

Property Taxes and Tips on Dealing With Them

According to the Connecticut Conference on Municipalities, the per-capita property tax burden in Connecticut far exceeds the national average, with Connecticut cities shouldering some of the highest property taxes in the nation.

Each year, the governor and General Assembly redirect state revenues to towns and cities. The amount of state aid Winsted receives affects property taxes and the quality of the local public services.

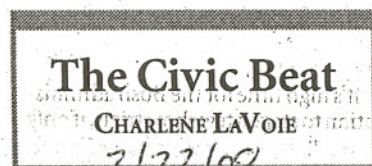
Both state and local governments are responsible for providing quality schools, road maintenance, environmental protection, public safety and other services, but the revenue-generating ability of state and local governments differs. The state raises revenue through a variety of sources, while local governments are limited to the property tax.

Hence the dilemma.

Dependence on the property tax is a problem because the value and amount of taxable property varies widely from town to town and, therefore, many towns are unable to meet local service needs. Sole reliance on the property tax means that local officials would have to do what few have the will or ability to do: become more efficient and creative in the budgeting of taxpayer dollars.

State aid helps reduce a town's reliance on property taxes by adding another revenue source—more taxpayer money, but from a larger pool of taxpayers. But even with a state income tax, state aid has been shrinking while state mandates have increased, especially in education. In the 1990s, overall state aid to towns decreased to 20 percent and has continued to decline in the 2000s to 16 percent. In 2007, the state share of K-12 public school spending was 41 percent, down from 45 percent in 1989. In many other states, the state share of education spending is more than 50 percent.

less obvious and less consequential for politicians. When tax payments are shifted from municipalities to the state, taxpayers may sense a bit of tax relief because it is a larger



pool of taxpayers, but politicians are relieved of the consequences of improvident spending, which, in turn, leads to further increases.

Property tax increases are largely due to rising home values. Winsted uses a percentage (70 percent) of a property's worth. This value is multiplied by the local tax rate to compute the property's final bill. As home values increase, so does the assessed value. Homeowners end up paying more even though the tax rate may stay the same.

The National Taxpayers Union estimates that as much as 60 percent of taxable property in the United States is over-assessed. But despite the growing tax bills, only half of homeowners protest their assessments.

Most homeowners can do the appeal themselves. Appeals are due to the town of Winchester Board of Assessment Appeals by March 20, 2008. The appeal form is available from the tax assessor's office at Town Hall. To ensure that you have proof that your appeal was received before the deadline, hand deliver it and get a receipt or send it by certified mail.

Build your case using your current assessment. It is not enough to bemoan how high your taxes are or to complain about how tax dollars are spent. You need facts. There are two basis to appeal: a mistake in the assessment of your house or an assessment at a higher rate than comparable homes.

ample, if you have demolished a shed to increase garden space, your home's value likely would be less. Compare the assessment's accuracy with a recent appraisal of your property if you have one.

Check that any property changes, particularly those that would negatively affect the value of your home, are part of the assessment. For example, maybe a bridge has gone out near your home, making your house much less accessible and, therefore, less valuable. Or perhaps a mining and gravel operation has started operations nearby, making your once quiet neighborhood noisy or dusty.

The second basis to challenge an assessment is to compare your house to houses of the same size, age and general location in your neighborhood. For example, Mr. Smith lives in a 150-home subdivision. But even within the subdivision there are differences that affect value. Homes near a busy road in the subdivision are valued less than those abutting a quiet creek. Get comparisons on five to eight homes, which you can find at the assessor's office or online at visionappraisal.com.

Before the hearing, organize your evidence. Consider including photos of comparable properties or put the market data into a spreadsheet that makes it easy for the hearing officials to see the basis of your comparative data. Consider sitting in on another

hearing before your appeal date so you can familiarize yourself with the process and see how the board operates. You will also get a sense of what arguments do and do not work.

If the board does not rule in your favor, you can appeal to the court. You must have completed an appeal to the Board of Tax Assessment before appealing to the Superior Court. You have two months from the date of the mailing of notice of the board decision to file an appeal in court.

Finally, in a time of flattening and falling home prices, foreclosures and slumping sales—as a result, in part, of the mortgage credit crisis—many homeowners across the nation are looking to local governments to reassess home values.

The National League of Cities reports that homeowners begrudgingly accept higher property tax assessments when they know the market value of their home is rising but the minute homeowners think that the local property tax assessment is out of line with what is happening in the housing market, homeowners do not accept it. Given the state of the economy these days, more and more homeowners nationwide are seeking tax adjustments.

Charlene LaVoie is the community lawyer in Winsted, funded by the Shafeek Nader Trust for the Community Interest.

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At the local level, taxpayers better understand the connection between having and spending, so property tax increases are more easily resisted, as voters in many towns reject spending increases at budget referendums. State tax increases cannot be decreased by referendum. Taxpayers can only vote out of office those who spend carelessly. This makes sanctions at the state level less effective and reckless spending easier to mask.

Tax increases are rarely accompanied by smarter spending. So both local and state policy makers favor tax reform that shifts tax increases from municipalities, where citizens often have a right of referendum, to the state, where the tax bite is both

The National Taxpayers Union says that mistakes happen more often than you think. For example, simply comparing a written description of your home with that of similar properties in your neighborhood and use of historical information that is incorrect may adversely affect your assessment. The assessor may assign a different use for portions of your home — you may use a screened-in porch only in the summer yet the assessor characterizes it as a year-round living space.

Obvious mistakes are easy to spot. Be sure that the habitable square footage is correct. Be sure that the number of rooms is correct (three, not four bedrooms). Be sure that modifications you have made are included in the assessment. For ex-