The background of the slide is a dark blue color with a pattern of lighter blue leaf silhouettes scattered across it. The leaves vary in shape and size, some resembling maple leaves and others more like simple ovals.

Assessors and the Assessment / Tax Rate Process

10/31/2014

What We Do

Real Property

- Inspections
- Sales Information
- Permit Information
- Water & Sewer Lien information
- Betterment Information
- Subdivision Information
- Chapter land
- Maintain Tax Maps
- Zoning Changes
- Building & land changes

Personal Property

- Inspections
- Maintain business account data
- Abatements
- Exemptions

MV Excise

- Recommitments
- Process Registry file
- Abatement
- Exemptions

Assist Other Departments

- Abutter's lists
- Assign address/parcels
- Warrants
- Highway layouts
- Special Projects

Municipal Tax Reporting

- Set Values of all Real and Personal Property
- Determine New Growth
- File Required State Forms
- Abatements
- Exemptions

Who are our Customers?

- Citizens
- Real Estate Agents
- Real Estate Appraisers
- Lawyers
- Banks
- Surveyors
- Forest Management
- Real Estate Developers
- Tax Collector
- Board of Health
- Conservation
- Planning Board
- Building
- Fire & Communication
- DPW
- Selectmen's Office
- Town Clerk
- Registry of Deeds
- Department of Revenue
- Other Assessor's Offices

Internal Department Projects

- Photos of Real Property (complete)
- Neighborhood Recoding due FY 2018
- Highway Layout Scanning (50% complete)
- FY 2015 Sketches of condo buildings (complete)
- Field Manual Updating due 2018
- Installing of a Cyclical Inspection plan

The background is a dark blue gradient with faint, light blue silhouettes of various leaves scattered across it, primarily concentrated on the left and right sides.

Assessments and Tax Rates

10/31/2014

Important Definitions

- **Tax Levy** Amount of revenue a community can raise through taxes
- **Levy Limit** Highest amount community can raise through taxes in a given year
- **Levy Ceiling** Equal to 2.5% of the full fair cash value of all taxable Real and Personal Property.
- **Excess Levy Capacity**
 Difference between Levy Limit and Tax Levy

More Important Definitions

- **New Growth** Increases in assessed value due to development or other changes; exempt property returned to tax rolls; subdivision of parcels; condo conversions
- **Override** Community vote to allow town to raise more money above Prop 2 ½. This permanently increases the Tax Levy Limit.
- **Debt Exclusion** New debt issued for a designated purpose; school, fire truck, etc. This does not permanently increase the Tax Levy Limit

One Last Important Definition

Market Value

The price a willing buyer would pay a willing seller for property in its present condition with neither the buyer or seller under pressure to act.

How Property is Assessed

3 Approaches to Value:

1. Market Approach
Compare properties to similar properties recently sold. For FY 2015 sales come from 1/1/2013 to 12/31/2013.
2. Cost Approach
The cost to replace the structure with similar one plus the market value of the land
3. Income Approach
How much income a property produces.

How Property is Assessed

Assessors Use Statistical Analysis

- ASR – Assessment to Sales Ratio
 - Assessed Value / Sale Price
- COD - Coefficient of Dispersion
 - Median Absolute Deviation / Median Assessment
- Other Statistics
 - Variance, Standard Deviation, others

Massachusetts DOR Guidelines

- Median ASR between 0.90 and 1.10
- COD < 10 % for Single Family/Condo, 12% for 2- 3 Family

Factors in the Assessment Process

Some Factors involved in Property Assessments:

- Style of dwelling
- Neighborhood
- Age of dwelling
- Quality of construction
- Condition
- Size
- Sale Price
- Sale Date

Factors in the Assessment Process

- Taxable Status Date for FY 2015 is 1/1/2014.

You are assessed on the status of your property as of this date. If you make changes to your property after that date, you will be assessed for the changes the following year.

- Assessment Values must be certified by the Department of Revenue every 3 years. Our values were certified by the DOR this year, FY 2015
- Adjustments to assessed values are made every year.

