

Understanding Property Taxes and Your Assessment

There are two separate parts of the tax system: Valuation and Taxation. While the Assessing Department determines the value of your property, the amount of your taxes is determined by decisions that are made by tax policy and by your taxing authority - Town Meeting Members/ Finance Committee/Board of Selectmen. The process begins with the Finance Committee who recommends annual budget figures. Town Meetings authorize spending through appropriations and the Board of Selectmen decide on whether a shift in the tax burden should occur and if so, what that shift should be.

Your property valuation is determined by inspecting and collecting data on the physical characteristics of your house which include, for example, age, grade of construction, number of bathrooms, fireplaces, etc. Location and lot size are also important characteristics for determining value. For income-producing properties, an estimate of the income the property can generate is used to estimate valuation. The Assessing Department analyzes sales, income and cost data to arrive at a tax assessment for each property using a mass appraisal system also known as CAMA "Computer Assisted Mass Appraisal".

Property values can change for various reasons. Obviously, if one significantly remodels their home or adds a bath or swimming pool, the property value will increase. If a home is damaged by fire, the value will decrease. Most often, though, property values change as a result of a change in the real estate market.

If the assessed value rises, do taxes have to rise? The answer is no. Similarly, if assessed values fall, taxes do not necessarily decrease.

The property tax is an important part of any well-balanced revenue system for a community. Property taxes fund such things as schools, police protection, streets, libraries and other public benefits. The property tax allows these services to be funded in proportion to the amount of money an individual property is worth. In general, when your community spends more tax dollars on schools, public infrastructure, parks and roads, your property values rise and you ultimately benefit.

Respectfully submitted,

Paul J. Emery, Chairman
Teresa A. Miner
Ann M. Cenzano
Montague Board of Assessors

Sources: Some content has been taken from "Understanding Your Assessment" published by the IAAO