

Assessors Frequently Asked Questions

What does the Assessor Do?

The Assessors are required by Massachusetts Law to list and value all real and personal property. The valuations are subject to "ad valorem" taxation on the assessment roll each year. The "ad valorem" basis for taxation means that all property should be taxed "according to value". Assessed values in Massachusetts are based on "full and fair cash value," or 100 percent of fair market value.

Assessors are required to submit these values to the State Department of Revenue (DOR) for certification every third year, Fiscal 2010 was our most recent certification year and we will be undergoing another recertification for fiscal 2013. The certification process requires very specific standards between and among various property classes in the community.

A revaluation is an analysis of all assessments in the town conducted under the direction of the Board of Assessors. The Board is state certified whose duties are to discover, list and value all real and personal property in a uniform and equitable manner.

The law requires that property be valued from actual or best information. We will review your assessment based upon existing records and sales of properties similar to yours. A cyclical inspection of all properties was begun in 2004 and will be completed in 2011.

All Assessing staff carries a picture identification card. Our telephone number is 508-946-2410 if you need verification of who they are and why they are at your property. To ensure accurate assessments, it is to your advantage to allow the Assessors or their personnel inside your property when an inspection is required. (Building permits for new construction, additions, extensive remodels, etc) By denying an inspection, you may lose some rights if you feel the need to appeal your assessment.

The DOR has requires an annual review by all communities so the property assessments are reflective of "full and fair cash value". The Town of Middleborough Assessors has adopted this process between certification years and adheres to the required certification standards. The market activity is reviewed, categorized, and analyzed to maintain property values between certification years thereby reassessing each and every year. Market activity can be defined as arms length transactions between "willing sellers and buyers", executed lease agreements, and current construction costs. This annual property review is conducted so the property owner pays only his or her fair share of real or personal property taxes. The Middleborough Assessors Office appraises approximately 10,000 parcels of real estate and 850 personal property accounts. In addition, the Department administers approximately 25,000 Motor Vehicle and Boat Excise tax bills.

What the Assessor DOES NOT Do?

The Assessor does not raise or lower taxes. The Assessor does not make the laws which affect the property owner. The Assessors Office has nothing to do with the total amount of taxes collected. The Assessor's primary responsibility is to find the "full and fair cash value" of your property, so that you may pay only your fair share of the taxes.

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The Massachusetts Constitution requires that direct taxes on persons be proportionately and reasonably imposed. In addition, the Declaration of Rights, Part 1, Article 10 requires each individual to bear his fair share of the public expenses. The Board of Assessors is required to annually assess taxes in an amount sufficient to cover the State and Local appropriations chargeable to the Town. The tax rates are simply those rates which will provide funds to pay for town services such as police, fire, schools, libraries and roads.

What Is Proposition 2 1/2?

Proposition 2 1/2 places constraints on the amount of money raised by taxes (the levy) and how much the levy can be increased from year to year. The statute provides annual increases of the levy limits as: (1) prior year levy times 2.5 percent, and (2) an additional amount based on the valuation of certain new construction and other allowable new growth. Under no condition can this allowable new growth be the result of a property revaluation and/or update. In no event may the levy limit exceed the levy ceiling of 2.5 percent of the total full and fair cash value of the Town.

How Is Your Assessment Determined?

To arrive at "full and fair cash value" for your property, the Assessors must know what "willing sellers" and "willing buyers" are doing in the market place. The objective is to gather the most current information and data on the cost of construction, changes in use and economic conditions which may affect property value. The Assessor collects records and analyzes a great deal of information about properties and market characteristics in order to estimate the fair market value. The market estimate or assessment should reflect the status of the property as of January 1. For example January 1, 2009 is the assessment date for Fiscal Year 2010.

What Is Market Value?

