

**REAL ESTATE VALUES AND PROPERTY REVALUATION:
HOW IT WORKS AND WHAT IT MIGHT MEAN FOR MANCHESTER
MARCH 2006**

Introduction

The Town of Manchester obtains approximately 75% of its annual general fund revenue from one of three sources: the real estate property tax, the personal property tax, and the motor vehicle tax. Of these three sources, the real estate property tax is the single largest revenue source for Manchester, and for all municipalities in the State of Connecticut. The revenues collected from these taxes pay for such services as education, police, fire and emergency medical services, recreation programs, snow plowing, road paving, sidewalk repair, leaf removal, parks maintenance, and support services for children, the elderly, and other needy Manchester residents.

For Manchester property owners the real estate tax bill they receive is their most direct experience with the costs of municipal services. For industrial and commercial properties the real estate tax bill can be a significant cost of doing business. For residential, commercial and industrial tenants the real estate tax is often included in their rent and can be a significant cost for them as well.

State statutes limit the sources of revenue available to municipalities, and there are statutory provisions for how those revenues can be collected and how values can be established. The amount of real estate taxes collected by the Town are a result of two things; the value of real estate and the amount of money the town needs to raise to fund services. In order to raise the necessary amount of money a tax rate, or mill rate, is applied to the value of the real estate. This paper will focus on how the value of real estate is established, the forces that influence value, the state laws that govern real estate and taxes, and how changes in real estate values may be reflected in individual tax bills.

How is value determined?

The value of residential properties is determined primarily by the condition of the houses and buildings, their location, and the property's value relative to other similar properties as determined by actual property sales. These values are affected by forces in the marketplace including the number of individuals looking to purchase homes, the supply of homes, the costs of land, approvals, and materials associated with building new homes, and the cost of money as reflected in interest rates and down payment and closing cost requirements.

The factors affecting industrial and commercial properties, including large rental housing complexes, are the condition of the buildings, the location, and the demand or the need for apartments or industrial or commercial space compared to the supply. The overall condition of the state, regional, and national economy also exerts strong influences on the value of industrial and commercial real estate.

Because of the different factors that influence residential and commercial real estate, it is very likely that residential values and commercial and industrial values will change at different rates or certain values may increase and others decrease during the same period. In Manchester, residential properties account for approximately 61% of all of the taxable real estate assessment value, with the remaining 39% commercial and industrial properties.

When are values established?

The Town of Manchester, and all municipalities in Connecticut, are required to establish the value of all types of real estate every five years. This process of valuing property is referred to as *revaluation*. The intent of this periodic property revaluation is to try to ensure that the assessment of each property in a municipality fairly represents that property's value as it relates to all other properties in town. Residential properties are compared to residential properties and commercial and industrial properties are compared to other commercial and industrial properties. Even within those general categories, attempts are made to find comparable properties within these broad property classes.

Revaluations occur at a specific time and capture the real estate market values at that time in specific market conditions. The next revaluation of real estate in Manchester is scheduled to occur in 2006, and to be completed in time to compile a "Grand List" by October 1, 2006. The Grand List, which is compiled annually, is the total amount of real estate, personal property, and motor vehicle assessed values as of October 1 of each year. This Grand List forms the basis of all values, and is used to establish the tax rate necessary to generate revenues to fund the town's general government and education budgets. The tax rate which is applied to these values is referred to as the mill rate.

How does revaluation affect my tax bill?

Since there will be a revaluation of all real estate during 2006, the question arises as to what effect the revaluation may have on real estate taxes. There is a widespread assumption that taxes automatically increase after a revaluation. Actually, revaluation itself does not have an effect on the total amount of taxes collected. Rather, revaluation determines how the burden of those taxes will be distributed among all taxpayers.

