The elected and appointed assessors are required to annually determine the full and fair cash value or 100% of fair market value of all real estate.

Every three years the Department of Revenue is charged with the responsibility of reviewing the assessment practices of each community and determining that all properties are equitably assessed. If the values are certified and meet the minimum requirements, the approval is received and the tax rate is processed and bills can be mailed.

In most cases, part of the final approval includes requirements to be met during the next certification, to be conducted in three years.

Effective for Fiscal 2005, it is required that the assessors in all communities must do a ratio analysis as part of the filing of the recap sheet. Very basically, it is required to determine at what ratio the values are assessed, based on sales and income data.

Further, the assessors must include the number of sales of each type for the prior year, number of market sales, and the ratio of the updated value of those sales.

Recent changes in the method of determining growth revenue will also affect the way the assessors do their job.

The process has been that all maintenance, unfinished construction, sales reviews, and new construction and growth were based on the prior year base rates. Then, based on the ratio analysis, the rates were updated. As of 2004, the base rates must be changed first, determined by the sales and income data and all growth will be determined using the updated rates. This will result in more growth revenue or less depending on the rate adjustments. If the residential base rates are increased by 10%, the growth will be 10% more than it would have been. If there was a reduction of 10%, the result would be 10% less growth.

This will stretch or reduce the annual and maximum levy

limits beyond expected levels, or reduce the current levels. The result will give municipal administration greater flexibility in the future budgeting process.

It is incumbent on the assessors to track the sales in order to determine the trends of the market and advise the administration of the potential impact on the budget process.

The reduction in cherry sheet funds for fiscal 2004 has severely impacted the cities and towns and the budget process.

The reduction of funds was not the assessors' doing and the resulting increase in taxes is likewise not their doing. It is becoming more difficult to provide essential services to our respective municipalities and without additional funds, it will only get worse. Some of the revenue will come from growth, but more state funds from the cherry sheet are certainly necessary.

A key provision of Prop 2 ½ is that inflation cannot add revenue and only can reduce the tax rate. The result is that as the values go up, the tax rate must drop. Conversely, if the values go down, the tax rate goes up. Inflation or deflation in value is revenue neutral.

The assessors do not determine or modify the total tax to be collected. The assessors do distribute the tax burden equitably. The process is continuous. We value Massachusetts!

Why is it important to have the Assessors involved in Municipal Finance?

The assessors play a vital role in the financial issues in each municipality.

The primary role of the assessors is to locate, measure, list and value all property within its boundaries.