State law requires that your property be assessed at market value, full and fair cash value. Market value is defined as the amount a typical, well-informed purchaser would be willing to pay for the property. For a sale to be a market value (arm's length) sale, the seller must be unrelated, the seller must be willing (not under pressure) to sell, the property must be on the market for a reasonable length of time, the payment must be in cash or its equivalent, and the financing must be typical for that type of property. Property foreclosures and bank sales are not considered "arm's length" transactions.

What is a Revaluation?

A revaluation is an update of all assessments in the town conducted under the direction of the Board of Assessors. The Board of Assessors are state certified individuals whose duties are to discover, list and value all real and personal property in a uniform and equitable manner. The Board is not involved in the collection of property taxes.

Who will do the Revaluation?

The staff of the Assessors Office does the revaluation of all Residential property. The Assessor/Appraiser has many years of experience in property assessment and is familiar with the real estate market in the Town, and the Board of Assessors hires consultants to assist with the field review of all Commercial and Personal property in Town.

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Is it necessary to view the inside of my property?

The law requires that property be valued from actual view or best information. We will review your assessments based on the existing records and sales of properties comparable to yours. A cyclical inspection of all properties was begun in 2004 and will be completed in 2011.

What if I refuse to allow assessment personnel in my property?

All Assessing staff has an identification card with their picture on it. Our telephone number is 508-946-2410 if you need verification of who they are and why they are on your property. To ensure accurate assessments, it is to your advantage to allow the Assessors' personnel inside your property when an inspection is required for building permits, new construction, additions or major remodels. By denying the inspection, you may lose your rights to appeal your assessment.

Will the person who inspects my property be able to tell me the new assessment?

No. If an inspection is necessary, the information which is collected needs to be analyzed before a value can be placed on the property. We will then further review this information to ensure that your assessment is in line with other properties having the same characteristics.

Will I be notified if there is a change in the property assessment?

After the Department of Revenue reviews the new values, there is a public review period. This review period will be advertised in the local newspaper and the information is available on our website at www.middleborough.com. Generally, the Board of Assessors makes the lists of new values available at their office in the Town hall.

How will my taxes change as a result of the new assessment?

Although the value of your property affects your share of taxes, the actual amount you pay is determined by the budget needs of the Town and the Schools. These will decide what services will be provided in the coming year and how much will be needed to provide these services. Once this decision is made, a tax rate is adopted that will generate the needed tax dollars. Your property taxes are determined by dividing your property value by one thousand and multiplying by the correct rate. The Town has a split tax rate, one for residential properties and one for commercial, industrial and personal properties.

What If There Hasn't Been A Recent Arms-Length Sale Of My Property?

The next best evidence is the arms-length sales of reasonably comparable properties. These are properties similar to yours in location, age, style, condition, and other features that affect market value, such as fireplaces, central air conditioning, bathrooms and size of garage.

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What If There Are No Reasonably Comparable Sales?

We will then consider all other factors that may affect the market value of your property. The cost to replace your building(s), less any depreciation, plus the value of the land could be used to estimate market value. For rental properties, the income and expenses would be considered.

How Can My Assessment Change When I Haven't Done Anything To My Property?

General economic conditions such as interest rates, inflation rates, and changes in the tax laws will influence the value of real estate. As property values change in the marketplace, those changes must be reflected on the assessment roll.

I Have Recently Built My House. Will The Actual Construction Costs Be Considered?

Your construction cost is a historical figure that may or may not reflect the current market value of your property. It is only one element that will be considered.

What Will Happen To My Assessment If I Improve My Property?

Generally speaking, improvements that increase the market value of a property will increase the assessment. The following examples are typical items that may increase the assessed value of your property:

- Added rooms or garage
- Central Air conditioning
- Extensive remodeling
- Substantial modernization of kitchen or baths
- Fireplaces
- Added Baths

Will My Assessment Go Up If I Repair My Property?

