

What is a revaluation?

A revaluation or reappraisal is the process of conducting the data collection and market analysis necessary to estimate the fair market value of all property within a town for the purpose of a fair distribution of the tax burden.

Why is a revaluation periodically necessary?

Most cities and towns continue to grow over the years as land is subdivided and new homes are built. An increase in population causes an increased demand for services such as schools, police, fire, waste disposal, and snow removal, etc. Therefore, it is essential that property values be kept equitable so that all taxpayers pay their fair share of the burden.

Because different types of property located in different areas of a town appreciate or depreciate at different rates, it is necessary to periodically perform a revaluation.

Some states require a revaluation, or appraisal update, at specific time periods. The most common time periods, nationwide, are 3 and 5 years.

In Vermont, statistics determine when a revaluation must be conducted. If a town's overall ratio of listed values to sale prices drops below 80%, or the town's coefficient of dispersion exceeds 20%; the town is required to perform a revaluation.

What is market value and what determines my properties listed value?

Market value is determined by people, by activity in the real estate market and the general economy. The market can be generally defined as, you, the person who sold the property to you, and the person willing to buy the property from you.

It is the town lister's or assessor's job to analyze sales in the town in order to estimate the value of properties that have not sold. In some cases, a town will choose to hire an independent revaluation contractor to appraise all the property in town. The town should ensure that the contractor has been approved by the State of Vermont, Property Valuation and Review Division, to do this type of work.

What happens during a revaluation?

During a revaluation a physical inspection of both the interior and exterior of each property is done. The inspection process is multifaceted. A general inspection of the land details will be noted, such as, topography, drainage, access to electricity and either enhancing or detrimental influences from things such as view, waterways or accessibility. The inspector will also measure and tour all buildings and note such things as quality, condition, room count, finished floor area both above and below grade, bathrooms and kitchen.

This is the "data collection" phase of the revaluation. It is important to allow the data collector to enter your home and buildings, as this is how the data collector estimates the depreciation that will be assigned. Depreciation is a negative adjustment that is made to buildings, thus lowering the resulting total value. Without this inspection the data collector must estimate the interior data and conditions.

While the data collection phase is going on, appraisers study the sales and determine where there are increases or decreases in value. This study allows comparisons to be made and appraisers to establish parameters to estimate the value of property that has not recently sold.

The appraisers then review the collected data and apply the land and building values developed in the sales analysis to come up with a listed value for each property.

Will a revaluation increase my taxes?

Although a revaluation may result in an increase of each property's listed value, it does not mean that everyone's property taxes will increase. The effect of a revaluation on an individual's tax bill will vary. Typically, about 1/3 of the bills will go up, 1/3 will be about the same, and 1/3 will go down. It is very important to note that if your listed value doubles, it does not mean that the tax bill will double because the tax rate may go down.

How will I know if my new listed value is fair and equitable?

There are two good methods of determining this. First, compare your property to similar properties that have sold in your area. Be aware of any significant differences between your property and the sale properties. Differences in land area, size of the house, the existence of a barn or other improvements will make a comparison difficult. If your property and sale properties are truly similar, your new listed value should be similar to the sale prices. Second, if no recent sales are available, compare your listed value to the listed value of similar properties. Your value should be in line with the other properties. However, it seldom will be exactly the same as what seems to be a similar property.