LYME CT REVALUATION – QUESTIONS & ANSWERS

WHAT IS A REVALUATION?

A Revaluation is the process of conducting the Data Collection and Market Analysis necessary to equalize the values of all properties within a municipality for the purpose of a fair distribution of the tax burden.

As mandated by Connecticut General Statute Sec. 12-62, property revaluations must occur every 5 years. The Town of Lyme, which conducted its last town-wide revaluation for the Grand List of October 1, 2018, must conduct its next town-wide revaluation for the Grand List of October 1, 2023.

Vision Government Solutions of Hudson, Massachusetts is assisting the Town in conducting Lyme's October 1, 2023 revaluation.

Failure to conduct and implement a legally mandated revaluation would result in the forfeiture of State grants-in-aid to the Town.

WHY MUST A REVALUATION BE PERFORMED?

It has been 5 years since the last complete revaluation. Meanwhile, constantly changing economic conditions have resulted in the development of inequities. These inequities are remedied by reappraising all properties to reflect 2023 market levels. Revaluations are performed to return all property values to market levels existing at the time they are conducted.

WHEN HAVE REVALUATIONS OCCURRED IN LYME?

In the last 25 years, Lyme has conducted revaluations for the Grand Lists of 2003, 2008, 2013, and 2018.

HOW IS THIS MASS APPRAISAL PROJECT DIFFERENT FROM A FEE APPRAISAL PROJECT?

A fee appraiser appraises only one property at a time. The appraisal is done for a specific reason, such as purchase, refinance, estate valuation, etc. The date of the appraisal is typically the day it is appraised.

A revaluation uses mass appraisal methods and techniques, meaning we appraise many properties at once. Mass appraisal is typically done for property tax purposes and the effective valuation date for all mass appraisals in Connecticut is October 1 of the revaluation year, which is 2023 for Lyme.

WHAT HAPPENS DURING A REVALUATION?

A revaluation project begins with a Data Collection phase.

In a Full Data Verification Revaluation, data verification is accomplished through a physical inspection of both the interior and exterior of each property. Improvement dimensions and characteristics are noted. Data verification forms are also distributed to property owners and reconciled with field data gathered. Lyme's last Full Data Verification Revaluation occurred for the Grand List of 2018.

In a Limited Data Verification Revaluation, data verification is accomplished through data verification forms distributed to property owners and physical inspections of properties whose owners do not return data verification forms.

While the Data Collection phase is going on, Appraisers are studying property sales and determining where the actual increases and decreases in value are occurring. This study of property sales occurring over a 24-month period prior to October 1, 2023 allows comparisons to be made and Appraisers to establish parameters to estimate the value of property that has not been sold. The Appraisers then review this collected data and apply the determining factors of the sales analysis to value of each property.

AM I MANDATED TO ALLOW ASSESSORS OFFICE REPRESENTATIVES TO INSPECT MY PROPERTY?

Though physical inspections are requested, they are not court ordered. If a person chooses not to allow assessor's office representatives to inspect, exterior and interior property data estimates will be made based on the best information available. If a person chooses ***not*** to allow Assessor's Office representatives to inspect, there are ***three scenarios*** that can occur:

The ***first*** is that ***the Assessor's Office will estimate correctly*** and a property assessment will be accurate.

The ***second*** is that the Assessor's Office ***will estimate incorrectly*** and the assessment will be inaccurate.

The ***third*** case scenario is that the taxpayer made improvements to the property, the Assessor's Office ***will estimate incorrectly***, and the new assessment does not reflect the improvements.

Sales of properties with inaccurate data listed on the public record can often be problematic for sellers. October 1, 2023 property assessments will only be as accurate as the quality of the market and physical data driving them. If you want an accurate assessment on your property, the best approach is to allow assessor's office representatives to inspect the property.

WHAT QUALIFICATIONS DO THE APPRAISERS HAVE?

The administration of this project is assigned to a Project Manager or Supervisor who is certified by the State of Connecticut as a Revaluation Supervisor pursuant to C.G.S.. 12-2c and such other statues and regulations that the State of Connecticut may promulgate from time to time.

Project Supervisors are required to have no less than three (3) years of practical experience in the appraisal of commercial, industrial, apartment, farm, and residential type properties. Residential Review Appraisers are required to have no less than two (2) years of experience.

In addition, both the Project Supervisor and Review Appraisers must pass a written comprehensive examination administered by the State Office of Policy and Management.

WHAT IS MARKET VALUE AND WHO DETERMINES MY PROPERTY VALUE?

Market Value is determined by the activity of people in the Real Estate Market and in the general economy. The value of your property is based on an analysis of the entire market for the 24 months prior to October 1, 2023. The market can generally be defined as you, the person who sold the property to you, and the person willing to buy it from you. It is the Appraisers job to research and analyze the values in any particular area or neighborhood. In effect, they do what you would do to determine the selling price when putting your property up for sale. Only the appraiser has specific guidelines to follow. Some factors that are examined for each property are location, land and improvement sizes, construction quality, improvement age, topography, zoning restrictions, if any, and utilities present and available to a site, although many other factors external and internal to a property are analyzed as well.

WHERE DO RESIDENTIAL VALUES COME FROM?

Sales of vacant and improved properties are the primary source of data.

Land values are set using all available land sales.

Analysis of new construction is done to establish construction costs, including builder's profit. Analysis of older homes establish the amount of depreciation indicated by the current market.

Costs of outbuildings from building permits and advertised prices are used to indicate outbuilding values.

WHERE DO COMMERCIAL AND INDUSTRIAL VALUES COME FROM?

Sales of vacant and improved properties are the primary source of data.
Due to the fewer number of commercial sales and a lesser amount of construction activity, the income capitalization approach is also used to support the values produced using sales data.

