

# MEMORANDUM

**DATE:** December 12, 2011

**TO:** Town Council

**FROM:** Anne Gregory, Assessor

**RE:** Maintaining Equitable Assessments in a “Down” Real Estate Market

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The primary purpose of this presentation is to respond to the most frequently asked questions regarding the current levels of assessment.

Since the last revaluation in 2008, property owners frequently ask when we will conduct the next revaluation. The frequency has increased considerably in the last three months. For every taxpayer who asks the question, there are probably many more who are discussing the subject with neighbors and friends.

I would like the opportunity to address this issue with the Council and Taxpayers watching at home. I will review State law, the Tax Rate calculation and statistics regarding past and current market trends.

## State Law:

- The assessment-to-sale price ratio average must be greater than 70% but less than 110%.
  - ✓ Ratio: the average assessed value divided by the average residential selling price.
  - ✓ The average ratio is 101% for the sales period from July 2009 to June 2010.
- Sustain a Coefficient of Dispersion (COD) rating less than 20.
  - ✓ COD: the average deviation divided by the median ratio.
  - ✓ Per the State’s last ratio study, the COD was 8.

Since a revaluation takes two years to complete, I do not anticipate another revaluation until the ratio exceeds 110%. The current ratio is estimated to be 103%.

The most important indicator of equitable assessment levels is the COD or Quality Rating. When similar classes of properties and similar locations are being assessed equitably, fairness is maintained. Most taxpayers state, “I just want to pay my fair share”. The COD measures whether or not that is the case throughout the Town.