If all properties in the Town increase in value by the same percentage from one revaluation to the next, then the distribution of the tax burden remains the same. However, this obviously is a highly unlikely occurrence. In reality, revaluations result in some properties increasing by a larger percentage than others. Any property that increases in value by a larger percentage than the increase in property values overall will be taking on a larger share of the tax burden. In contrast, if a property's value increases by a smaller percentage than the overall increase, that property will take on a smaller share of the tax burden. Therefore, from an individual taxpayer's perspective, what matters is the change in their property value relative to the overall change in property values town-wide. The following is a hypothetical example of how revaluation could affect the taxes owed on a single property.

Before Revaluation:

Total Taxes to be Collected (tax levy)	\$5,000,000
Taxable Grand List	\$200,000,000
Assessed Value of #123 Any St.	\$100,000
Value of #123 Any St. as a percent of the total grand list	0.05%
Tax Rate	25.00
Taxes owed on #123 Any St.	\$2,500

Revaluation takes place resulting in an overall increase in the grand list of 20%.**After Revaluation:**

Total Taxes to be Collected (tax levy)	\$5,000,000
Taxable Grand List	\$240,000,000
Assessed Value of #123 Any St.	\$165,000
Increase in value of #123 Any St.	65%
Value of #123 Any St. as a percent of the total grand list	0.07%
Tax Rate	20.83
Taxes Owed	\$3,438

In this example, the property at #123 Any St. represents 0.05% of the total grand list before revaluation. The taxes on that property are based on total taxes of \$5 million and a total grand list of \$200 million.

Then, revaluation results in a 20% increase in the total grand list. However, #123 Any St. increases in value by 65%. Now, the property represents 0.07% of the total grand list.

Even though the tax levy remains at \$5 million, the property at #123 Any St. is responsible for a larger portion of the total tax burden. The result is that the taxes owed on #123 Any St. increase by 38% or almost \$1,000. This is because the value of that property increased by a much higher rate (65%) than the overall grand list increased (20%).

The relative change in property values is most readily apparent when looking at various categories of real estate.

Typically, residential real estate values and commercial/industrial real estate values increase at significantly different rates. This can result in a shift of the tax burden between the residential and commercial/industrial real estate categories. In this case one category of real estate may experience a proportionately higher increase in the share of real estate values to the total Grand List compared to another category. This is commonly referred to as a “burden shift”. It is anticipated that Manchester taxpayers may experience such a burden shift after the completion of the 2006 revaluation. This burden shift could result in the owners of residential real estate paying a proportionately higher percentage of the real estate taxes than commercial and industrial property owners. If this burden shift occurs, it will occur because of changes in the market value of these properties since the last revaluation (which occurred in 2000).

How might the 2006 values compare to the 2000 values?

Since 2000 there has been a strong demand for housing and rising housing values, not only in Manchester but throughout the State of Connecticut. A number of factors influence housing values. These include a gradually recovering economy; historically low interest rates which make the cost of money less expensive and allows more individuals and households to borrow money to purchase housing; very low down payment and closing cost requirements; and a relatively small supply of housing compared to a large demand.

These forces have resulted in increased values for existing homes and for land for new construction. The rising costs to build new homes or rehabilitate existing homes are reflected in the cost of labor, materials, time for approvals, and regulatory constraints on supply in some parts of the housing market making housing more expensive at the same time demand is high.

The reason there is a range of possible increases in value is that different housing types have seen their value change at different rates. For instance, the values of single-family dwellings could be rising faster than the values of two-family dwellings, which could be rising at a different rate than condominium units. Even within the single-family dwelling category there may be different rates of increase in value for homes that were built within the last ten years compared to homes that were built over 50 years ago. It is these value differentials that will be established during the revaluation process, based on actual sales.

A recent study of sales activity in Manchester showed that, through October 1, 2005, the average single-family house sold at a sale price that represented an appreciation rate of 65% since the Town of Manchester's revaluation date of October 1, 2000. Although the use of averages can be misleading because very few properties are average and all properties are unique, these numbers clearly show that there has been widespread appreciation in the residential market.

