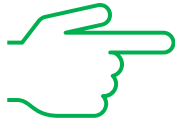


Reassessments

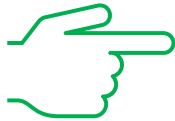
Town-wide reassessments are the best way to ensure that assessments are fair and accurate.

During a reassessment, the assessor (me) will review the market values of all of the properties in the community. Based on changes in the real estate market, the assessor will determine which assessments need to be increased or decreased or possibly remain the same.



Reassessments ensure you pay only your fair share of taxes

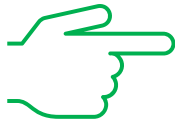
After several years without a reassessment, some properties will be *over-assessed* and some will be *under-assessed*. This is because some properties will have increased in value, while others may have decreased or stayed the same. Without a reassessment, all of the properties will continue to pay the same amount of taxes. For example:



Property reassessments

Market value/taxes	Property A	Property B	Property C	Total taxes collected by town
Market value 20 years ago (last reassessment)	\$100,000	\$100,000	\$100,000	
Taxes 20 years ago	\$2,000	\$2,000	\$2,000	\$6,000
Current market value	\$300,000	\$200,000	\$100,000	
Current taxes	\$2,000	\$2,000	\$2,000	\$6,000

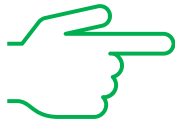
In this chart you can see that, Properties A and B are still paying the same amount of taxes as Property C, even though their market value has increased over the years. Properties A and B should pay more taxes than Property C.



If the properties in this example were fairly assessed (as with a revaluation project) Property A would pay \$3,000, Property B \$2,000 and Property C would pay \$1,000. Assuming that the total taxes collected by the town remains the same.

Without a reassessment, Property C is actually subsidizing the tax bill of Property A.

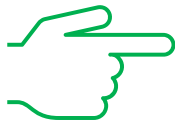
This is because what **one** property owner doesn't rightly pay will be paid by the other property owners.



Reassessment and its effect on property taxes

Conducting a reassessment does **not** mean that your assessment or your taxes will automatically increase. Your taxes may increase, decrease or stay the same.

Over time, market values of properties change. The value of some properties may increase, while the value of some properties may decrease. Frequent reassessments ensure that your property is assessed based on current market values, rather than on market values from 20 years ago, like the example.

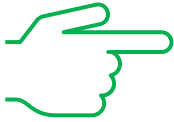


If your assessment increases, it doesn't mean that your taxes will automatically increase. If the increase in your assessment is less than the average increase, your taxes will actually decrease. For example:

- If, your assessment increased by 12% and
- the average assessment increase was 15%, then

- your taxes will decrease (again assuming your school and municipal budgets remain stable and the tax levies do not increase)

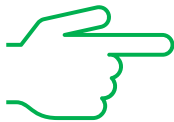
Why is this??



Reassessments don't increase the amount of taxes that need to be collected by local governments

The assessor is not responsible for taxes - only for assessments.

Months after assessments are finalized by the assessor, taxing units (school districts, towns and counties) determine the amount of taxes that a taxing unit needs to collect from property owners, this is known as the *tax levy*.

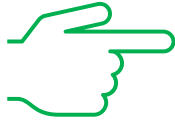


The property tax **levy** is determined separately from the assessments. The tax levy is then distributed over all taxable assessments.

If assessments increase, tax rates should go down proportionally. This is because the tax levy is now being distributed over a *broader tax base*. If tax rates go up or stay the same, it simply means that the municipality or school district is collecting more in taxes.



An analogy If the total amount of taxes collected is a pie, the size of the pie is determined by, town boards, school boards and county legislatures.



The assessor doesn't impact the size of the pie; he or she just ensures the pie is cut up fairly - that taxes are fairly distributed based on current market values.



I will be continuing this conversation at future board meetings as well as including it in my Assessment article for the Macedon Messenger in an attempt to keep the community apprised of the project and the assessment process in general.

We have also added links to the Town Website's Assessor page that will take you to the Department of Taxation and Finance website where you will find links to different assessment topics.



I welcome any questions you have or topics you would like me to discuss.

I can be reached via email at Assessor@macedontown.net or by calling the Town Hall at 315-986-5932