

November 19, 2013

A Town wide Equalization of Darien's Tax Base, the October 1 2013 Revaluation

By Anthony Homicki Assessor

Mandated by Connecticut's general statutes, commercial and residential property owners will receive a letter by the end of November from the Office of the Assessor, which will show the change in your assessment. Under Connecticut state law, all properties are to be revalued every five years, with the last update being on October 1, 2008.

Darien performed this effort in a computer medium (going from a penciled manual record in 1999), transferring a variety of building and land features into an appraisal data base. This automated information was enhanced during the 2003 revaluation with a updated computer assisted mass appraisal (CAMA), with further refinement in 2008 when this CAMA system integrated a centralized data base with the building department's software, inclusive of digital photography. Now the five year October 1, 2013 mandate includes CAMA / Photos using GPS technology, mapping technology (GIS) and imagery known as pictometry systems which gives a 3D view of each of Darien's 7,000 parcels.

Why are properties assessed at 70 % of fair market value?

The updated assessment is based on 70% of fair market value applicable to October 1, 2013. This 70% ratio was established in the 1960's when the intent was to standardize all Connecticut towns and cities bringing uniformity to some towns that had lower ratios and others that were higher. It was in the 1960s that a uniform fiscal year was also established by state law. In the 1970's the appeal process was refined giving all residents a local review process. The legislature further refined the Connecticut property assessment process requiring all local assessors to have annual credit class hours and established performance base standards requiring uniformity and parity when these assessments are updated. You might ask why a five year mandate? A quick answer to that question can best be said that it has become a practical and political blending of the real-estate cycles that occur through Connecticut over the past three decades.

So your first task in understanding the Assessor's letter is to divide your new assessment by 70 and multiply by 100. This will give you the gross assessed value of your property and building.

Your property value.

This assessor's office is mandated by state statutes to review and identify all sales for a variety of budget purposes. With the certified appraisers / consultants hired by the town this office has identified over 600 sales which are now the basis in defining and defending the updated assessments. The overall objective of this five year mandate is to establish parity and consistency for all of Darien's real estate.

Is your assessment fair? The best way to answer this question is to review the sales that have occurred, not only in your immediate neighborhood, but also through the town of Darien. In some situations some appraisers have to go outside of the borders of Darien to find comparables, especially for unique homes and commercial properties. You should look for sales that are much like your home, which have the same type of property, the same room count, be it the number of bedroom and or bathrooms and comparable age and possibly the same type of neighborhood. Much of this information can be found on the town website (**darienct.gov**, **town services**, and **assessor property records online**). Many of the local real estate agents and brokers also have an incredible amount of detail on their own websites that you might find helpful.

What does this updated assessment actually mean to me?

What will this refined assessment mean to my July 2014 tax bill? Yes, “WE” all ask this question (even your assessor owns a house). There is no way to exactly determine how it would compare to your bill from last year until the certified Grand List is finalized by the Assessor which will occur on January 31st and then hearings of the Board of Appeals are processed followed by the full budget process with the setting of the mill rate during the spring of 2014.

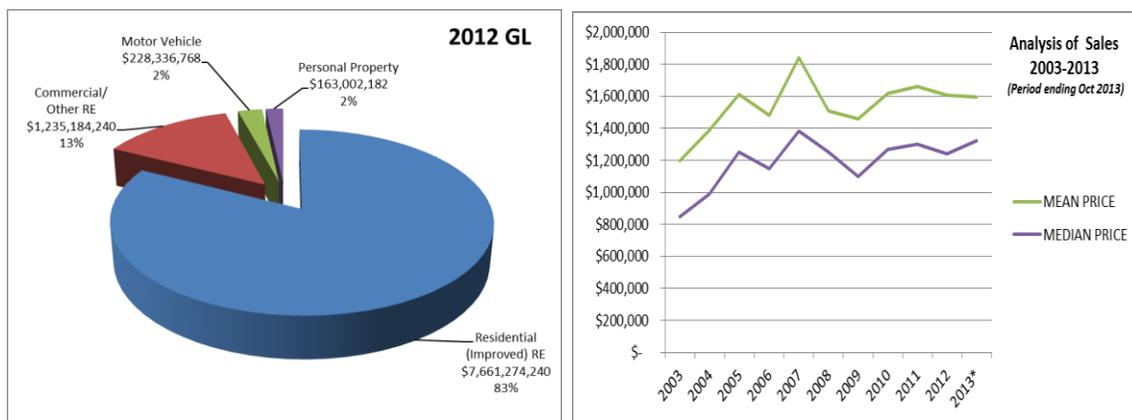
The average residential assessment this year is down anywhere between 3% to as much 8% depending on the specific neighbor that you live in. Remember the last update of these values was on October 1, 2008. The fact that assessments have gone down is primarily based on 608 sales used for setting these assessments that have occurred over the past 24 months. You might be above the average or below the average but all is relevant based on the features of each parcel and the specific features of your home itself. You might say that the prices have stabilized or have even gone up since 2008 but the fact shows that as of October 1st, on average, they are still below 2008.

