

# Protocol Column

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## REVALUATION/REASSESSMENT

In Connecticut, the major portion of local services is paid for through property taxes. The amount that an individual pays is based on the value of property owned in the town. Nearly all real property (real estate) and improvements on it are subject to taxation. The value of property is determined by the town assessor.

Property is assessed at 70% of its fair market value (its present true and actual value), unless it is classified as farm, forest, or open space land. Farm, forest, or open space land is assessed at 70% of its current use value without consideration of neighborhood land use.

Assessment is a two-step process: (1) a determination of the fair market value of the property; and (2) a determination of its assessed value by applying the 70% uniform assessment rate to the fair market value as of the date of assessment.

Once all of the property in a town is assessed, a list is compiled by the assessor. The total assessed value of all taxable property in the town is called the taxable grand list.

The grand list is used to determine the tax rate each year. Once a budget is approved by the town meeting, the tax rate for the fiscal year is calculated by dividing the total budget by the taxable grand list. The tax rate is expressed in mills, or tenths of a cent.

EXAMPLE:  $\$850,000.00$  (amount needed to budget) /  $\$25,000,000.00$  (grand list value of property) = .034 Or 34.0 mills

A tax rate of 34 mills means that the tax on every \$1,000.00 of assessed value will be \$34.00. To calculate your tax bill, multiply your assessment by the current tax rate of 39 mills (.039) or the proposed tax rate of 41.5 mills.

Revaluation is required of each municipality in Connecticut at least once every ten years. It is a complete inventory of the town's taxable property which involves a complete reexamination and appraisal of all property and results in new values for all property.

Revaluation ensures uniformity in property valuations since a complete revaluation program usually includes modernizing the town's assessment system, taking a thorough description and inventory of all property,

selling new assessed values on a current basis, and preparing new tax maps for use by the assessor.



The assessor cannot simply make a uniform percentage increase in all assessments based on the prior revaluation. A physical inspection must be made of all property in the town and all factors that might legitimately affect the value of a piece of property must

be considered. Either the assessor or a certified revaluation company must conduct the inspection, but the final determination of value is left to the assessor.

During the process of revaluation, and for twelve months following the effective date of revaluation, any criteria, guidelines, price schedules or statement of procedures used in the revaluation are available for public inspection in the assessor's office.

### Methods of Revaluation

There are three accepted methods of valuing real property. The assessor may use one or a combination of these methods when calculating the value of property. A brief description of each follows:

1. **Comparable Sales Approach** - This method takes into account the highest and best use of the land to determine the fair market value. A fair market value is usually calculated by using comparable values of similar property. The sales price of the property does not control its fair market value. This is the primary method of valuing residential property in Winsted.

2. **Income Approach** - This method determines whether the property is producing its maximum income by reviewing the average earnings, either net or gross, over a period of years rather than income earned solely in the assessment year.

3. **Reproduction Cost less Depreciation Approach** - This method considers the cost of the property with a reduction in value for depreciation.

### Appeal

If you believe that your property was incorrectly or excessively assessed, you may appeal the assessment in one of two ways.

1. You may appeal an assessment to the

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