

Why is any town undergoing a Revaluation now?

The State of Connecticut, pursuant to Section 12-62 of the General Statutes, requires that each municipality conduct a revaluation every 5 years. The last Revaluation in Berlin was in 2017. The purpose of a revaluation is to eliminate any assessment inequities that may have developed since the implementation of the previous revaluation.

What exactly is a Revaluation? A revaluation includes all residential, commercial, apartments, industrial, vacant land, and Exempt Properties. The Town has contracted with Municipal Valuation Services, a Connecticut certified revaluation company, to assist in the revaluation. The firm will analyze recent sales data, review the calculated values, and meet with the public to answer questions about the methods utilized on the concluded assessments.

What is Market Value?

The Appraisal Institute defines market value as “the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after a reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.” Sales such as foreclosures and family sales are not considered to be “arms-length” or market transactions.

Will all property values change?

Likely yes. However, all property values will not change at the same rate. Property values may increase greater in one neighborhood than another. There are different property styles (Ranch, Colonial, contemporary, etc.) and not all styles change at the same rate. Sales may show a greater change in one neighborhood than another. Within the same neighborhood, different types of properties may show different value changes. A one-story home in a neighborhood of two-story homes may not increase as much as the two-story homes.

How and when will my taxes be affected by this Revaluation?

The revaluation will first affect your July 2023 tax bill. The amount of your new tax bill is calculated by multiplying your new assessed value times the **new mill rate**. Since the new mill rate will not be established until the budgetary process has been completed in May 2023, it is not possible to estimate your new tax bill at this time.

Revaluation Explained

Most people are familiar with what is commonly called a “bank appraisal” especially if they have gone through a re-finance of their home. Most people also assume the Revaluation Company will use the same procedure. Although the basic appraisal concepts are the same and the results similar, the process is different. In a Revaluation, the value of your property is based on an analysis of the entire Town/City’s real estate market for the period of time. (Typically, it consists of 12 to 24 months of sales prior to October 1st of revaluation year).

Example on how the mill rate is derived.

Budget $\frac{\text{Grand Levy (BUDGET IS GRAND LEVY)}}{\text{Net Taxable Grand list}} = \text{Mill Rate}$

Example 1

Budget 1,000,000 = 2.11 mill rate
Grand list 475,000

Example 2

Budget stays the same 1,000,000 = 1.25 mill rate (mill rate went down)
Grand list goes up 800,000

Example 3

Budget goes up 1,500,000 = 1.88 mill rate
Grand List 800,000