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## **Subjects assessing team will be discussing at ATB program - by Lane Partridge**

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Lane Partridge

I was very pleased to be asked to be one of the speakers to represent all Massachusetts assessors, at the MA-RI-ME Chapter of the Appraisal Institute program, on the Appellate Tax Board. I will be joined by Ellen Brideau, chief assessor for the city of Lowell and Michael Tarello MAI, vice president of Vision Government Solutions. Vision is a valuation company specializing in mass appraisal. We will be presenting an overview of the assessing process in establishing values using a Computer Assisted Mass Appraisal (CAMA) system. The Massachusetts Department of Revenue (DOR), our oversight authority, requires the values be updated to Full and Fair Cash value every year. Full and Fair Cash value is similar to Market Value, but with some slight differences.

The biggest difference between Assessed valuation and Market Value is the date of valuation. Massachusetts General Law Chapter 59, Section 2A requires all property to be valued as of January 1 ("The assessors of each city and town shall determine the fair cash valuation of such real property for the purpose of taxation on the first day of January of each year"). This seems simple, except Municipalities operate on a fiscal year beginning July 1 and even with a CAMA system valuing all the properties in any given Municipalities in less than a year requires a solid background in appraisal theory and statistics. In Barnstable, where I work, there are 27,514 parcels of real estate totaling \$21,466,963,606.00 in value.

One of the topics we will cover in our portion of the Program is the valuation dates and the issuance of the tax bills. This is often difficult for the taxpayers and others to follow. Here is a quick explanation using Fiscal Year 2023. The valuation date is January 1, 2022. The data used to establish the values is what occurred in calendar year 2021. In other words we would analyze the sales that occurred in 2021 to adjust the CAMA model to create the values. For commercial values we would use market rents and expenses in 2021 and the two preceding years to establish stabilized net operating income. Capitalization rates would be measured from the market using 2021 sales or from published or calculated rates as close to January 1, 2022 as possible. An assessor has until early fall to finalize the values and get them approved by DOR. Tax rates can't be approved by DOR until the values have been approved, usually in December. The first time the public will see the tax burden for Fiscal 2023 would be on the January 2023 bill, a year after the valuation date. To complicate it further the four quarters or two semi-annual tax bills are not equal.

With quarterly billing, the first two tax bills are based on last year's annual tax burden divided by 4. This is to allow the municipality to get cash flow at the beginning of the fiscal year. The first two quarters have tax bill issue dates of July 1, 2022 and October 1, 2022. As you can see those bills are issued before the values or tax rates are approved. It is one of the reasons that the first two bills do not have valuation data listed on them. As you can see it can be complicated.

This is only one of the subjects that the Assessing team will be discussing. We will also talk about full and fair cash value vs market value, an explanation of the property record card, and how to contest an assessed valuation.

We all look forward to the program.

Lane Partridge, MAA is director of assessing at Town of Barnstable, Mass.

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