

# Tax Levy Limitation or What is Proposition 2 ½

**The FY 2012 Maximum Allowable Levy is \$18,456,741 Tax Dollars**

One of the most common misconceptions about property taxes among taxpayers is proposition 2 ½. Most people believe that proposition 2 ½ limits the increase in their individual property taxes by only 2 ½ % from the previous year. When in fact proposition 2 ½ limits the amount of total property taxes a community may raise from year to year by 2 ½. Proposition 2 ½ does allow exceptions in the form of new growth and overrides. The maximum amount of property taxes that can be raised each year is known as the Levy Limit.

New Growth...A community is able to increase its levy limit each year to reflect new development and other growth in the tax base that is **not** the result of revaluation. New Growth for FY 2012 is projected at \$131,543.

Overrides...A community can increase its levy limit by successfully voting a debt exclusion or capital outlay expenditure exclusion.

In summary, the levy limit can increase from year to year in these ways: automatic 2 ½ percent increase, new growth and overrides.

**The tax rate for Fiscal 2012 is \$11.85**

# **TOWN OF MATTAPOISETT**

## **SOME IMPORTANT POINTS ABOUT YOUR FISCAL YEAR 2012 ASSESSMENT:**

*Board of Assessors 16 Main St Mattapoisett, MA 02739 508 758 4100*

### **Frequently Asked Questions on the Property Tax Process:**

- **What is an assessment?**

The assessment is the value of property to be used for local taxation as determined by the Board of Assessors through a series of market analysis of the **2009 & 2010 Real Estate Market** and regulations set by the Commissioner of Revenue

- **Why did my assessment change?**

All communities are now required to update their assessments annually to meet requirements as outlined in the Guidelines to a Minimum Reassessment Program, section III by the Department of Revenue.

I. To meet these requirements and based upon residential sales in Mattapoisett in **2009 & 2010**, it is estimated that the average single family assessment will decrease by 1.97 % for FY 2012. (From \$451,345 to \$442,614 an decrease of \$8,731).

II. The average single family tax bill will increase by 3.21 % from the previous year. (From \$5,082 to \$5,245 or \$163 Dollars).

- **Why did the average single family assessment decrease by 1.97%?**

As stated above, the Board of Assessors are required to meet guidelines by the Commissioner of Revenue, the guidelines require that the assessments be based on **calendar year 2009 & 2010** sales and not from **calendar year 2011** sales. Regardless of whether assessments go up or down, the Town will still raise approximately \$18,456,741 in property taxes for FY 2012.

- **Is the purpose of a revaluation to increase taxes?**

No, the purpose of a revaluation is to make assessments for all parcels in Town, fair and equitable in relation to each other, based upon the **2009 & 2010 Real Estate Market**. Whether taxes as a whole go up or down has more to do with the Town's budget rather than if your assessments decreases or increases.

**How can my assessment change when I haven't done anything to my property?**

Since assessments must be based upon market value, assessments will continue to change during rising and declining real estate markets. As property values change in the marketplace (sales), those changes must be reflected in the assessments. All properties, however, do not change in value to exactly the same degree. Many factors influence values. Among the numerous factors to be considered are location, condition, size, quality, number of baths, finished basement, garages, additions, traffic, and utilities.

- **How are my taxes determined?**

The amount of taxes you pay is determined by the appropriations voted at Town Meeting. The Town adopts a budget that reflects what services will be provided and the cost to provide those services. After Town Meeting adopts a budget, the amount of taxes to be raised is calculated in accordance with Proposition 2-1/2 and divided by the total taxable valuation of the Town to determine the projected single tax rate. The Board of Selectmen holds a public hearing to determine whether and how much residential tax will be transferred onto the commercial properties, commonly referred to as the split tax rate (commercial properties pay a higher tax rate than residential properties). All the information is forwarded to the Department of Revenue for its review and approval. The tax rates are then finalized to raise the needed dollars to pay for the services that the Town voted to provide.

- **What if I disagree with the assessed value of my property?**

If you believe that your property is over assessed based on calendar year **2009 & 2010 sales**, not assessed fairly in comparison to other properties, or that it is not classified correctly, you have the right to file for an abatement of taxes. An application must be filed with the Assessors Office. Applications are available at the Assessors Office. In filing an abatement application you will want to be specific about why you disagree with your assessment. Is there some misinformation on your property record card? Did you find values of comparable properties lower than your property? Please provide us with all the necessary information to support your position on valuation.

- **When can I apply for an abatement on my Real or Personal Property?**

Once the ACTUAL TAX bills (3rd installment of Quarterly Billing) are MAILED, you will have until the due date of the 3rd installment (February 1, 2012) to file an abatement application with the Assessor's Office. Please note that the Board of Assessors may only consider an application for an abatement that has been filed with the Assessor's Office in a timely manner. (February 1, 2012)

- **I just received a tax bill for my property addressed to the previous owner, why is their name on the bill?**

If you purchased your property after January 1, 2011, state law requires that the owner as of January 1, 2012 name must appear on the tax bill for Fiscal Year 2012. (Your name will appear on the first quarter bill for FY 2013 (July 1, 2012).

- **How can I learn more about my rights for an abatement, exemption, or deferral?**

By contacting the Board of Assessors' Office at (508) 758 4100 or stopping by their office Monday – Friday 8 a.m. to 4 p.m.