Normal maintenance will help retain the market value of your property, but generally will not affect your assessment. The following examples are typical items that will not increase the assessed value of your property:

- New ceilings or walls
- Replace furnace
- Lawns or Landscaping
- New roof
- Vinyl siding or new shingles
- Adding or replacing gutter downspouts
- Wiring modernization

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Do All Assessments Change At The Same Time?

All property values are annually compared to sale and market activity for the applicable calendar year. Please note: the calendar year is the fiscal year (FY) minus two (2). Calendar 2008 is the time period to establish values for FY2010, calendar 2009 is the time period to establish values for FY2011.

There are numerous reasons for differences in value changes; specifically, style, location, size, age and property use. Examples include: a ranch style house versus a colonial, in-town location compared to subdivision, a one thousand square foot house (1,000) to an eighteen hundred square foot house (1,800). Sale and market activity is categorized into property uses, so that single family data is used for singles, three family information to develop values for this use and condominiums for condos.

What If I Disagree With The Assessed Value Of My Property?

If your opinion of property value differs from the assessed value, by all means go to the Assessor's office and collect pertinent data to support your opinion. The staff will be glad to answer your questions about the reassessment procedures. When questioning the assessed value, ask yourself these questions:

Is the data correct, including the sketch, which is outside dimensions?

Is the value in line with comparable houses on the street?

Is the value in line with comparable sale prices in the neighborhood?

Please note: The calendar year as the basis of assessments is the fiscal year minus two; fiscal 2010 is based upon sale and market activity during calendar 2008.

Keep in mind what's important: comparable sale prices, comparable assessments, style, neighborhood, building area and lot area are the most critical factors in the valuation process. There is a variety of information available to help you determine whether your assessment is fair and equitable.

State law puts the burden of proof on the property owner to show that the assessment is incorrect. Stating the property taxes are too high is not relevant. You should establish in your mind what you think your property is worth.

The best evidence that could be considered would be a recent sale price or appraisal of your property. However, this sale price must be an arms length transaction indicating a market value of the property between a willing buyer and seller. A second category are sales of properties which are similar to yours having occurred in the appropriate calendar year for valuation purposes. Another area to consider are comparable property assessments; similar neighborhood, style, size and condition.

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If after discussing the matter with the Assessors or their staff, and researching the assessments of comparable properties within your area, a difference of opinion still exists, you may appeal your assessment to the Board of Assessors by filing an abatement application.

The application must be on file in the Assessor's office **OR** postmarked no later than 30 days after the date of issue of the 1st half of the tax bill in the fall of each year. You are appealing your assessment, not your taxes. The due date to submit an abatement application is also on your tax bill. The allowable time period for filing an abatement application is governed by state law, the Assessors have no authority to grant an extension.

You must pay your taxes pending appeal.

If you have a question, please contact or visit the Assessors Office. The staff can answer general assessment questions or point you in the right direction.

The application is easy, but ... Make a case ... Give reasons, submit documentation. We do respond to your specific concerns and comparisons.

Upon request we will mail an abatement application to you; however, we can not guarantee the delivery and receipt of the application. Therefore, we strongly recommend visiting the office to obtain information to support your case and the required application packet. The abatement application packet is also available on our website at www.middleborough.com.

The Board of Assessors has ninety (90) days from the date of filing to respond in writing to the application. Whether the application is denied or approved, written notice will be mailed to the individual who filed.

If you receive a Denial Notice you may call and set up an appointment to meet with the Board of Assessors to discuss their reason(s) for denial.

Then you may appeal to the State Appellate Tax Board (ATB) within three months of the date of the Assessor decision which is indicated on the notice.

Again these time frames are very specific and written in Massachusetts State Law therefore, neither the Assessor nor the applicant can modify these action periods.

If your abatement is approved you will receive an abatement certificate indicating the amount of the abatement. To determine the amount of the value that was abated according to this certificate, divide the tax abatement amount by the tax rate and multiple by 1000.