Almost two-thirds of the single-family house sales showed appreciation rates between 30% and 70%. Among individual types of houses, Cape Cods, Colonials, and raised ranches all showed an average appreciation rate of over 60% through October 1, 2005, and appreciation rates in the 70, 80 and even 90% range are not uncommon. Ranches (average appreciation of 58%) and contemporaries (average appreciation of 47%) showed slightly less appreciation, but still robust growth.

Appreciation is not limited to single-family dwellings. The average multi-family dwelling appreciated 103% during the same period, with over 80% of the sales appreciating more than 57%. During the same period, residential condominiums increased an average of 105%, with almost 60% of the sales appreciating between 50% and 115%.

By comparison, during the same period, sales of commercial properties showed an average appreciation rate of less than 26%. Commercial properties include properties with uses such as office or retail, but do not include apartments or industrial properties. The appreciation rate for apartments has been similar to the growth rate for single-family dwellings, while industrial properties have lagged behind office and retail appreciation rates.

The overwhelming majority of the real estate in Manchester is residential real estate, and the overwhelming majority of residential properties are single-family dwellings as the following charts show:

Category	# of Properties	Percentage
Residential Real Estate	16,132	87.25%
Non-Residential Real Estate	2,358	12.75%
Total Real Estate	18,490	100.00%

Category	# of Properties	Percentage
Single-Family Dwellings	12,117	75.11%
Multi-Family Dwellings (2-4 Units)	1,702	10.55%
Residential Condominium Units	2,313	14.34%
Total Residential Real Estate	16,132	100.00%

Appreciation rates are calculated using sales from January 1, 2005 through October 1, 2005 and comparing them to their 2000 appraised values. In the 2000 revaluation, almost half of the real estate properties in Manchester were valued at between \$100,000 and \$149,900, almost three-quarters of the properties in Manchester valued at \$149,900 or less as the following chart shows. Appreciation levels since 2000 have been highest at the lower value levels. While there has been steady appreciation in residential properties across the board, generally the higher the 2000 property value the lower the appreciation rate.

10/1/2000 Full Market Value	# of Properties	Percentage	# of Sales	Average Appreciation Rate
Less than or equal to \$49,900	986	6.11%	85	143.25%
Between \$50,000 and \$99,900	3,187	19.76%	166	87.96%
Between \$100,000 and \$149,900	7,899	48.96%	380	70.88%
Between \$150,000 and \$199,900	2,383	14.77%	94	62.47%
Between \$200,000 and \$249,900	887	5.50%	40	46.69%
Over \$250,000	790	4.90%	34	36.18%
Total	16,132	100.00%	799	

Appreciation rates have been highest at the lower value levels. While there has been steady appreciation in residential properties across the board, as values increase the percentage rate of increase is lower (though the dollar amount of increase is usually higher).

We have seen less dramatic increases in the value of commercial and industrial properties since 2000. Industrial properties have increased approximately 5% in value, retail properties between 10% and 20%, and apartment complexes between 30 and 50%. These lower rates of appreciation can be attributed to broad economic trends. The recession of the late 1990's has carried on into a very slow recovery in Connecticut, and in Manchester, since 2000. There has been slow job growth and a very cautious investment climate, which has reduced demand for

new industrial space and has tempered companies' desire to expand their operations by leasing additional space. Similarly, shifts in retail market conditions have resulted in some very high commercial values in more modern shopping districts, but depressed values and higher vacancy rates in older shopping districts.

With the combination of very strong appreciation of values in the residential market, which represent 61% of our Grand List for real estate, and the relatively slower increase in values in commercial and industrial properties, which represent roughly 39% of our Grand List, it seems likely residential properties will bear a proportionately greater share of the Grand List, and thus provide a greater share of the real estate taxes than was the case in 2000.

What options are available to the Town to deal with the expected tax burden shift?

There are several options available to the Board of Directors if they wish to soften the effect of the anticipated burden shift with the upcoming revaluation on Manchester taxpayers. These are generally under two options. One option is exemptions, which applies to specific groups of taxpayers. These exemptions must be adopted by the Board of Directors. Because exemptions only apply to certain groups, those taxpayers not eligible for the exemption must pay some additional taxes in order to make up that revenue. Another option is a phase-in of the new assessed values. This option allows a town to incrementally raise the assessed value based on the 2006 assessment. This option applies to all taxpayers. These two categories are explained in more detail below.

