

Frequently Asked Questions (FAQs)

How does the Assessors' Office determine the value of my house?

Massachusetts law requires that all municipalities establish the full and fair cash value of all real estate as of January 1st of each year. FY15 values are determined as of January 1, 2014. To determine FY 2015 values, the Assessing Department reviewed all valid sales that occurred between January 1, 2013 and December 31, 2013. A "Mass Appraisal" computer software model was used to calculate property values based on this market activity as well as certain property-specific attributes such as location, size, construction quality, style, and condition. The Town uses Vision software. Here is a link to their website and FAQ's they developed for their clients:

<http://www.vgsi.com/vision/Applications/Reval/Faq.aspx>

What does 100% of full and fair cash value mean?

The courts have defined this phrase to mean "current market value"; the price arrived at by a willing buyer and a willing seller, each with a good knowledge of the market and each acting without undue pressure or compulsion. Thus, in determining value, assessors seek to approximate what property would sell for on the open market, within an acceptable range of error.

How is Mass Appraisal different from a Fee Appraisal?

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 Massachusetts is January 1st of the revaluation year.

Meanwhile, 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.

What is the basis for determining residential property values?

- 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.

Why do LAND values change at different rates from BUILDING values?

Land values change at a different rate than improvement (structures) values. 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.

Who verifies that the assessing model used by the Town and the resulting property values are accurate?

Annually, the Massachusetts Department of Revenue (DOR) performs a statistical analysis of the Town's proposed assessments. Additionally, every three years the DOR conducts a comprehensive analysis of the Town's appraisal process and reviews property values in great detail to ensure that the assessments represent full and fair market values. In FY 2015, the Town's values were certified by the DOR after a rigorous review as part of its triennial analysis.

How do I dispute my assessed value if I think it is too high?

You may dispute your property valuation (assessment) via the Abatement Procedure. The application is available in January at the Assessors' Office in Town Hall, or at <http://www.mass.gov/dor/docs/dls/publ/forms/abatement.pdf>, and may be filed after the Town has mailed your Third Quarter tax bill on or about December 31, 2014. **The application for abatement must be received by the Assessors' Office no later than the close of business on the last day of the abatement filing period which in Fiscal Year 2015 is February 2, 2015.**

If you think your assessed value is "wrong", you must state your opinion of the "correct value on the abatement application. You may attach an appraisal to the application to support your opinion of value, but realize it is another appraiser's assumption and may have been influenced by the purpose of the appraisal.

The Board of Assessors has 90 days from the date the application was received to act on the appeal. Each and every appeal will receive written notification of the Assessors' action.

Filing for an abatement **does not** put your tax payment on hold. Tax payments need to be rendered in a timely manner in order to protect further appeal rights to the Massachusetts Appellate Tax Board.

If you are dissatisfied with the decision of the Board of Assessors regarding your abatement request, you may file an appeal to the [Appellate Tax Board](#). This must be done within three months of the Assessors' decision.

Why should I let the Town Assessing Department in my house for an inspection?

Interior inspections are an important part of the Town's assessment process. Just as a potential buyer of real estate inspects the interior of a home before making an offer, the Town tries to make a better determination of overall property value based upon accurate data using interior inspections. Examples of data reviewed include: dwelling type, condition, land area, living area, number of bathrooms, fireplaces and whether attics and basements are finished or unfinished.

How are Real Estate taxes calculated?

It is the responsibility of the Assessors' Office to establish the taxable valuation of each individual piece of property in the Town. However, the Assessors do not create value. Buyers and sellers create the value via their transactions in the marketplace.

At Town Meeting each year, a budget is voted on by Town Meeting Members taking into account the limits of Proposition 2 ½, and how much money will be needed to meet all appropriations and other expenses.

The difference between the amount approved and the money received from other revenue sources (i.e., state aid, local receipts and available funds) must be raised by property taxation.

The valuation assessments are developed independently from the budget and are used only in the last step of the budgeting process to distribute the Tax Levy. Changing property values do not affect the overall Tax Levy, but it may result in the redistribution of the tax levy burden among all taxable properties in town. The Board of Selectmen annually establish the fiscal year residential and commercial/industrial/personal property tax rates. Those rates represent a tax per thousand dollars of assessed value which, when applied to each properties assessed valuation, yields that property's annual tax bill.

How is the town able to raise my taxes by more than the 2 ½ % limit prescribed by Proposition 2 ½?

Proposition 2 ½ pertains to the total amount of monies raised by taxation also known as the tax levy. Generally speaking, the tax levy may not increase greater than 2.5 percent over the prior year's levy plus a factor referred to as new growth which captures the increase in valuation and the tax levy attributable to new construction. however, this limitation does not pertain to individual tax bills. Your bills may increase or decrease by any amount in any given year.

What if I cannot afford to pay my Real Estate taxes?

Pursuant to State Law, there are multiple programs that offer tax relief to qualifying property owners including state and local tax relief. A description of these programs can be found on the Town's website:

<http://ci.lexington.ma.us/FY2015PropertyTaxRelief.pdf>

Applications for these programs can be obtained by contacting the Lexington Assessor's Office at 781-862-0500 X 84578 or by going to the Assessors' Office at 1625 Massachusetts Avenue, Lexington or following this link ([insert hyperlink](#)).

Applications must be filed annually with the Board of Assessors within three months of the mailing of the Third Quarter Tax Bill (January 1st of each year).

As a reminder, the mere filing of an application does not mean you can postpone the payment of your tax. It is important to note that tax deferral may be used in conjunction with other exemption programs. Contact the Assessors' office for more information or download an application here at

<http://www.mass.gov/dor/docs/dls/publ/forms/all-personal-96.pdf>