



# nerej

## **Now is the time to be guarding against excessive tax assessments in Connecticut**

November 19, 2007 - Spotlights

Please read this article if you own real estate in any of the following towns: Ansonia, Ashford, Berlin, Bethel, Bozrah, Bristol, Canaan, Cromwell, Danbury, Eastford, East Windsor, Farmington, Glastonbury, Goshen, Granby, Guilford, Hartland, Killingly, Madison, Middletown, Naugatuck, New Britain, Newtown, North Canaan, Plainfield, Preston, Redding, Ridgefield, Roxbury, Simsbury, Southbury, South Windsor, Sterling, Stonington, Warren, Waterbury, Waterford, Wilton, Winchester. In 2007, the above 26 towns have just completed their municipal tax revaluations. If you own real estate in one of these towns, you will soon receive notice of your revaluation.

Read it carefully and make sure you have not been over assessed. When reading the notice remember that the assessed value is only 70% of the fair market value. You need to divide the assessed value by 70% in order to determine the fair market value you have been assessed.

In some cities for very \$1 million your property has been overvalued, you can estimate that you will be over-taxed by \$20,000-25,000 per year for the next five years. Every dollar that you are over-taxed is taken directly from your company's bottom line.

It is not unusual for commercial property to be overvalued by millions of dollars. In fact, in the average case I handle the over-assessment is usually several millions of dollars. Companies are often over paying \$40,000 in excess taxes per year. But even if you are over-assessed by \$500,000, that could cost your company \$50,000 over five years.

So what do you do if you believe your company's real estate has been over-valued? No surprise here-see a lawyer who has a good track record of handling tax appeals. The experienced lawyer will work with an appraiser and know which appraiser is best for the type of property you own, and often which appraiser is best to work with your town's assessor. (The best appraiser for the appeal is usually not the local appraiser who does all the work for the banks and mortgage companies.)

If the attorney suggests that he will do the evaluation, you should be extremely cautious. Sometimes an attorney who wants to handle the matter on a contingency basis will try and get by with doing his own valuation. It is highly likely, if that is the case, that the assessor in you town will treat any such valuation with skepticism. There is no substitute for a professional evaluation by an appraiser.

Your attorney should also be willing to handle the matter either on a contingency or at an hourly rate, which ever makes best sense to you. An experienced attorney is able to effectively counsel his clients as to the likelihood of success and will not be inclined to contest an assessment unless there is a very good chance that the appeal is cost effective for the property owner.

Finally, it is crucial that the attorney you choose thoroughly understands the details of your property.

If he doesn't insist on visiting your property, you've just had your first strike against you.

While the boards of tax review do not sit until February or March it is often possible to start informal negotiations and receive significant savings before it is time to take a formal appeal.

If you have any questions concerning real estate tax appeals in Connecticut, please feel free to call with no fee or obligation for an initial consultation.

James Stedronsky is an attorney at the Law Offices of James Stedronsky, LLC, Litchfield, Conn.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540