Property Tax Exemptions

There are currently over 9,300 taxpayers in Manchester receiving some sort of exemption or tax relief benefit on their real estate, motor vehicle, or personal property assessments. The following focuses on real estate exemptions only:

Veterans Exemption

Persons honorably discharged from the U.S. Military who served during specified time periods determined by the Connecticut Legislature, could be eligible for an exemption from property taxes. The current standard Veteran's exemption is \$4,500 of assessment credit, or about \$150 in tax savings. It is possible this amount could increase after a revaluation, in accordance with a State-determined formula.

Additional Veterans Program

In addition, an honorably discharged veteran who meets the service period requirements, and who qualifies for the senior or disabled homeowner's program, may also qualify for the Additional Veteran's program. This could increase the Veteran's Exemption from \$4,500 of assessment credit to \$14,000 of assessment credit, (currently about \$470 in tax savings).

Disabled Exemptions

Disabled persons or disabled veterans (or surviving spouse) may also be entitled to an exemption on real estate taxes. The amount of these exemptions varies depending on the type and percentage of disability.

Homeowners Program

Senior or disabled homeowners (or renters) who fall within State-mandated income guidelines may qualify for a tax credit of anywhere from \$150 to \$1,250, depending on income. The income levels are set by the State of Connecticut Office of Policy and Management vary each year. The current levels are up to \$33,900. As a tax credit the Senior Homeowner's Program could save between \$150 and \$1,250 for eligible taxpayers each year they are in the program.

Deferral Program

Manchester also has a tax deferral program that allows qualifying seniors to defer their tax payments without interest penalties or delinquent collection proceedings. The length of the deferral period is set by the Board.

Most of the senior, disabled, and Veteran's program criteria are set at the State level. There are basic exemption levels set at the State level as well. Often there are triggers that increase Veteran's exemption levels with revaluation results. In the 1990 revaluation, Manchester's Veteran's exemption levels tripled. In 2000, they did not change. It is possible, but not guaranteed that they could change in the 2006 revaluation. In addition, municipalities are sometimes allowed to expand exemption programs by local option through adoption of a local ordinance. In most cases, local option exemptions, unlike many State provided exemptions, are not reimbursed to the Town of Manchester by the State of Connecticut. The Town of Manchester has adopted most of the available local options through ordinances. All totaled, there are over 50 different types of senior, disabled, and Veteran's exemptions available, each with separate qualifications, and exemption levels.

Multi-Year Phase-In

Another option available to offset the revaluation's impact is a multi-year phase-in of revaluation. Under Connecticut General Statutes, municipalities can phase-in a revaluation over a period of up to four years, which includes the year of the revaluation. A phase-in can be accomplished either by increasing the assessment by equal amounts of increase, or increasing by the same percentage over the phase-in period. (For a detailed example please see Appendix A.)

The Town of Manchester phased-in the 1990 revaluation over a two-year period. The 1990 Grand List was based on an assessment ratio of 36.67% of the market value as of October 1, 1990. The 1991 Grand List was based on an assessment ratio of 53.34% of the market value as of October 1, 1990. The 1992 through 1999 Grand Lists were then based on the mandated assessment ratio of 70% of the market value as of October 1, 1990. The 2000 revaluation was not phased-in.

A phase-in is a viable and legally permissible means of minimizing the impact of the revaluation on the taxpayer. The Board decides whether to phase-in the revaluation, the method of the phase-in, and the number of years for the phase-in period. There is some risk involved because items such as a town's budget requirements, State funding levels, and grant awards frequently change and can impact the amount of taxes paid throughout the town. Some State funding

formulas are based on grand list amounts, and can be set at a lower level with phased-in assessments.

Phase-in also can be confusing to taxpayers. It can lead taxpayers to feel their assessments are based on something other than the value of their property, and in some cases it can cause budget confusion for the individual taxpayer's personal budget.