Your abatement will normally be credited towards your Second or spring tax bill. If your abatement is granted after your bill is paid in full, you will receive a refund check from the Collector's office.

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ATTENTION: NEW HOMEOWNERS!!

Keep in mind that the assessment date is January 1 and that it affects the way your tax bill will read for your first full year's tax billing (Both halves) because the property is legally assessed to the owner as of January 1. If you purchase the property after January 1st please **notify the Assessors Office** that you are the new owner so that you get your tax bill. The first billing cycle will come to you in the prior owner's name but CARE OF you.

What Types Of Exemptions (Reduction Of Real Estate Taxes) Does The Town Of Middleborough Offer?

A variety of exemptions are available to reduce property tax obligations for certain qualifying taxpayers: elderly persons, blind persons, disabled veterans, surviving spouses, or orphaned minor children, surviving spouses or orphaned minors of a police officer or fire fighter killed in the line of duty and extreme hardship. Also available is a tax deferral for persons 65 years of age or over and a temporary hardship tax deferral for anyone who meets the qualifications of the statute. Contact the Assessors Office or visit our website if you have any questions on the requirements for these exemptions and to find out if you qualify.

The qualifying date for these exemptions is July 1, the first day of the fiscal year. You must own, occupy and otherwise qualify for the exemption as of July 1. Applications must be filed within three months from the mailing of the first half of the tax bill. However, the Assessors strongly advise that applications be filed as soon as possible after July 1 so that they can be processed early and be ready to be reflected on the first half of your tax bill.

If you received an exemption in the previous fiscal year, the assessors will mail a reminder to you in July of each year so that you can come in and file as soon as possible.

Assessors Frequently Asked Questions:

EXEMPTION QUALIFICATIONS

WIDOWS (17D) \$175.00

Widowed on or before July 1 of current year

Copy of death certificate

No income requirements

Must own and occupy property on or before July 1 as your domicile

Assets (including any other property owned, money in the bank, stocks, CD's, IRA's bonds and securities (\$40,000.00) limit

VETERANS or Widows of Veterans:

(22) 10% \$400.00

(22E) 100% \$1000.00

(22C) For Veterans Specially Adapted Housing \$1500.00

(22 Paralegic) full exemption

Must bring in DD214 or equivalent discharge paper when filing for the first time
Must have been domiciled in MA, either 6 months prior to entry in service or
five consecutive years before filing this application.

Must own and occupy property on or before July 1 as your domicile

No income or asset requirements

BLIND (37A) \$437.50

Original copy of Certificate of Blindness from the MA Commission of the Blind
dated on or before July 1st of current year must be furnished annually.

Must own and occupy property on or before July 1 as your domicile

ELDERLY (17D) \$175.00

One member of household must be 70 on or before July 1st of current year.

Must own and occupy property on or before July 1 as your domicile

Must provide Birth certificate (proof of age).

No income qualification.

Assets - \$40,000 limit on bank accounts, including checking, savings, stocks, CDs, IRAs, bonds and securities.

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ELDERLY (41C) \$500.00

One member of household must be 70 on or before July 1st of the current year
Must have Birth Certificate (proof of age).
Must own and occupy property on or before July 1 as your domicile

INCOME

\$20,000 Single

\$30,000 Married

ASSETS

\$40,000 Single

\$55,000 Married

Tax Deferral

Many retired homeowners feel "house rich" and "income poor" and property taxes can constitute a serious financial burden. Middleborough offers a tax Deferral Program which enables owners to defer all or part of their annual property taxes. The deferred taxes accumulate, with simple interest at 8%, as a lien on the property until it is sold or the owner(s) is deceased. Applicants must be 65 on July 1 and have had a maximum income of \$40,000 in the prior year. Contact the Assessors Office or visit our website at www.middleborough.com for details.

