

ASSESSMENT & REVALUATION

Frequently Asked Questions

What is a Revaluation?

A revaluation is the periodic re-appraisal process used to determine the present true and actual values for all real property within a municipality as of a specific assessment date. It may also include updating the data management and valuation systems.

Revaluation is a revenue neutral process. That means a municipality's tax levy is not affected by the revaluation. The total amount of taxes a town needs to collect is the same regardless of whether or not a revaluation takes place.

Why is a Revaluation Needed?

The main purpose of a revaluation is to correct inequalities in the tax burden that have developed since the last revaluation. In addition, Connecticut statute requires that all real estate is revalued every five years. As of October 1, 2023 it will have been five years since the last revaluation of all real estate in Barkhamsted. A municipality incurs penalties and loses certain state grant money if they do not conduct a revaluation.

Fair market values change between revaluations and inequities develop. Neighborhoods and individual properties may have changed, and the desirability of neighborhoods and/or property types may also have changed. As they change, properties' assessed values no longer reflect 70% of actual fair market values, as required by statute. Revaluation captures the change in fair market value and adjusts the assessment to reflect 70% of that value, returning all properties to current market values.

The real estate market as a whole may increase or decrease between revaluations. Motor vehicles and personal property are valued annually. Thus, revaluation also corrects potential inequities that have developed between property types.

What is Fair Market Value and Who Determines It?

Fair market value is a legal term defined by the courts as the most probable price which a property would bring on the open market, given prudent, knowledgeable and willing buyers and sellers. Fair market value is the standard by which the fairness of all assessments are judged.

The buyers and sellers of real estate determine the fair market values. The appraiser or assessor analyzes real estate transactions that occur within a community and determine the factors that lead to the final sale prices. Information developed through the analysis of these sales is used by appraisers and assessors to develop mathematical models that are utilized in estimating the market values of all properties in a community. Some of the typical factors that are used by an appraiser in estimating market values include size, age, location, condition and quality of improvements.

Because regular assessment work must be carried out along with a revaluation program, most assessors find it necessary to seek the assistance of a private appraisal company in conducting a revaluation. Barkhamsted has selected Vision Government Solutions to assist in our revaluation. You can visit the Vision website for information explaining each stage of the revaluation process as well as answers to their Frequently Asked Questions by clicking here: <https://www.vgsi.com/taxpayerrevaluation-information/>.

How are my Taxes Calculated?

Your tax bill is calculated by multiplying your assessment (70% of market value after a revaluation) by the mill rate and dividing that by 1000. Note, the mill rate will change after a revaluation.

What is the Mill Rate and how is it determined?

The annual budget determines the amount of property taxes needed to operate the town. This is also called a Levy. The Mill Rate is determined by dividing the Levy by the net taxable Grand List (List) and multiplying it by 1000 ($\text{Levy/List} \times 1000 = \text{Mill Rate}$). If the Grand List increases significantly and the budget change is minimal, the mill rate will likely decrease.

What is the Grand List?

After individual property assessments have been determined the assessor compiles a list of all taxable property. The total assessment of all listed properties is called the Grand List which includes the Real Estate list, the Motor Vehicle list and the Personal Property list.

When and How Will I Receive My New Assessment?

All notices should be mailed out in December 2023.

When Will The New Assessments Be Effective?

The revalued assessments will be effective as of the October 1, 2023 Grand List. The tax bill you receive for July 1 of 2024 will be based on your new assessment.

When Can I Learn What My Taxes Will Be?

Until a total grand list, including all new values (real estate, motor vehicles, and certain personal property) is completed AND a new budget is adopted, the mill rate cannot be determined. When you receive your new assessment notice (December 2023) the motor vehicle and personal property portions of the grand list will not yet be completed. The new Town budget and the mill rate are not adopted until May 2024. DO NOT use the current mill rate to calculate the new taxes. It will change with the revaluation.