Possible Future Options

Several ways to potentially reduce the impact of revaluation have been discussed over the past several years. All of these options require approval of the State Legislature, and none of them are allowed under current statutes. However, they have been debated at the State level, and could possibly be allowed in the near future.

Revaluation Schedule

One change being discussed would alter the revaluation schedule, similar to the change adopted in 2004 which allowed revaluations to be deferred until 2006. It is possible a similar change will be made in the near future because enough municipalities deferred to 2006 that it makes the current revaluation schedule unbalanced so far as the number of municipalities towns performing revaluations each year.

Homestead Exemption

Another idea that has been discussed is the "Homestead Exemption". This would give an exemption on owner-occupied residences, effectively lowering the taxes on owner-occupied homes. This topic was strongly considered in 2003 and 2004, but was not adopted. The exemption would further shift the tax burden to rental housing and non-residential properties.

Variable Assessment Ratios

Allowing different assessment ratios for different property classifications has also been discussed. Currently, residential and non-residential real estate, along with motor vehicles and personal property, are all assessed at 70% of their appraised value. There has been discussion of changing these ratios as a way of providing property tax relief to homeowners, assessing them at one ratio but non-residential at another ratio.

Ultimately, whether or not Manchester adopts a phase-in will be determined based on the revaluation results, the burden shift, and what is felt to be best for Manchester.

APPENDIX A PHASE IN EXAMPLES

Under Connecticut General Statutes, municipalities can phase-in a revaluation over a period of up to four years, which includes the year of the revaluation. A phase-in can be accomplished either by increasing the assessment by equal amounts of increase, or increasing by the same percentage over the phase-in period.

As an example of each method, let's assume we have a sample property with a value of \$98,430 (assessment equals 70% of the value, or \$68,900) in the year prior to the revaluation. After the revaluation, the sample house is estimated to have a market value of \$172,400. Under Connecticut General Statutes, this home would be assessed at 70% of its market value, or \$120,680. The difference between the before-revaluation assessment and the after-revaluation assessment is \$51,780 ($\$120,680 - \$68,900 = \$51,780$).

Under the equal amounts of increase, the sample home would have the same amount of increase each year over a four-year period, with results in the mandated 70% assessment ratio after the phase-in ends. In this case, the difference between the before and after is \$51,780, which is divided by four-years of a phase-in, to equal an assessment increment of \$12,945 ($\$51,780 / 4 = \$12,945$). Therefore, \$12,945 is added to the assessed value before the revaluation each year, to yield the following assessment each year:

Prior to Revaluation Year: Assessment = \$68,900
Revaluation Year (1st Phase-in year):
 Assessment = \$81,845 (47.47% of market value of \$172,400)
Following Year (2nd Phase-in year):
 Assessment = \$94,790 (55.09% of market value of \$172,400)
Following Year (3rd Phase-in year):
 Assessment = \$107,735 (62.39% of market value of \$172,400)
Following Year (4th & Last Phase-in year):
 Assessment = \$120,680 (70% of market value of \$172,400)

Note that each year, the assessment increases by \$12,945

Under the same percentage increase, assessments are increased in percentage increments, rather than in specific amount increments, based on the sales-assessment ratios within the town. Sales-assessment ratios are calculated by taking the assessment for a property and dividing it the sale price. For example, if a property is assessed for \$30,400, and it sells for \$100,000, the Sales-Assessment ratio for that property is 30.40% ($\$30,400 / \$100,000 = .3040$). In this example, we assume that this is typical and the Sales-Assessment ratio for residential property in a town is 30.40% (although Sales-Assessment ratios for an entire class of properties, not individual properties would be used) in the year preceding the revaluation, and the town adopts a four-year phase-in, the rate of assessment each year would increase by 9.9%. Thus, under this example, the phase-in assessments would be:

Prior to Revaluation Year: Assessment = \$68,900

Revaluation Year (1st Phase-in year):

Assessment = \$69,477 (40.30% of market value of \$172,400)

Following Year (2nd Phase-in year):

Assessment = \$86,545 (50.20% of market value of \$172,400)

Following Year (3rd Phase-in year):

Assessment = \$103,612 (60.10% of market value of \$172,400)

Following Year (4th & Last Phase-in year):

Assessment = \$120,680 (70% of market value of \$172,400)

Note that each year, the assessment increases by 9.9% of the market value.