Single Family Qualified Sales

Dates	Fiscal Year	# of Sales	Median Sale Price	% Change From Prev
1/1/2011 – 12/31/2011	FY 2013	50	299,200	-1.90%
1/1/2012 – 12/31/2012	FY 2014	73	275,900	-7.79%
1/1/2013 – 12/31/2013	FY 2015	107	309,000	12.00%
1/1/2014 – 09/30/2014	FY 2016	77	321,500	4.04%

Single Family MLS Sales

Dates	Fiscal Year	# of Sales	Median Sale Price	% Change From Prev
1/1/2011 – 12/31/2011	FY 2013	72	278,450	-3.5%
1/1/2012 – 12/31/2012	FY 2014	96	249,000	-10.58%
1/1/2013 – 12/31/2013	FY 2015	141	285,000	14.45%
1/1/2014 – 09/30/2014	FY 2016	88	311,250	9.21%

Foreclosures & Short Sales

Dates	Single Family	Condo	Multi-Family	Short Sales
1/1/2008 – 12/31/2008	9	1	1	3
1/1/2009 – 12/31/2009	12	2	4	2
1/1/2010 – 12/31/2010	17	2	3	0
1/1/2011 – 12/31/2011	17	2	2	1
1/1/2012 – 12/31/2012	9	2	3	13
1/1/2013 – 12/31/2013	5	2	1	6
1/1/2014 – 09/30/2014	6	0	1	4

More on the Assessment Process

- Re-assessment of values **DOES NOT** mean your taxes will go up. They could go down, or stay the same! It depends on many factors.
- Property Values determine each tax payer's share of the total taxes to be collected.
- The **BUDGET** determines the total amount of revenue needed!
- Budget – Revenues = Tax Levy (simplified)

Assessment Vs. Taxes Example 1

Your Assessment Could Increase and Your Tax Bill Could Decrease

Last Year (2014)

Your Assessment	\$297,603
Total Value of Town	\$1,075,504,228
Tax Levy	\$17,057,497
Tax Rate	\$15.86
Your RE Tax Bill	\$4,719.98

This Year

Your Assessment	\$312,483	↑
(5% increase)		
Total Value of Town	\$1,236,829,862	↑
(15% Increase)		
Tax Levy	\$17,586,807	
Tax Rate	14.22	↓
Your RE Tax Bill	\$4,443.51	↓
(5.9% decrease)		

Assessment down, Total Town Value – Up, Same Levy





Assessment Vs. Taxes Example 2

Your Assessment Could Increase and Your Tax Bill Could Stay the Same

Last Year (2014)

Your Assessment	\$297,603
Total Value of Town	\$1,075,504,228
Tax Levy	\$17,057,497
Tax Rate	\$15.86
Your RE Tax Bill	\$4,719.98

This Year

Your Assessment (5% increase)	\$312,483 
Total Value of Town (15% Increase)	\$1,236,829,862 
Tax Levy (9.5% Increase)	\$18,676,131 
Tax Rate	15.10 
Your RE Tax Bill	\$4,719.98

Assessment up, Total Town Value Up, Levy Up

Assessment Vs. Taxes Example 3

Your Assessment Could Decrease and Your Tax Bill Could Increase

Last Year (2014)

Your Assessment	\$407,500
Total Value of Town	\$1,075,504,228
Tax Levy	\$17,057,497
Tax Rate	\$15.86
Your RE Tax Bill	\$6,463

This Year

Your Assessment (3.2% Decrease)	\$394,600 ↓
Total Value of Town (3.39 % Decrease)	\$1,039,044,635 ↓
Tax Levy (3.10 % Increase)	\$17,586,807 ↑
Tax Rate	\$16.92 ↑
Your RE Tax Bill (3.91% increase)	\$6,677 ↑

What Has Happened to SF Values in Pepperell?

