

TAX APPEALS: HAS YOUR TOWN OR CITY PROPERLY VALUED YOUR PROPERTY?

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Every five years, each town and city in Connecticut must conduct a revaluation of all real estate. In short, this is known as the periodic “Reval.” In the revaluation process, the town or city determines the fair market value of each parcel of real estate and all buildings and improvements on each parcel. This value is used to determine the real estate taxes that each parcel owner must pay. Unless there is an improvement made to the parcel in the interim, this value is used to determine taxes for all five years until the next “Reval.”

Therefore, if the established fair market value is higher than it should be, you should consider appealing that value because, if the value of your property is too high, then you will pay more taxes than you should.

HOW ARE TAXES COMPUTED FROM THE PROPERTY VALUE?

The tax assessor will compute the assessed value of each parcel of land, buildings and improvements, which is 70% of the gross appraised or fair market value set by the “Reval” process. The assessed value is then multiplied by the annual mill rate set by the town or city. For example, assume a property with buildings and improvements has been given an appraised or fair market value of \$1 million. The assessed value (70%) would be \$700,000. Assume the tax mill rate is 23.50. The annual real estate taxes for the \$1,000,000 property are $\$700,000 \times .0235 = \$16,450$.

An overvaluation of your property will result in an unfair increase in your taxes each year over the five year period until the next “Reval.”

The “Reval” date is the Grand List Date of October 1 of the year of the revaluation. For instance, the Town of New Milford recently completed a revaluation with a “Reval” date of October 1, 2020. The values used for determining real estate taxes are the values of all property on October 1, 2020. This is the value “snapshot” date. These new values will first be used for the determination of taxes for the tax year 2021-2022. Therefore, these new values will be reflected in the tax bills due on July 1, 2021 and January 1, 2022.

Brookfield will be conducting its next Reval for October 1, 2021. Danbury, Bethel and Newtown will be completing revaluations for the October 1, 2022 Grand List Date.

During the year of a “Reval,” you will receive a notice of your new assessed value. Remember, the assessed value is only 70% of the gross appraised or fair market value determined for your property. Most towns and cities will offer an opportunity in December or January for you to informally discuss and/or challenge your new valuation with the Tax Assessor or Revaluation Company. This opportunity is generally only given in the first year right after the Reval date.

If a property owner is not satisfied with the valuation of the property, in any year, the property owner can appeal to the town or city Board of Assessment Appeals, but these appeals must be filed by February 20th* of the given year. While it is preferable to appeal in the first year after a “Reval” to optimize any reduction you may be entitled to until the next “Reval” five years later, you may appeal in any subsequent year as well. If the property owner is not satisfied by the decision of the Board of Assessment Appeals, an appeal can be filed in the Connecticut Superior Court within two months of the decision of the Board. In most cases, you must appeal to the Board of Assessment Appeals first before you can appeal to court.

You should consult with an experienced attorney in order to make an informed decision as to whether to pursue a tax appeal.

* In 2021, because February 20th is on a Saturday, the deadline is February 19th. Always check with the Assessor’s Office or the Assessor’s website to confirm the appeal deadline in any given year.

Attorney Thomas W. Beecher has handled numerous tax appeals for commercial, as well as residential, property owners. He has also defended tax appeals on behalf of area municipalities and, therefore, has perspective from both sides of a tax appeal.