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Massachusetts Motor Vehicle Excise Tax

The motor vehicle excise tax is based upon a percentage of the value of your car as determined by the office of the Commissioner of the Registry of Motor Vehicles. The established rate for the excise tax is \$25.00 per thousand in every city and town in the commonwealth. The excise tax is generated when you register your vehicle and you should expect to receive a bill at the address on your registration at some point after the date of registration. The Massachusetts plates reflect a lawful and current registration of your vehicle; ownership, make, model, year of manufacture of the car, vehicle identification number and principal place of garaging or residence.

The percentage value placed on your vehicle is assigned by the office of the Commissioner of the Registry of Motor Vehicles. The base value, **when new**, is derived by the make, type, model, options and year of manufacture as designated by the manufacturer. This is the same formula used across the state and is NOT based on **the sales price or current market value**. This insures that all individuals purchasing the same car pay the same in excise tax no matter what city or town they reside in. The excise tax is for a calendar year based upon registrations as of January 1.

The percentages applied to the manufacturer's suggested retail price **when new** are the following:

- 50% for the calendar year before the model year
- 90% for the model year
- 60% for the second year
- 40% for the third year
- 25% for the fourth year
- 10% for the fifth and subsequent years

Abatements or Refunds

You may be entitled to an abatement, which is a reduction of the tax, or a refund if the tax was paid, **IF** one of the following occurs **AND** you provide the proper and specific documentation

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If the vehicle is:

Sold or Traded or Junked

Required Documentation:

- 1. Cancelled Plate Receipt from the Registry**
- 2. Lost Plate Receipt from the Registry**
- 3. Registration for the new vehicle**

If you moved to another City or Town before January 1 Please provide the Coverage Selections Page from your Insurance Company showing the new place of garaging.

If you move out of State please provide the registration for that vehicle in the other state for the dates in question

You are **NOT** entitled to an abatement if you cancel your registration AND RETAIN Ownership of the vehicle OR move to another Massachusetts city or town during the calendar year. No excise may be reduced to less than \$5.00. No abatement or refund of less than \$5.00 may be made.

Requests for abatements must be received by the Board of Assessors within three years after the excise was due, or one year after the excise was paid, whichever is later

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GLOSSARY OF TERMS

Ad Valorem Tax: A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment laws, and the like, the property tax is an ad valorem tax.

Apartments: All apartment buildings with four or more units.

Appeal: The formal or informal process by which a property owner contests an assessment.

Appraisal: An estimate or opinion of value. An appraisal is usually a written statement setting forth an opinion of the value of an adequately described property as of a specified date, supported by the presentation and analysis of relevant data.

Appreciation: Increase in value of a property, in terms of money, from all causes. For example, a farm may appreciate if a shopping center is built nearby, and property of any sort may appreciate as a result of inflation.

Assessment Roll: The basis on which the property tax levy is allocated among the property owners in a jurisdiction with taxing powers.

Assessed Value: The property value assigned by the assessor for purposes of taxation. The state of Massachusetts requires assessments to be at 100% of market value.

Assessment Year: The **full** calendar year preceding the issuance of the bills. In the town of Middleborough, the assessment date is January 1st of each year.

Assessor: The director of an assessment jurisdiction. In the town of Middleborough, the assessor is called the Assessor/Appraiser and we have a three member Board of Assessors.

Commercial/Industrial Use Class: The commercial/industrial use class consists of properties in which the predominant use is the selling of merchandise or services, or the assembly, processing, and manufacturing of products. This class also includes office buildings and vacant land where the most likely use would be commercial.

Computer Assisted Mass Appraisal (CAMA): A system of appraising property. CAMA appraises certain types of real property and incorporates statistical analysis such as multiple regression analysis and adaptive estimation procedure to assist the appraiser in estimating value.

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Condominium: A form of ownership of separate units or portions of multi-unit buildings that provides for formal filing and recording of a divided interest in certain real property and an undivided interest in common areas.

