

HOW PROPERTY ASSESSMENTS ARE DETERMINED

Assessors are required by Massachusetts law to value all real and personal property within their community. They value every property, from single-family residences to business property, commercial and industrial enterprises.

Assessors do not make the laws that affect property owners. Tax laws are enacted by the Massachusetts Legislature. Guidelines and regulations to implement the legislation are established by the Massachusetts Department of Revenue. Assessors follow these procedures to set the value of property.

Valuation in Massachusetts is based on "full and fair cash value," the amount a buyer would pay a seller on the real estate marketplace. Assessors must collect, record, and analyze a great deal of information about property and market characteristics in order to estimate the fair market value of all taxable properties in the community. Properties such as churches and educational institutions are also valued, even though they are exempt from taxation.

Size, type, and quality of construction, number of rooms, baths, fireplaces, type of heating system - are all examples of the data listed on individual property record cards before the valuation process can begin. Assessors may not have to go inside each property before every revaluation if records are kept up-to-date and building permits are checked and recorded for changes in individual properties.

Finding the "full and fair cash value" or "market value" of a property involves discovering what similar properties are selling for, what the property would cost today to replace, and what financial factors, such as interest rates, may be affecting the real estate market. Property buyers and sellers establish the worth of comparable properties through their transactions in the real estate marketplace. Valuation techniques for commercial and industrial properties also include analysis from an investment point of view, since the purchase price the buyer is willing to pay depends in part on the return he/she expects to receive.

Assessors submit the community's values to the Massachusetts Department of Revenue every five years for certification. Values are maintained by the Assessors during the years between.