APPENDIX B APPEALS PROCESS

As Connecticut municipalities are currently required to perform revaluations every five years after 2006, it is important that the taxpayers are made aware of what they can do to possibly reduce the impact of revaluation on their individual tax bills.

The first and most basic thing that a taxpayer should do is examine their own assessment for their property to be sure that the data is correct. While it is the goal of every assessor to have completely accurate data within our databases, this does not always occur. Sometimes data is not correct because assessment or revaluation staff was unable to perform an interior inspection of a property and had to make assumptions from outside the house, and sometimes mistakes happen in the measuring or sketching of a parcel.

All the assessment data for each of the 18,300+ properties in Manchester is contained on a field card that is maintained at the Assessor's Office at Town Hall. This data can be viewed at the Assessor's Office at no charge, or copies of individual field cards can be printed at a cost of 50 cents per sheet. Items such as site plan maps, and recently sold property data can also be viewed at the Assessor's Office at no charge, and copied for a small fee.

Also, Beginning with our 2000 revaluation, substantial portions of Manchester's real estate assessment data was placed online at www.visionappraisal.com (the data is under the "online databases" section of the Vision web page), and there is a link to the Vision web page on the Town of Manchester's web site as well. The Town of Manchester encourages all its taxpayers to examine their own property's assessment record to determine if there are any issues that need to be addressed. Ultimately, it is part of both the taxpayer's and the Assessment staff's responsibility to make sure the taxpayer's assessment data is accurate.

When examining your assessment data, if you feel that an error occurred, you should alert the Assessment staff immediately so that we can examine the property data, and schedule a visit to the property if necessary. In the case of a clerical error, the Assessment staff can adjust the assessment accordingly, although we usually require a site visit with an interior inspection in order to make such a change. A clerical error is when there is a factual data mistake on a property. For example, if your house has 1.5 bathrooms and it is listed as having 2.0 bathrooms on the field card, that is a clerical error. Or, if your house is 23' long and it is listed as 22' long on the field card, that is a clerical error, and those errors can usually be fixed by the Assessment staff, without going through a formal appeal process.

However, judgment differences are another matter. For example, if the Assessor and revaluation company valued your property at \$300,000, and you feel the property's value is really \$250,000, and all the statistical and factual data is correct, this is a difference in judgment, not a clerical error.

Differences in judgment are handled through the various appeal processes. In a revaluation year, there are three levels of appeals; in chronological order, and in order from the least difficult and

costly to the most difficult and costly, those levels are informal hearings, Board of Assessment Appeals (BAA), and appeals to Superior Court. In a non-revaluation year, there are no informal hearings, but BAA and Superior Court are available to taxpayers in all years.

During the 2006 revaluation, preliminary assessment notices will be sent out to all real estate property owners through Vision Appraisal Technology around November of 2006. In conjunction with these notices, taxpayers will be given an opportunity to go to an informal assessment hearing with Vision Appraisal Technology. Due to the timing of an October revaluation data and the requirement that we have a signed Grand (tax) list in January, there will be a quick turn around time for scheduling the hearings, but taxpayers who feel their property is not assessed at a value they agree with can use the informal hearing as their first opportunity to appeal their assessment. The informal hearings will be held in November and December of 2006. As the title states, these will be informal hearings, Vision Appraisal Technology staff will look at anything the taxpayer provides them, and will make a decision based on whatever information the taxpayer gives them. The informal hearing is the least time consuming and statistically the best manner in which a taxpayer can have their assessment changed.

A second assessment notice will be sent out by Vision after the informal hearings conclude, in some cases, if Vision looks at an entire area based on an informal hearing, people who do not attend an informal hearing may also receive a second assessment notice from Vision.