Annually, the Assessor mails Income & Expense forms to be completed by all income-producing properties, including apartments. Analysis of the returns provides data on local market rents, expenses, and vacancy on the different types of commercial properties.

Values for commercial and industrial property are set by capitalizing the analyzed income and expense data and a review of recent sales.

WHY DO LAND VALUES CHANGE AT DIFFERENT RATES THAN BUILDING VALUES?

Land values have changed at a different rate than improvement values since Lyme's last revaluation in 2018. Since building costs and values have not changed at the same rate as land values, the bulk of any total change may be attributable to land. This makes good economic sense, as it is land that is in limited supply.

WHAT QUALITY CONTROL PROCESSES ARE IN PLACE TO INSURE FAIR AND EQUITABLE VALUATIONS?

Pursuant to the requirements of Connecticut General Statute Sec. 12-62i (3), the Town must report to the State Office of Policy and Management that it has passed specific statistical benchmarks (ratio testing standards) necessary to accept and implement a town-wide revaluation.

Additionally, through constant random sampling, project managers will monitor field data collection and implement corrective action as needed.

HOW WILL PROPERTY OWNERS BE NOTIFIED OF THE NEW ASSESSMENT?

Property owners will receive individual notices of new assessments during November of 2023. They can then review all new assessed values in order to determine property market and valuation trends.

All property owners are given the opportunity to discuss their values with Vision's appraisal staff during Informal Hearings at appointed times to be announced towards the end of the Revaluation.

At individual Informal Hearings, property owners will have an opportunity to voice concerns and discuss inaccuracies or discrepancies with a qualified Vision appraiser who will review property record cards and explain values. The appraiser will determine whether or not a reinspection and/or valuation change is in order, and the property owner will be notified of the review results.

HOW WILL I KNOW IF AN ASSESSMENT IS EQUITABLE?

There are two very good methods of determining this:

First, compare your properties to similar properties that sold in the previous year. Your value should be in line with sold property prices.

Second, if no recent sales are available, compare your assessment to other similar properties in your area using a Street Listing of Values available in the Assessor's Office or the Vision Government Solutions website (www.vgsi.com). Your value should be in line with values of similar properties in similar neighborhoods. Remember, very few properties are exactly alike. Your value should be comparable, but it seldom will be exactly the same as what seems to be a similar property.

WHY ARE VALUES FOUND AT ONLINE REAL ESTATE VALUATION SITES SOMETIMES VERY DIFFERENT FROM VALUES USED TO SET ASSESSMENTS?

AVM's, or Automated Valuation Models, have become very popular as a quick way to check the value of your property.
AVMs do not provide source documentation as to how the values are derived. AVMs are not concerned with equity among similar parcels.
AVMs rely heavily on sales. If there are few or no comparables, the market estimate is less likely to be accurate. The data used for AVM's is often out of date or just incorrect, and there are no statistical tests to ensure the accuracy of the estimate.

WHERE CAN I FIND PROPERTY DATA AND VALUES?

Lyme's property information will be available on Vision Government Solutions webpage.

It is recommended that property owners visit the Vision Government Solutions website (www.vgsi.com/lymect) to ensure property data and valuation accuracy.

WHAT IS AN INFORMAL HEARING?

Towards the end of the Revaluation, every property owner will receive an individual notice of their proposed valuation based on the analysis performed. These proposed values are not finalized until after the hearings are completed.

Property owners with questions or concerns about proposed valuations will be asked to contact Vision Government Solutions and a date and time to meet will be set to discuss the valuation process and answer any questions the property owner may have.

An informal hearing is not a forum to discuss taxes. It is strictly meant to answer questions on property valuations. Property owners are asked to come to their hearing with questions prepared and to have compared their property to similar properties in their vicinity. A Vision appraiser will determine if a property review is necessary.
All changes to value that occur due to a hearing will be reflected in the change notice that is sent after hearings are complete.

IF I DISAGREE WITH MY ASSESSMENT AFTER A HEARING, WHAT ARE MY OPTIONS?

Any property owner who believes their valuation to be in excess of its October 1, 2023 Fair Market Value should appeal to the Town's Board of Assessment Appeals.

Administrative tasks of this Board, such as appeal collection, hearing date notifications, and hearing result notifications are handled by the Town Assessor's Office.

The Board of Assessment Appeals will review each case and make appeal disposition determinations. Should property owners believe that an assessment remains incorrect after a Board of Assessment Appeals hearing and decision, they may appeal within 60 days of that decision to the Superior Court for the judicial district in which Lyme is located.

All appeals to the Board of Assessment Appeals must be physically received at the Assessor's Office no later than February 20th if the grand list is filed by the Assessor no later than January 31st. If the town is granted an extension to file the grand list the filing deadline for appeals to the Board of Assessment Appeals is March 20th.

Please contact the Assessor's Office with any questions pertaining to appeal filing dates and deadlines.

WILL A REVALUATION INCREASE TAXES?

Though a Revaluation may result in an increase or decrease of individual assessments, it does not mean that all property taxes will increase. Assessments are only the base that is used to determine the Tax Burden.

The Tax Burden is the amount that a Municipality must raise to operate the local government and support services such as education, public safety and health, public works, libraries, parks, etc.

If the same amount of money is to be raised after the Revaluation as the previous year and each assessment increases, the tax rate would be reduced.

If the same amount of money is to be raised after the Revaluation as the previous year and each assessment decreases, the tax rate would be increased.

WHY CAN'T TAXES BE CALCULATED FROM PROPOSED NEW ASSESSMENTS?

Until a total Grand List including new values of all taxable property classes is completed (real estate, motor vehicles, and personal property) AND a new FY24/25 budget is formally adopted in May 2024, the tax rate and property taxes cannot be determined.