Cost Approach: One of the three approaches to value, the cost approach is based on the principle of substitution -- that a rational, informed purchaser would pay no more for a property than the cost of building an acceptable substitute with like utility. The cost approach seeks to determine the replacement cost of an improvement less depreciation plus land value.

Date of Sale: The date on which the sale was agreed to. The sale date represented in the town of Middleborough real estate files is the date of the deed.

Deed Book and Page Number / Instrument Number: A means (usually numeric) of identifying and accounting for each property transfer of ownership. The properties are referenced by grantor and grantee names, and include legal description, sale price and date of transfer.

Easement: A right held by one party to use the land of another for a specific purpose, such as use of or access to other person's property.

Equalization: The process by which an appropriate governmental body attempts to ensure that property under its jurisdiction is appraised equitably at market value or as otherwise required by law.

Exempt Use Class: Properties granted tax exemptions for religious, charitable, nonprofit, educational, or governmental use. Only exemptions specifically permitted by state law are granted.

Fixture: An item of equipment that, because of the way it is used, the way it is attached, or both, has become an integral part of a building or other improvement. For example, a tub fixture becomes real estate once it is installed in a property.

Income Approach: That procedure in appraisal analysis which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate. The income approach is widely applied in appraising income-producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through capitalization process.

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Instrument: A formal legal document such as a deed, contract, will, or lease.

Legal Description: A statement in words or codes identifying land for all purposes of law.

Market Value: The amount a typical, well-informed purchaser would be willing to pay for a property. For a sale to represent market value, the seller must be willing (but not under pressure) to sell and the buyer must be willing (but not under any obligation) to buy. The property must be on the market for a reasonable length of time, the payment must be in cash or its equivalent, the financing must be typical for that type of property and the transaction must not be affected by any undue pressures. This does not include foreclosed or bank-owned sales.

Mass Appraisal: The process of valuing a group of properties as of a given date, using standard methods, and allowing for statistical testing.

Multifamily Use Class: All residential properties containing two or more dwelling units.

Neighborhood: The environment of a subject property that has a direct and immediate effect on value. A geographic area (in which there are typically fewer than several thousand properties) defined for some useful purpose, such as to ensure for later multiple regression modeling that the properties are homogeneous and share important location characteristics.

Parcel ID Number: A code which is assigned to each property in the town of Middleborough for identification purposes. The Middleborough Assessors office uses Map, Lot and Unit numbers to identify parcels.

Personal Property: All property, other than real property. Personal property is not permanently attached to the real estate and is considered movable.

Real Property: The rights to land and improvements to the land.

Residential Use Class: The residential use class of property includes all property for used predominantly for living purposes. This class also includes vacant land where the most likely use would be residential development. Hotels, motels, and resorts are classified as commercial property.

Sale Price:
The price for which a property was sold.

Sales Comparison Approach: One of the three approaches to value. The sales approach in appraisal analysis is based on the supposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. This approach is applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources

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Sale Ratio: The ratio of the assessed value divided by the sale price of a property expressed as a percentage of the sale price. The Massachusetts Department of Revenue requires assessments to be as close to 100% of market value as possible.

For example:

If the Assessed Value is \$259,000 and the Sale Price is \$275,000

$$\$259,000/\$275,000=.94$$

The Sale Ratio = 94% so the assessed value is 94% of the sale price.

Tax Base: The total assessed value of all the properties in the town of Middleborough that are subject to local property taxes.

Tax Exemption: Total exemption or freedom from tax such as is granted educational, charitable, religious, and similar nonprofit organizations. Exemptions may also be partial, such as tax exemptions for persons over 70 or disabled veterans.

Tax Levy: In terms of property taxes, the total revenue to be generated by the tax.

Tax rate: The tax levy divided by the tax base. It is often expressed in terms of dollars per thousand. The tax rate is multiplied by the assessed value to determine the amount of tax that each property must pay.

Use Class: The classes of property which are Residential, Commercial/Industrial, and Exempt.