

Fair market valuation is based on sales that occurred in calendar 2014, the calendar year that precedes the valuation date. Standards of assessment practice set by the Division of Local Services (DLS) of the Department of Revenue (DOR) require a median assessment to sale price ratio of plus or minus 10% of 100% of market value for these sales. There was an increase in sale prices from 2013 to 2014. Note that 2015 sales activity will be reflected in the FY17 tax year values and are not used for FY16.

WHAT IS THE VALUATION CRITERIA?

The DOR requires communities to value all property each year. Every third year is a complete re-certification. Both a re-certification and an interim year adjustment (the two years in between the triennial re-certification) include a detailed analysis of the appropriate sales data as a basis for adjusting the property values. The goal is to keep the values as close as possible to 100% of market value and avoid an excessive swing in the assessments in one year. A re-certification year includes intense examination by the DOR of all the community's assessment policies and procedures. FY16 is the current year and we have successfully completed re-certification with the DOR.

WHAT CHANGES HAVE BEEN MADE FOR FY2016?

Many of the changes are explained below as each section of the property record card is explained. The CAMA (Computer Aided Mass

Appraisal) system is used to calculate the values. CAMA tables, with the factors used to calculate the values, are updated each year based on the sales analysis. The factors are adjusted so that the median assessment to sale price ratio is within 10% of 100% of fair market value of the sample. The computer model created is then applied to all the properties in town to arrive at a new value for each property. For FY16 there were minor adjustments to several factors in the tables with the largest being an increase in the base land value. You can access your property record card on line at

<http://gis.vgsi.com/NORFOLKMA/>

WHY DOES EVERY PROPERTY GO UP (OR DOWN) IN DIFFERENT PROPORTIONS?

The characteristics of your property will determine how the adjustments to the factors will affect your valuation. Items such as location, style, size, quality of construction, age and condition of the house, and lot size of the properties that were sold in 2014 are analyzed to derive multipliers which are then applied to all properties town-wide. The relative importance of these characteristics in the marketplace determines whether an owner's valuation changes.

A field review is done to check the application of these characteristics for consistency and uniformity. Properties with renovations or new construction between July 1, 2014, and June 30, 2015, will usually show an increase in their valuation.

WHEN MY NEIGHBOR'S HOUSE SELLS, WILL THEIR PRICE DETERMINE MY ASSESSMENT?

A single sale does not establish the market value of all the properties in that area. It is only by examining ALL of the arms-length sales (a willing buyer and a willing seller acting in an informed manner in the open market) that the Board of Assessors can begin to discern the characteristics of the market. If the sale of your neighbor's property is an arms-length sale and if it occurred in the

appropriate year, it will be included in the analysis of all sales town-wide and will be part of the data that determines the multipliers to be used to arrive at the new valuations.

HOW WILL THIS NEW VALUATION AFFECT MY TAX BILL?

The increase in the town-wide total tax levy required to fund the budgets approved at the 2015 Annual Town Meeting was approximately 4%. This increase will affect all property owners. However, the changes in your bill will also depend on changes in the assessed value of your home. The Board of Assessors does not determine how much the Town will spend for the many services it provides, but apportions the share of these costs as fairly as possible among all property owners in town.

The actual tax rate is set after the values are finalized, the Selectmen vote on the classification of the rate, and the calculation is approved by the DOR. The FY2016 tax rate is \$18.08 per \$1,000 of valuation. The Fiscal 2016 tax year began on July 1, 2015, and two quarterly estimated bills have been issued. The new valuations are the basis for the third and fourth quarter bills due on February 1 and May 2, 2016. These two bills take into account the estimated taxes you have already paid.

HOW CAN I GET MORE INFORMATION?

Printouts listing the properties with detailed characteristics for each property are available at the Assessors' office (1 Liberty Lane), and as mentioned above a link to Vision Government Solutions Inc.'s website where Norfolk's property record cards are available for viewing and printing.

WHAT HAPPENS IF I DISAGREE WITH MY ASSESSMENT?

If you disagree with your assessment after receiving your third quarter tax bill, you may file an abatement application with the Board of Assessors. Forms are available at the Assessing Office and on the Town's website.

By law all abatement applications must be received in the Assessing Office no later than the third quarter payment due date, February 1, 2016, or postmarked by that same date. Applications received after that date or postmarked later than February 1, 2016, cannot by law be considered by the Board of Assessors.

Comparable sales are illustrated outside our office for your use. We are here to help!