Once the Grand List is signed, the Office of Assessment and Collection will send out assessment notices, these will be either the second or third notices taxpayers will receive, depending on the informal hearing process. These notices will be mailed in late January or early February of 2007.

The notices sent by the Office of Assessment and Collection will contain a notification that the taxpayer has the right to appeal the assessment to the Board of Assessment Appeals (BAA). Once again, timing is important, all appeals to the BAA must be filed by Tuesday, February 20, 2007 (unless there is a Grand List extension, which is very unlikely). That deadline, Tuesday, February 20, 2007 is a hard deadline, any taxpayer who files for an appeal on February 21, 2007 or later will not receive a hearing. So, it is crucial that the taxpayer file timely if they wish to pursue a BAA hearing.

BAA hearings are held in February, March, and sometimes April. They are usually held on weeknights, and they are very difficult to re-schedule, so if you apply for a BAA hearing and have certain dates during which you are unavailable, make sure you list those dates with your hearing application so we can try to work around them. Someone must attend a BAA hearing, either an owner or someone appearing on behalf of the property owner.

The BAA hearings are more formal than the informal hearings. They are tape recorded, and they are scheduled in 15-minute intervals. A taxpayer can attend a BAA hearing even if they did not attend an informal hearing, but the process is more involved. Despite the detailed set of instructions that Manchester provides with BAA applications, the majority of taxpayers who go to BAA hearings do not prepare enough information for their hearings. Remember, in Connecticut, taxpayers have to appeal their assessments, not their taxes. This is why BAA hearings are held in February and March, before tax bills are paid in July.

If you attend a BAA hearing, you will have to provide support as to why you believe your assessment is incorrect, the BAA will not change your assessment unless you show them how it is incorrect. You will need to provide data to support your case; this data can be in the form of an appraisal, a listing of comparable sale properties, a listing of comparable assessments, or any other items that present your appeal in a logical and effective manner. The BAA may or may not ask someone from the Assessor's staff to re-inspect your property. The standard of proof at a BAA hearing is a little higher than at an informal hearing, many people who do not receive a change to their assessment at the BAA level may have received a change to their assessment if they'd made the exact same case an informal hearing. The BAA is a panel of Manchester citizens whose task is to hear assessment appeals. The Town's Board of Directors appoints the BAA members.

BAA hearings are not arbitration. For example, if the Town of Manchester values your property at \$300,000 and you believe the value is \$250,000, the BAA is not obligated to pick either \$300,000 or \$250,000, the BAA can re-value the property at any number they feel is realistic. For example, they could value the property at \$240,000, or \$260,000, or \$310,000. After your hearing, the BAA will deliberate your appeal, and you will be notified by Certified Mail of the decision.

As a taxpayer, if you are not satisfied with the decision from a BAA hearing, you may bring a further appeal to Superior Court. This will have to be filed within two months from the date the BAA decision is mailed to you. In virtually all cases, you must go to BAA first in order to file an appeal at Superior Court.

Superior Court has inherent costs to the taxpayer, unlike the informal hearing and BAA, which do not necessarily cost any money. In order to bring an appeal to Superior Court, a taxpayer will most likely need to hire an attorney and have an appraisal performed on their property. Once an appeal is filed at Superior Court, it will usually be assigned for a pretrial conference. The pretrial conference could occur anytime from a few months to over a year after the appeal is filed.

Because of the cost and time associated with appeals to Superior Court, the Town of Manchester recommend that any taxpayer who feels their assessment is incorrect strongly consider attending both the informal hearing and BAA hearing and prepare as logical and precise an appeal case as they possibly can so that their concerns can be addressed without an appeal to Superior Court, it is to the taxpayer's advantage to appeal their assessment at the earliest and easiest level when the taxpayer feels it is incorrect.

Regardless of the assessment for a particular property, and regardless of the appeal process, the Town of Manchester also strongly recommends that all taxpayers examine whether or not they qualify for any exemption or tax relief programs.