



March 27, 2016

Dear Fellow East Siders:

I hope you are enjoying this Easter weekend. This week's letter discusses the residential property revaluation process and its possible impact on tax bills.

### **The Residential Property Revaluation Process And Its Impact On Taxes**

As required by State law, the City is conducting a "statistical revaluation" of the property tax roll. Over the past three years, there have been approximately 900 residential real estate sales that provide data (location, house size, lot size, etc.) on which to develop a formula to assign values for each property. You can review a list of Ward 2 property values in this [Chart](#). The Assessor will mail a letter to all property owners in early April listing the property's new tax valuation and a description of the review process. If an owner believes his or her property does not match recent sales data, there will be an opportunity to request an adjustment. The letter also will contain an updated web link that will allow property owners to see the new values assigned (along with a property description) for all residential property in the City. To see the current web link (which supports the 2013 revaluation), [click here](#).

While each individual property's value is based on its own characteristics, there are general trends within and across neighborhoods, reflected in "land value". The Internal Auditor prepared a [Comparative Analysis](#) that indicates that properties across all neighborhoods and categories increased by an average of 9.45%. Valuations of single-family homes as a group rose by an average of 7.34% across the City, slightly higher than the Ward 2 average of 6.94%. This does *not* mean that your taxes will increase by the amount of the revaluation. Instead, it is likely that tax rates will *decrease* to partially (but not completely) counteract the overall increase in values. For example, given a 9.45% increase in *average values*, a decision to reduce *average rates* by 5% would still increase *average revenues* by more than 4%. The administration will have an opportunity to present a new slate of tax rates as part of the budget it presents next month. In the meantime, all taxpayers should study their new valuation carefully and seek an adjustment if you believe it departs significantly from recent sales data.

Next Thursday (March 31), the Finance Committee has invited the Tax Assessor to present information about the revaluation of commercial tax valuations. For the past three years, the City has held the commercial tax rate fixed (at \$36.75) as part of a 7-year pledge. If the City holds to this pledge, the changes in commercial values will correspond directly in changes to the taxes paid by each commercial property owner. This new revenue projection may help us understand the possible scope of changes in residential tax rates. I hope to return to this topic in next week's letter if we receive information at Thursday's meeting.

Sincerely,



**Fund Raising Reception**  
Wednesday, April 6, 6:00 - 8:00 p.m.  
Ristorante Pizzico, 782 Hope Street

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