But we want to know the mill rate now? If the total tax base results with a Grand List reduction, the FY 15 mill rate will have to be adjusted accordingly in order to yield the required revenue to service the town. Let’s complicate the formula a little further and incorporate the assessments of 1,100 business personal property (business furniture fixture and equipment) and 17,800 vehicles that are updated annually. Yes, this relates directly in the final grand list reconciliation.

Darien economic trends over the past thirty years.

What makes Darien a very special place are its unique neighborhoods. Darien like much of Fairfield County has changed over the past 30 years. We’ve seen significant growth within our residential neighborhoods and significant changes along the Boston Post Road uniquely enhanced with downtown development with newly constructed commercial offices and a variety of fine dining restaurants which occurred from 2006 through 2011. To some degree this continues today. This expansion only helps offset the amount of

taxes to be paid by the residential percentage of their total tax base. Darien continues to have its own character being a waterfront community influenced by tidal coastal concerns both positive and sometimes negative, wonderful marshlands with preservation areas owned by the Darien Land Trust, as well as open land covenants established by our Country Clubs and the Ox Ridge Hunt Club. We have a master plan of conservation and development that advocates positive growth with sensitivity of each and every neighborhood. Housing values in Darien have generally grown faster than the rate of inflation over the past thirty years. Generally speaking commercial properties don't appreciate as much. This year is typical of past years for both residential and commercial parcels. Personal Property and Motor vehicles are not a large factor in the Grand List of Darien. The following charts show how uniform Darien is relying on residential continuity:



So let's revisit this process,

Taxes (the mill rate) are determined by dividing the revenue which must be generated through taxes by the Grand List. If the residential share of the pie is reduced, and the commercial base remains the same each individual property owner will pay their share of the pie depending on the change in their assessment. If the real estate portion of the grand list goes down then those who own motor vehicles will see a slight increase in their tax bills because these values are updated annually by the assessor. Therefore, with an average home whose new assessment went down and the mill rate is proportionally affected, then your tax will potentially remain the same.

Might you want to know more about the revaluation process?

The town website has an updated question and answer section as well as property records on line and also a list of valid arms length sales information. Assessor Anthony Homicki promotes all to go on line and see if your questions can be answered. Section 12 of the General statutes is also available on line by logging into the Connecticut general assembly site and if more detail is needed the Assessor welcomes access to the Connecticut Association of Assessing Officers website at caao.com.

Real Estate. Revaluation Darien continues on a day to day basis. The update to this grand list was with the assistance of a highly rated national revaluation company. The oversight of this process is performed by the Assessor and the staff within this assessor's office having over 60 years of experience with 10 revaluations completed. The experience of this office has set the preparatory work and has maintained quality control checks on the vendor. Each property was viewed twice. The first time has been over the past 5 years by Mr. Homicki's staff who confirmed the basic data and updated many photos for sales and these parcels who have had permit work. The second review was done by the vendor personnel monitored by town staff. The Tyler Company contract required updated photos of every parcel in town. They looked at each property, the neighborhood within each parcel, and then reviewed the methodology used to arrive at the market value which is a very labor intensive process. Residential appraisals rely on the sales approach to value complimented with the cost approach to value with the cost and income approaches to value commercial parcels strengthen further by our analysis of regional commercial sales inclusive of most all of Fairfield county.

Motor Vehicles start with a listing from the state of all registered vehicles on October 1st. The valuation is established each October 1st with the State Office of Policy and management approving the NADA appraisal guide recommended by the Connecticut Association of Assessing office using a computer exchange identifying the 17 digit I.D number for most of all 3,000,000 vehicles registered in Connecticut.

Personal Property assessments are accomplished by the assessor with the annual filing of a declaration of asset ownership by each and every business in Darien primarily on office equipment and fixtures. Every business – including a home business – which has a laptop, a desk or a file cabinet is obligated to complete an inventory with the Assessor and pay a property tax accordingly.

The Grand List is not necessarily static. It is a snapshot of the town on October 1st, but it does change thereafter. For example, changes occur when an application to the Board of Assessment Appeals is successful, errors or omissions are found, and when new or renovated buildings are added to the tax rolls. The Grand List is further modified in the budget process by certain exemptions to veterans, elderly, blind and disabled property owners.

Meet with an Assessor.

As explained in the Assessor's letter, you can make an appointment now to talk to the vendor (The Tyler Company) in order to better understand your assessment. Failing a resolution there, you can appear before the Board of Assessment Appeals in February. This board is composed of three elected town officials.

Again, If you have questions or concerns please first review the information on the town website and or call the revaluation company – Tyler Co – at 877-394-3379 or the Assessor's Office – 656-7310 Monday through Friday between 9am and 4pm.

