

# Frequently Asked Questions

## ***Why is a reappraisal performed?***

A reappraisal is done to equalize the values within a municipality to ensure a fair distribution of the tax burden. It is not done to raise taxes.

Property values change over time, but they do not all change at the same rate. Market value may have changed more for some property classes or market areas (neighborhoods) than for others. A reappraisal is done to make sure assessed values reflect changes that have occurred in the local real estate market.

## ***Will a reappraisal increase taxes?***

A reappraisal may result in an increase or decrease in an individual property's tax burden depending on how the property's value increased or decreased relative to the average change in assessment. A reappraisal does not mean all taxes will increase or decrease.

Assessed values are the base by which the tax burden is determined. In contrast, the tax bill is determined by the amount of tax which must be raised by the municipality to cover the municipal and education budgets. For example, if the municipal and education budgets were to remain the same and all assessed property values were to double, the tax rate would be cut in half, but the same property tax amount would be due from each property.

A reappraisal does not increase the tax dollars that a municipality is able to raise. The amount of taxes to be raised is determined by the applicable budgets that are passed and not by property assessments.

## ***Will all property values change?***

It is likely that most property values will change, however, they will not all change at the same rate. Market value may have changed more for some neighborhoods and property types than for others. The values of some neighborhoods and property types may have even stayed the same or decreased in the current market. The purpose of the reappraisal is to make sure that the assessments reflect those changes in market value.

## ***What is fair market value?***

Market value is defined as the amount a typical, well-informed buyer would be willing to pay a willing seller for a property. For a sale to be considered a qualified sale used to determine market value, it must be an "arm's length" transaction -- the buyer and seller must not be related, the buyer must not be under pressure to buy and the seller must not be under pressure to sell, the property must be on the market for a reasonable length of time, the payment must be in cash or equivalent, and the financing must be typical for that type of property.

### ***How will market value determine my assessed value?***

The value of your property is based on an analysis of the entire market for a specified period of time before the completion of the reappraisal project, in this case from April 1, 2021, to March 31, 2024. The sales are researched and analyzed and factors such as location, size, quality of construction, age of improvements, property type, utilities, etc. are analyzed to establish valuation parameters (construction rates, land rates, market adjustments, etc.). When these valuation parameters are applied to the properties that sold, the calculation will result in a value that is very close to the sale price. The KRT appraisers then test that the valuation parameters consistently produce values that closely approximate the sales prices across all types of properties throughout the Town. When this is accomplished, the KRT appraisers then reapply these same valuation parameters to all of the “non-sale” properties in the Town. In doing so, they are approximating the market value of each property using the information derived from ALL of the recent, qualified sales. Using this methodology, there is no particular sale or group of sales that are used to determine your property’s value (unlike a bank appraisal for a mortgage).

This appraisal methodology is widely used throughout Vermont for reappraisals.

### ***The inside of my home was not inspected, so how could you reassess it?***

The ultimate goal is to see the inside of as many homes as possible. While KRT may not be able to accomplish this for many reasons, it is still possible to accurately estimate the data, quality and condition. The Lister’s Office maintains a complete record of each property. Information is kept current through permit inspections, sales inspections, periodic re-inspection and exterior reviews. These records are available for your review in the Lister’s Office or online at <http://norwich.vt.us/norwich-assessment-data-website/>. The details on your property card are used to determine your new value. We encourage you to review your property card for accuracy.

### ***Why did my assessment change when I haven’t done anything to my property?***

Market value is determined by the activity in the real estate market and the general economy. As property values change in the marketplace, which is reflected in sales, those changes will eventually be reflected on the assessment roll. It is common to have your assessment change without making any improvements to your property.