

## Common Questions Regarding Valuation Change

**What will my next taxes be?** – We cannot say at this time, as the final rate will not be set until tax commitment in mid-August. Your value may have gone up, but the tax rate will most likely go down resulting in a moderate increase in taxes, or even a decrease. Keep in mind that the tax rate is based in part on Town, School, and County budgets. Typically, if you see a big increase, it is because your property has been undervalued for some time or you've made improvements.

**How come my value went up?** – There can be several reasons, such as:

- The property was undervalued before
- Your location has improved in value
- We had been using mistaken information about the property
- Changes in the real estate market

**Is the Town doing this to raise more money?** – No. The Town, School, and County budgets determine the amount to be raised via taxation, regardless of the change in property values. Revising valuations ensures that property tax burden is distributed according to a more accurate estimate of value.

**Why did my assessment go up more than my neighbors?** – It is quite likely that the information we had on their property was already more accurate, or that they do not maintain their property as well, or that we discovered missing information about your property.

**There are mistakes in my property's data.** – This is one reason we send out a notice of proposed valuation. Thousands and thousands of information have been entered into our system over the years, so it is possible for errors to occur. Please let us know of any data corrections. Some changes may cause value increases as well as decreases.

**Shouldn't my valuation equal my purchase price?** – No. It should reflect a rough approximation of current market value. Not everyone would pay the same price.

**Shouldn't everyone's value go up the same?** – No, for a variety of reasons.... Some properties may have been improved more than others. The market desirability of some neighborhoods can increase their value over others. Not all properties are identical.

**It cost me X dollars to build it; shouldn't that be my assessment?** – No. Assessments are established to reflect an approximation of market value.

**I can't afford it.** – This is probably the most unpleasant part of tax law; it makes no distinction about one's ability to pay. The State Constitution and Statutes say that the test is "what is the approximate market value?" not whether one can pay for the taxes. Exceptional cases (the law calls it 'inability to contribute to the public charges') may be heard by the Canaan Select Board through the Poverty Abatement process. This is meant to be on a year-by-year basis for occasional hardship. Please contact the Canaan Town Office and request for the General Assistance Director to contact you if this is a necessity. The Assessor is not involved in this procedure.

**Will you post a list of all properties?** – This information can be found in the Commitment Book, which is posted on the Town of Canaan website and a hard copy is available in the Town Office.

**What is the valuation formula?** – Valuations formulas are complex. We use a proprietary relational database program that is commonly used for assessment purposes. The sketching manual alone for the program is 81 pages long. Many data points are entered, including location, buildability, size, quality of constructions, depreciation, amenities, outbuildings, etc. Then elements are priced out using various mathematical equations resulting in a total that should be a rough approximation of market value. The real question is whether the final total is in the ballpark of market value.

**What are the most important influences on land value?** – The key elements seem to be whether one can build on a property, and its location. Other elements after that do contribute, but are relatively secondary.

**Why are taxes so high?** – This question is not under the authority of the assessor; it's the result of spending by the school, county, and town government. Spending priorities are set in the spring and voters have an opportunity to voice their concerns. The Town budget is the result of the Canaan Select Board working to develop a list of considered

expenditures. The same process is following the by the School Department. Residents can attend meetings and give input. The Town budget is then presented at town meeting; townspeople can comment and vote on each article. The School Budget Process is voted on at their annual budget meeting and reaffirmed by Public Budget Referendum.

**Do you need to come inside?** – Interior inspections are best if the owner is home. Mostly I want to see their foundations, electrical panels, floor joists, and heating systems. Also, I need to know if there are any incomplete areas or damage. That is hard to estimate without seeing it.