



The following is a three-part series that originally appeared in Property Assessment, an occasional weblog that provides resources for professional property assessors and everyone concerned with their actions and policies <http://yourpropertytax.typepad.com>

The series has been combined into a single document for easy of use by anyone considering challenging the real estate assessment for their property. The author, however, urges readers to work with their local assessor as practices differ from state to state and even within-state practices can vary.

So You Filed a Tax Assessment Appeal: Next Steps (Part 1) [Category: Especially for Taxpayers 07-05-07 3:38 PM]

Preparation Before the Hearing

- Don't listen to your neighbors or the naysayer that says it doesn't do you any good to file a tax appeal. The annual statistics for many assessment offices will show that a large percentage of property owners who appeal their assessments get some type of reduction. The reduction may not be as much as you would like (or sometimes not at all), but each case must be taken on its own merit. We'll talk about what you'll need to merit a defensible case as part of this posting
- Be certain that you are clear about the process that will occur now that you filed an appeal. This can generally be taken care of with a telephone call to the appeal board (Board of Assessors, Board of Equalization, or Board of Review). Many have board clerks who answer routine questions and schedule appeals.
- Additionally, most professional property assessment offices will help you through the appeal process, inform you on how to proceed, and even provide you with background information for your appeal. Keep in mind the assessment office is not the enemy. They have likely used a mass-appraisal approach to value your property for assessment purposes and understand that they can be wrong at times. After all, they have thousands of properties to value and generally less than 2% of property owners exercise their right to appeal the assessment. Many assessors welcome the appeal process so that they can learn more about the real estate market in general and your property, specifically. You are simply asking that the appeal agency take a closer look at your property.

Ideally you did some homework before deciding to file your appeal. But if not here is a review with some follow-up suggestions.

- **Review the current information the assessment office has on file as part of the assessment records for your specific property.** Generally this will be

available online, but if not many assessor's will send you a copy or provide you with one if you stop by their office. The idea here is to be certain that the factual information about your property is correct. Factual information includes such things as the correct number of bathrooms, lot size and the living area (expressed in square feet) for your property. Errors in factual data should generally be brought to the attention of the assessment office right away, as they may be able to correct the assessment without a formal appeal.

- **If you recently purchased the house make sure of two things.** First, be sure that the sale occurred during the timeframe that the assessment office studied for the current assessments. Secondly, be sure that the sale is considered an arm's-length transaction. The assessors' office can generally provide you with an answer to both of these questions. Even if the sale took place outside of the timeframe used by the assessment office, unless the market is changing rapidly (up or down), the sale may still be considered by the appeal board. But certainly don't expect them to give much weight to a sale that took place five years ago and the market has risen considerably since that time. Too old a sale is basically a historical fact but not much more than that. Arm's-length transactions are sales between unrelated parties under no duress. Ask your assessor how they qualify sales for purposes of their studies. The appeal board will typically follow these same procedures.

In the **Next Step Part 2**, we'll discuss the remaining item that you should have done before filing your appeal: the review of comparable assessment and sales. We'll talk about the detailed preparation of a Comparable Assessments and Sales Grid and other important tools for presenting your assessment appeal.

So You Filed a Tax Assessment Appeal: Next Steps (Part 2) [Category: Especially for Taxpayers 07-11-07 4:29 PM]
Preparation Before the Hearing (continued)

The July 5 posting entitled "So You Filed a Tax Assessment Appeal: Next Steps Part 1" gave several tips and suggestions for the preparation of your case before the actual appeal hearing. Today we will discuss the remaining item that you should have done before filing your appeal, that is, you should have reviewed comparable assessments and sales for properties that are similar to yours.

Most assessment offices have now have assessment information available online and many even have sales listings also. If assessment information is not available online, you may have to call or visit the assessment office to get the information for comparable property assessments and sales. You'll need property addresses for any comparable assessments and sales so the assessment office staff can access the records. If sales are not available online, ask for a copy of the list of sales for your particular area. The list

should at least include the property location address, sale date, and sale price. Ultimately you will want to prepare a Comparable Assessments and Sales Grid that includes at least the following items:

1. Property location address
2. Owner's name
3. Square feet of living area size
4. Lot size
5. Year built
6. Story height
7. Number of bathrooms
8. Date of sale or current assessed value
9. Current sale price or assessed value
10. Basement sq ft size, if any
11. Finished basement sq ft size, if any
12. Garage or carport sq ft size, if any
13. Other amenities e.g., built-in appliances, special bath or kitchen plumbing, etc.

Calculating the square feet of living area size can vary by local custom, so check with your local assessor and find out how local real estate agents calculate this area for your type of property. Unless you are familiar with how bathrooms are counted, you may want to clarify what constitutes a full-bath and half-bath.

Be sure that any sales you use for comparables are within the timeframe of sales used by the assessment office and would be considered arm's-length transactions. The sales that you can access online for the assessor's office and any list of sales provided by them will generally have already been qualified as arm's length transactions, but verify this to be certain.