Fiscal Year	Current Assessment	Previous Assessment	\$ Change	% Change
2015	862,751,075	842,415,980	20,335,095	2.41
2014	842,415,980	872,682,380	-30,266,400	-3.47
2013	872,682,380	902,880,540	-30,198,160	-3.35
2012	902,880,540	904,157,140	-1,276,600	-0.14
2011	904,157,140	912,347,140	-8,190,000	-0.89
2010	912,347,140	992,562,980	-80,215,840	-8.08
2009	992,562,980	1,044,387,400	-51,824,420	-4.96
2008	1,044,387,400	1,016,533,400	27,854,000	2.74

% Drop since FY 2008

-15.13

What Has Happened to All Residential Values in Pepperell?

Fiscal Year	Current Assessment	Previous Assessment	\$ Change	% Change
2015	1,033,870,152	1,008,295,749	25,574,403	2.54
2014	1,008,295,749	1,044,751,604	-36,455,855	-3.49
2013	1,044,751,604	1,085,593,422	-40,841,818	-3.76
2012	1,085,593,422	1,089,668,512	-4,075,090	-0.37
2011	1,089,668,512	1,102,088,896	-12,420,384	-1.13
2010	1,118,738,270	1,118,738,270	-86,649,374	-7.29
2009	1,248,007,379	1,248,007,379	-59,269,109	-4.75
2008	1,248,007,379	1,209,552,029	38,455,350	3.18
% Drop since FY 2008				-14.53

FY 2015 Values by Property Type

Property Type	Current Assessment	Previous Assessment	% Change	Average Assessment
Single Family	862,751,075	842,415,980	2.41	\$278,576
Two-Family	47,053,200	44,333,500	6.14	\$264,344
Three-Family	6,412,000	6,012,900	6.64	\$278,783
4-8 Units	8,367,200	8,140,300	2.79	\$334,688
>8 Units	12,761,700	12,441,200	2.58	\$1,823,100
Condos	37,311,100	35,977,700	3.71	\$129,104
Commercial	18,881,700	18,399,600	2.62	\$320,029
Industrial	23,851,400	23,250,500	2.59	\$193,914
Land	19,840,900	19,221,928	3.22	\$51.940
Total FY 2015	1,037,230,275	1,010,193,608	2.61	

Single-Family Values by Type

Property Type	Current Assmnt	Previous Assmnt	% Change	# of Parcels	Avg Assmnt
Antique	28,500,300	27,953,800	1.95	95	300,003
Old Style	75,968,100	74,602,900	1.83	339	224,095
SE Ranch	82,850,800	79,949,200	3.63	362	228,870
Ranch	77,427,300	73,823,700	4.88	354	218,721
Conventional	4,624,500	4,605,800	0.41	18	256,917
Cape	107,956,500	105,174,000	2.65	379	284,846
Colonial	424,624,475	416,085,380	2.05	1,320	321,685
Contemporary	36,808,900	35,904,600	2.53	114	322,885
Mobile Homes	2,219,500	2,327,900	-4.66	20	119,366
Condo-Twnhse	36,471,800	35,080,800	3.92	235	155,199

Single-Family Values by Neighborhood

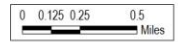
Code	Current Assessment	Previous Assessment	% Change	# of Parcels	Average Assessment
EA	36,505,400	35,687,200	2.29	158	231,047
EF	9,316,900	9,130,300	2.04	51	187,022
EG	11,660,500	11,153,300	4.55	35	333,157
HE	27,806,200	27,618,100	0.68	69	402,988
MA	57,226,300	55,898,200	2.38	218	262,506
MF	9,248,100	8,976,300	3.03	45	205,513
MG	19,621,820	19,420,980	1.03	67	292,863
NA	116,188,600	110,273,900	5.36	458	253,534
NG	137,652,000	135,607,000	1.51	418	329,311
RA	166,547,700	162,846,600	2.27	573	290,659

