

REVALUATION INFORMATION

A Revaluation is the process of performing all of the necessary Market Analysis and Valuation steps to determine accurate and equitable values for all properties within a municipality. The equalization of the values within a municipality creates a fair distribution of the tax burden. The purpose of a Revaluation is not to raise taxes. The purpose is to create an equitable distribution of the tax load.

On Friday June 8, 2007 the Hartford Court of Common Council adopted the following resolution:

RESOLUTION TO PHASE IN A REVALUATION AND REAL PROPERTY ASSESSMENTS

WHEREAS, Connecticut General Statutes Section 12-62c, authorizes a municipality implementing a revaluation of all its real property to phase-in a real property assessment by requiring the Assessor to gradually increase the assessment or the rate of assessment and authorizes the Legislative body of the municipality to approve such phase-in provided the said phase-in shall not exceed five (5) assessment years, including the year for which the revaluation is effective; and

WHEREAS, Connecticut General Statutes Section 12-62n, effective July 1, 2006, allows for a municipality to adopt assessment rates limiting property taxes on apartment and residential properties for purpose of accomplishing real property tax relief; and

WHEREAS, By it's terms, Connecticut General Statutes Section 12-62n requires the Assessor to establish a rate of assessment for all real property, other than apartment property and residential property, to effectuate the provisions of the said Statute; and

WHEREAS, The City of Hartford has determined to seek to provide property tax relief to the residents and citizens of the City utilizing the protections and provisions of Section 12-62c and Section 12-62n; now, therefore, be it

RESOLVED, That the City of Hartford, in accordance with the provisions and allowances of Section 12-62c and Section 12-62n of the Connecticut General Statutes, and being in the midst of implementing a revaluation of all its real property, hereby approves a plan for a phase-in of the resulting increase of the assessment or rate of assessment applicable to the said real property for the period commencing with the 2006 Grand List and continuing for the succeeding four (4) assessment years, subject to the right of the Council to discontinue the phase-in term at any time prior to completion of said term, all as provided by Statute; and be it further

RESOLVED, That the Assessor be directed to accomplish all such assessments as may fulfill the direction and the intent of the Council set forth herein, acting within the strictures of the Legislation; and be it further

RESOLVED, That the City, acting by the Assessor, in compliance with the State Statutes, shall notify the Secretary of the Office of Policy and Management, in writing, of the action taken with respect to the phase-in.

By adopting that resolution, the Hartford Court of Common Council authorized the 2006 assessments to be *phased-in* over a period of five years. Under this phase-in plan, assuming there has been no new construction, the *difference* between the 2005 market value (based on the 1999 revaluation) and the new 2006 market value will be implemented over five years.

For example: A Residential property with a previous market value of \$70,000 is reassessed to \$150,000; one-fifth of the difference will be added to the old market value each year for 5 years (\$150,000 minus \$70,000 = \$80,000; then the \$80,000 is divided by 5 = \$16,000 per year for 5 years.)

For the 2006 grand list (taxed in July 2007,) the new taxable market value would be \$86,000 (\$70,000 plus \$16,000); the 2007 grand list market value (taxed in July 2008) would be \$102,000 (\$70,000 plus \$32,000); the 2008 grand list market value (taxed in July 2009) would be \$118,000 (\$70,000 plus \$48,000); the 2009 grand list market value (taxed in July 2010) would be \$134,000 (\$70,000 plus \$64,000); the 2010 market value (taxed in July 2011) would be the full \$150,000 (\$70,000 plus \$80,000.)

In addition to phasing-in the market values, the City has adopted State Statute 12-62n which allows for an annual reduction to the 15% surcharge that is presently placed on non-residential property. This will be accomplished by applying different assessment ratios to various types of property. The assessment ratio for 2007 is 34.293% for Residential (one to four family including condominiums), 51.011% for Apartment and some Mixed-Use property and 70% for all remaining property. For the example given above, the assessment for the 2006 Grand List (taxed in July 2007) would be \$33,427 (\$86,000 times .38869%). The Residential and Apartment taxes will increase by 3.5% each year for the next 5 years to offset the decrease in the 15% surcharge. The surcharge will decrease by 1.5% each year until it is 7.5% for the 2010 Grand List. For the 2011 Grand List it will be zero.

The new mill rate that will be applied to the July 2008 tax bills was set by the Hartford Court of Common Council in May 2008 at \$68.34 per thousand of assessment. The annual surcharge for non-residential property will be 12.0% for the 2007 Grand List.