Set up a columned sheet that includes the above items. You can condense items 10 through 13 under a column labeled "comments," but be consistent in the way you list the comments so that they are not confusing to you or the appeal board. Most importantly, add a column that is labeled "Price or Assessed Value/Sf Ft of Living Area." This is the most common unit of comparison for residential property. A sample grid can be accessed by clicking on the Sample Comparable Assessments and Sales Grid under Resources in the left column of this blog. A blank grid template for your own use is also available under Resources. Both the sample and the template are available in PDF or Microsoft Excel format.

Three good comparable sales and as many comparable assessments are all you really need. Any more is typically overkill and the appeal board members may get impatient with your presentation. You're not trying to value the subject property, just drawn some conclusive evidence about whether your property is over-assessed in comparison to sales and other assessments in your neighborhood. If you went through this exercise before filing your appeal you may have decided that the assessment was reasonable.

It is important to avoid the temptation to choose the assessment and sales that support your preliminary conclusion that your property is over-assessed. There are several reasons that you should not do this. First, the supporting data from truly comparable properties (in the form of assessed values or sales) should lead to the conclusion as to whether or not your property is reasonably assessed. Secondly, and most importantly, the assessor's office and appeal board have access to all of the sales and assessments in your area and will discover quite easily what you've done. Don't force the data to do what you want it to do.

In the **Next Step Part 3**, we'll talk about presenting your assessment appeal.

So You Filed a Tax Assessment Appeal: Next Steps (Part 3) [Category: Especially for Taxpayers 07-17-07 4:56 PM]

Presenting Your Assessment Appeal

This is the final step of the general three step process of appealing a residential property assessment to your local appeal board. In steps one (July 5) and two (July 11) we discussed preparations before the actual appeal.

The majority of any anxiety you may have had about appealing your assessment should have all but disappeared by now. You have done your homework and tapped into all of the resources available to you as a taxpayer and are ready to present your evidence let the appeal board decide the merits of your case. what follows are several tips on presenting your case and general conduct before the appeal board from more than 30 years of attending such hearings.

- Once introduced by the appeal board clerk or chairperson, follow the guidance given to you. For example, if the board chairperson says that they will hear any background from the assessor's office first, don't challenge the way the case is being heard. You'll get your allotted time.
- If you are not certain of the identification of the attendees at the hearing, ask. The assessor and his or her staff are generally invited to be present by the appeal board. Generally, the appeal board decides to what degree the assessors are involved in the case. Almost all appeal hearings are open meetings, which are open to the general public. It may be to your advance to sit in on one or two cases to learn how the board handles residential property cases.
- When it is time to present the materials you prepared for your case, refer to your exhibits by name, page number, and if using a spreadsheet to columned chart, by line and column number. For example, you could refer to your exhibit labeled "Comparable Assessments and Sales Grid" and direct the appeal board members to the sale price of comparable number one shown on line 1, column 9. You don't

want to be too formal or legal sounding, but you want to be sure that your presentation is easy to follow.

- Typically, don't discuss tax amount, except in the context of the assessed value. Neither the appeal board nor the assessment office sets the tax rate or have final approval over how property is taxed. They only have the ability to adjust and correct assessed values. Try to stay focused on equitable assessments that reflect the market value or defined value for assessment purposes required in your state.
- Uniformity of assessment doesn't mean that the assessment for your property goes up the same percentage as everyone else. Uniformity of assessment means that all assessments are at the same level of assessed value to estimated market value. For example, if your State requires that assessment be at 100% of estimated market value, your properties and others valued by the assessor will be at 100% of estimated market value. Your property may need to increase a higher percentage amount in order to get it to 100% of market value than your neighbor's property, but they are still uniformly assessed.
- The valuation of real estate is not an exact science. It is generally expected that if two professional real estate appraisers are within 5% of each others estimates of market value for a residential property, this is reasonable. This variation can be as much as 10% to 20% for unique properties and certain commercial and industrial properties. So don't expect the appeal agency to adjust your assessment because you can show that it is 1% higher than it should be according to your evidence.
- Don't criticize the assessment office for not having made a personal visit to you property recently. Most local government budget do not provide sufficient funds for assessment staffing that would provide inspection services on an annual or frequent basis. Assessors are notified of most actions taken that relate to property valuation. For example, if you apply for a building permit, the assessment office is notified. The same is true if your property is somehow unfit for occupancy. But keep in mind; these actions have to be part of the local government records. If you had a termite inspector out last fall that told you needed to replace most of the supporting members in the first floor of your house, the assessor would not know this unless you went forward with the project and were issued a building permit for the repairs.

Other Tips and Things to Keep in Mind

- If you decide to withdraw your appeal, do so as soon as you have made this decision. Withdrawing your appeal at least three days before the scheduled hearing date would be courtesy. Remember, the assessment office values properties annually or with certain enough frequency that you want to cause them undo work. Besides they could spend value time and taxpayer dollars preparing for your appeal when you could save them this time by a simple phone call.

- The State of Vermont Secretary of State and Department of Taxes (Division of Property Valuation and Review) released an excellent publication earlier this month entitled "A Handbook on Property Tax Assessment Appeals." The handbook can be found under Resources in the left column of this blog. Although many areas of the 47-page document concern the specific treatment of appeals in Vermont, there is much that applies to any appeal situation.