Single-Family Values by Neighborhood

Code	Current Assessment	Previous Assessment	% Change	# of Parcels	Average Assessment
RF	10,411,900	10,193,900	2.14	40	260,298
RG	67,686,800	64,957,900	4.20	213	317,778
XA	78,635,100	78,702,700	-0.09	330	238,288
XF	8,291,200	8,072,000	2.72	47	176,409
XG	60,973,900	59,467,100	2.53	215	283,600

2,937 Parcels
 3,097 Total Parcels
 94.8% Total Parcels

Pepperell, MA NBCs - All



Legend

- Community Boundaries
- Public Ways
- Non Public Ways
- Water

Neighborhood Codes

- 149L
- AA
- BE
- BF
- CL
- CA
- CC
- CD
- CF
- CG
- CL
- CLD
- CO
- CP
- CS
- CT
- EA
- EP
- EG
- EP
- EST
- EV
- GR
- GS
- HC
- HE
- IA
- JA
- KE
- LS
- MA
- MF
- MG
- MP
- NA
- NAS
- NE
- NG
- NS
- NV
- RA
- RAS
- RF
- RFS
- RS
- RGS
- RM
- RR
- RRS
- SR
- TC
- TL
- TP
- TS
- TT
- XA
- XAS
- XF
- XFS
- XG

DATA SOURCES: MapInfo GIS and the Town of Pepperell
DISCLAIMER: The information depicted on this map is for planning purposes only. All data are representational and are not adequate for boundary definition, regulatory interpretation, or parcel-based analysis.

PREPARED BY:
 Town of Pepperell GIS
 August 2014
 One Main Street
 Pepperell, MA 01463



BROOKLINE, NH

HOLLIS, NH

NASHUA, NH

TOWNSEND

DUNSTABLE

GROTON

GROTON

SHIRLEY

Before Tax Rate Can Be Set

Town Must:

- Complete the Budget Process
- Determine all Receipts
- Establish final values for all taxable Real & Personal Property
- Determine the Maximum amount of the Levy
- Decide Tax Policy

Calculating the Tax Levy

Total Amount to be Raised minus Total Receipts = Tax Levy

For FY 2014 (Estimated):

Total Amount to be Raised	\$25,692,603
Minus Total Receipts (taxes, state aid, misc revenue)	- \$8,125,406
<hr/>	
= the Tax Levy	= \$17,567,197

This is the amount that has to be raised through Taxes. It cannot exceed the Maximum Allowable Levy.

How is the Levy Limit Calculated ?

$$\begin{array}{r} \text{Last Year's Levy Limit} \\ + \quad 2.5\% \text{ of Last Years Levy} \\ + \quad \text{New Growth} \\ + \quad \text{Any Overrides} \\ \hline = \quad \text{New Levy Limit} \\ + \quad \text{Any Debt exclusions} \\ \hline = \quad \text{Maximum Allowable Levy} \end{array}$$

Example of Levy Calculation

2014's Levy Limit	\$16,541,662
+ Prop 2 ½ Increase	+ 413,542
+ New Growth	+124,255
+ Override	+ 0

FY 2014 Levy Limit	\$17,079,459
+ Debt Exclusions	+ 507,348

FY 2014 Maximum Allowable Levy (Estimated)	\$17,586,807
--	--------------

Calculating the Tax Rate

Maximum Allowable Levy – Tax Levy = Excess Levy Capacity

$$\$17,586,807 - \$17,567,196.60 = \$19,610.40$$

This is the amount that could have been raised but was not!
(usually due to rounding of numbers and estimated receipts)

Reported to Selectmen at Classification Hearing

Calculating the Tax Rate

(Tax Levy divided by Total Valuation) multiplied by 1,000 = Tax Rate
(Estimated)

$(\$17,586,807 / 1,101,391,636) * 1000 = \15.97

Minus excess levy capacity of 0.02 = \$15.95

How do I get my Assessment?

- Property owners should check their assessment annually and review their property record card.
- All final assessments on a property are published. Copies can be found at the Assessor's Office, Library, and on-line.
- Tax Bills are based on final published assessments
- If you disagree with your assessment, you can apply for an abatement between January 1 and February 1. An inspection of the property will be required.