

## **Fundamentals of the Assessing Office**

Whatever the property type, the same basic principle applies to the assessing methodology: pick the method which best utilizes available data and which most accurately reflects the real estate market as of January 1, 2020. All communities in Massachusetts are required to reassess properties on an annual basis. The Massachusetts Department of Revenue (DOR) reviews the assessment statistics annually.

According to DOR guidelines, property values should fall within a range of 10% above or below their full cash value. In order to comply with the DOR guidelines, the board of assessors employs a comprehensive property appraisal system, as well as constant monitoring of real estate market fluctuations to meet this statutory requirement (*Massachusetts General Laws, Chapter 59*). To establish the values for January 1, 2020, sales of houses that occurred during calendar year 2019 were classified and analyzed by building style, age, condition, lot size, price range, and location. By measuring property characteristics against the sales, a dollar value or factor is assigned to each characteristic that in total will approximate the actual sale prices. At this point a valuation schedule is developed and tested against the sales. When the valuation schedule meets statistical standards within a tolerable range of the actual sale prices, that is, the newly generated assessments fall within a range of about  $\pm 10\%$  of selling prices, the schedule is applied to all residential properties to arrive at the new fiscal year 2021 valuations.

### **Data**

The assessing office maintains an extensive database of over 8,400 real estate properties in town. The data is verified by individual property inspections and updated when a building permit is issued. Market data is critical because it is the foundation for all methodologies. Therefore, all sale properties are inspected annually and market conditions are reviewed.

### **The Tax Impact**

A change in property valuations does not in itself cause an across-the-board increase or decrease in taxes. When total town value changes, the tax rate is adjusted to the point necessary to fund the town budget voted at the 2020 town meeting held last spring.

### **Overvaluation Appeals & Abatements**

After the tax bills are mailed, taxpayers seeking adjustments to their assessed valuations may wish to file abatement applications. State law regulates the abatement process.

Note! Your only appeal window is the month of January. Late applications are automatically deemed denied. You are appealing your valuation assessment, not your taxes, so you must pay your 3<sup>rd</sup> and 4<sup>th</sup> quarter taxes pending your appeal.

After you receive the 3<sup>rd</sup> quarter tax bill, call for an overvaluation abatement application or download the form from the town web site. At the same time, you can look at the extensive information available to help you determine whether your assessment is fair and equitable. Also check our web page at [www.wellesleyma.gov/Assessors-Office](http://www.wellesleyma.gov/Assessors-Office)

Ask yourself three questions:

1. Is the data correct?
2. Is the value in line with recent market sales prices in the area?
3. Is the value in line with similar homes on my street?

Still wish to appeal? The application is easy, but make a case and give reasons. State your opinion of value on the space provided on the application. If you think the assessment value is wrong, you must have an

opinion of what you think it should be. Keep in mind what’s important: market area, building area and lot size are most critical. Secondary factors are condition, building quality and street. The other factors are relatively minor.

**Abatement Decision**

The board of assessors has 90 days to act on abatement applications. Notification of the decision is mailed to the applicant. If your application is approved, you will receive a notice indicating the amount of the tax abatement and the assessment reduction. Your abatement will normally be credited toward your May 1<sup>st</sup> tax bill. If your abatement is granted after your bill is paid, you will receive a refund check.

Taxpayers who still disagree with their assessment have three months to file an appeal with the Massachusetts Appellate Tax Board (ATB). Call the ATB at (617) 727-3100 for an application. The application is not difficult and the ATB is more than fair to homeowners. However, your hearing may not occur for several months.

**The Tax Deferral Program for Taxpayers Over 65**

Many retired homeowners feel “house-rich and income poor.” For some people, property taxes constitute a serious financial burden that can sometimes force the sale of the home. Wellesley offers a Tax Deferral Program that enables owners to defer payment of up to 100% of annual property taxes. Applicants must be 65, with a maximum income of \$50,000. You must apply each year for the amount of taxes you wish to defer. The deferred fiscal year 2021 taxes accumulate at an interest rate of 0.16%. If you are interested, contact the assessors’ office.

**Tax Exemptions**

Massachusetts’s law (chapter 59 section 5) provides a variety of personal tax exemptions for certain qualifying taxpayers. Requirements are revised annually so please review the qualifications. The qualifying date is July 1, 2020, the first day of FY2021; applications are due by April 1, 2021. An application must be submitted each year for any exemption.

The table below is intended only to give you an idea of what is available for personal exemptions. If you think you may be eligible, call the assessors’ office to discuss the details or to request the appropriate brochure. Brochures can also be obtained through our web page at <https://wellesleyma.gov/159/Tax-Relief-Programs>. The asset limits do not include the value of owner occupied homes. Please note there may be additional qualifications to those indicated.

Clause	Basic Qualifications	Maximum Income	Maximum Assets	Tax Exemption
<b>Elderly:</b>				
41D	Senior age 65 or older – single	\$35,505	\$61,505	\$1,000
	Senior age 65 or older – married	\$53,257	\$84,571	
41A	Tax Deferral – age 65 or older	\$50,000	N/A	Up to entire tax
<b>Veteran with Service Related Disability (and their surviving spouse):</b>				
22	10% Disability or Purple Heart	N/A	N/A	\$400
22A	Loss of foot, hand or eye	N/A	N/A	\$750
22B	Loss of two limbs or eyes	N/A	N/A	\$1,250

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<b>Clause</b>	<b>Basic Qualifications</b>	<b>Maximum Income</b>	<b>Maximum Assets</b>	<b>Tax Exemption</b>
22C	Disability/adapted housing	N/A	N/A	\$1,500
22D	Surviving Spouses	N/A	N/A	Full w/\$2,500 cap after 5 yrs.
22E	100% Disability	N/A	N/A	\$1,000
58/8	Paraplegic due to war injury	N/A	N/A	100%
<b>Other:</b>				
17C	Orphaned Minor child	N/A	\$40,000	\$175
37A	Legally Blind	N/A	N/A	\$500
Senior Work-off	Senior – age 60 – single Senior – age 60 – married	\$46,262 \$69,393	N/A	\$1,500
CPA	Community Preservation Act (elderly or low income)	Household Income	N/A	100% of surcharge