

~~~ Reappraisal FAQ's ~~~

Below are a few examples of frequently asked questions (FAQs) that we expect to answer for property owners after receiving their reappraisal values.

1) Why did the Town decide to do a reappraisal?

The Town was required to complete a reappraisal by the State of Vermont. Property sales in Montgomery were no longer close to their assessed values, resulting in a Common Level of Appraisal (CLA) that the State deemed unacceptable. The CLA is an average percentage of the differences between property assessments and what those properties actually sell for. Any CLA under 80% will trigger a reappraisal. Our CLA was 75.88% in 2011, 76.13% in 2012, 77.57% in 2013, and 77.03% in 2014. In short, properties in Montgomery are selling for significantly more than their assessed Grand List values.

2) What is the purpose of reappraisal?

All properties are required to be assessed at Fair Market Value (FMV), which is defined as what you would reasonably be able to sell your property for. By thoroughly inspecting properties, uniformly applying the same criteria town-wide, and taking into consideration all contributing factors, your assessment should now be at 100% of FMV.

3) How did you determine my property value?

We updated the programming of our CAMA software to correctly reflect the current market. Updates were made to the Land Schedules, Cost Tables and Depreciation Charts. Following the site visit to your property, the data collected (i.e. square footage, design, finish, wear, etc.) was entered into CAMA. In addition to inspection of individual properties, we analyzed sales for Montgomery and surrounding towns for the past three years.

4) I have not made any improvements to my property. How can the value change?

The values of properties were last set during our 2004 Reappraisal and have only been adjusted as the result of permitted improvements or grievance. The market has changed greatly over the last 10 years, resulting in potentially increased values. Between 2004 and 2008 alone, market values were still climbing at a rate of 5% per year. In contrast, most properties have had additional depreciation that can only be assessed during a complete reappraisal.

5) Why did my property values change more or less than other properties?

While the most obvious reason for change in value would be due to improvements or depreciation of a property, there are many factors that affect value. It is common for one area of town to have higher values than another area due to location and neighborhood characteristics. It is also common that some properties were not as well maintained as others, which is not always easily determined without inspection. Another area of impact for many properties has been that their previous assessments were based on inaccurate measurements. As a result, it is not reasonable to compare properties simply on their percentage of change.

6) My property assessment changed substantially. Does this mean my taxes will increase/decrease by the same amount?

No. Even if your assessment has doubled it does not mean that your tax liability will double. As a result of the 2004 Reappraisal, when 94.3% saw their assessment increase, roughly 45% of Montgomery taxpayers saw their Tax Bill go down. Remember that the total Grand List has changed as well. The budget passed at Town Meeting and the amount of taxes to be raised is set. The Municipal Tax Rate will be adjusted as a result of the reappraisal. The Education Tax Rate set by the State in July will no longer have to be adjusted for a low CLA, which has resulted in a higher tax rate in previous years.