

# Did you know?

## From Property Tax Assessment to Grievance Hearings

All real property commonly known as real estate is assessed. Real property is defined as land and any permanent structures, defined as any structure that is on the property for more than 180 days, attached to it. An assessment is a valuation (appraisal) of the property for (town) tax purposes. At the beginning of every calendar year the town Listers are tasked with property appraisals for any newly sold property, new or updated construction, damaged property or requests for Revaluation by the property owner. There is also a town wide appraisal that occurs every 6 years to update the *Common Level of Appraisal (CLA)*. Because properties are reappraised at different times, the CLA mathematically bridges the gap between what a municipality *values* a property at and its actual, current *fair market value*. The next Guilford Town Wide appraisal is scheduled for 2029. *The assessment value* and *CLA* are two key factors that help formulate your tax bill in August along with the *town tax rate* and the *education tax rate*.

Generally speaking, property is to be appraised at its fair market value. Fair market value is defined as the price which the property will bring in the market when offered for sale and purchased by another, taking into consideration all the elements of the availability of the property, its use both potential and prospective, any functional deficiencies, and all other elements such as age and condition which combine to give property a market value.

There are three approaches to determining the fair market value of a property:

- **Cost Approach:** The cost approach is a real estate valuation method that surmises that the price a buyer should pay for a piece of property should equal the **cost** to build an equivalent building. In cost approach appraisal, the market price for the property is equal to the **cost** of land, plus **cost** of construction, less depreciation.
- **Market Data Approach** - This approach uses the sales of properties similar to the subject property. These sales are analyzed, and the sale prices adjusted to account for differences in the sold properties to the subject property to determine the fair market value.
- **Income Approach** - This method is most often used in the appraisal of income producing properties: commercial, industrial, and rental properties. To do this, the income stream is analyzed in terms of quantity, quality, and duration

At the end of the assessment period the Listers must lodge the abstract (submit a draft of the Grand List) based on their findings to the Town Clerk for recording, send "Change of Appraisal" letters via certified mail to every property that was reappraised and post a

“Notice to the Taxpayer” in 5 different locations: The Town Office, the town website, the Green River Covered Bridge, the Guilford Country Store and the Broad Brook Community Center.

### **Grievance Hearings**

Grievance hearings happen after the abstract has been lodged and “Change of Reappraisal” letters are sent. A grievance is a formal appeal filed by a homeowner disputing their local government's *assessed value* of their property. Both the “Notice to the Taxpayer” and “Change in Appraisal” letter will include the date of the grievance hearings, instructions on how to submit your letter of appeal and how to sign up for a hearing appointment. Letters for grievance must be received, and a hearing appointment must be made prior to the hearing date. The Town of Guilford is currently scheduled to hold grievance hearings on **June 22<sup>nd</sup>**.

Any Guilford property owner can request a grievance hearing regardless of the current reappraisal. It is recommended if you want your property reassessed that you reach out to the Listers ([listeners@guilfordvt.gov](mailto:listeners@guilfordvt.gov)) at the top of the year and request a re-evaluation of your property in writing. This allows the Listers to provide a thorough assessment prior to the grievance process. Requesting a grievance without a current reappraisal can sometime result in an increase in value depending on any new information that is presented at the grievance hearing. After the grievance hearing the Listers have a total of **14 days to mail a written decision** to the property owner. If you disagree with the decision of the Grievance hearing, you will **have 14 days from when the letter was mailed to submit a request for a Tax Assessment Appeal** to the Board of Civil Authority via the Town Clerk by email, [townclerk@guilford.gov](mailto:townclerk@guilford.gov), or you can mail/ hand deliver it to the Guilford Town Office. More information to come about the difference between Tax Assessment Appeals and Tax Abatements next week.

This “Did you know” announcement is brought to you by the Guilford Town Clerk and the Town Assessor Clerk to educate residents on how different aspects of municipal government work in Guilford.