



FROM YOUR TOWN ADMINISTRATOR'S OFFICE

TOWN OF BELMONT

This is the first in a series of newsletters to inform residents about Belmont's Operating and Capital Budgets. Included you will find the 3rd quarter real estate and personal property tax bill for fiscal year 2021.

The Town of Belmont budget demonstrates a continued and expanding commitment of resources to address priorities determined by the Select Board, Town Meeting, and other elected and appointed boards. Now more than ever it is important to do what we can to continue to manage our budget efficiently.

Recent Updates

- **Belmont Middle and High School Project:** The new school project is on time and on budget, despite the disruption of COVID-19. The borrowing for this project has been conducted in multiple phases, with the first portion of the tax impact included in the calendar year 2020 tax bills. The second portion will be included in the calendar year 2021 tax bills.
- **Belmont's Credit Rating:** We are pleased to report the Town has received a AAA bond rating (the highest possible rating) by both Moody's and S&P Investor Services, enabling the Town to get the most favorable rates on borrowing costs.

Frequently Asked Questions:

Q: How are real estate taxes calculated?

A: Every year, the Board of Assessors and Select Board establishes the fiscal year residential and commercial/industrial/personal property tax rates. Those rates represent a tax per thousand dollars of assessed value which, when applied to each property's assessed valuation, yields that property's annual tax bill. It is the responsibility of the Assessors' Office to establish the taxable valuation of each individual piece of property in the Town. However, the Assessors do not create value. Buyers and sellers create the value via their transactions in the marketplace. All property values are determined using local historical transaction information and data from within the Town of Belmont. The Select Board is constrained in setting the property tax rate by Massachusetts Proposition 2½ which requires that the total property tax value (excluding new construction/renovation) cannot increase more than 2.5% in any year without a voter-approved override.

Q: What is the basis for determining residential property values?

A: All property values are determined using local information and data from within the Town of Belmont.

A variety of factors are included in this market analysis:

- Sales of vacant and improved properties are the primary source of data.
- The Assessors include an analysis of the year's new building projects to establish construction costs, which includes the builder's profit.
- The Assessors also analyze older homes to establish the depreciation values indicated by the current market.
- The costs of outbuildings - from the building permits to advertised prices are used to indicate outbuilding values.
- Lastly, land values are developed using the year's sales transactions.

Q: When and how is the value of my house determined by the Assessor's Office?

A: Massachusetts law requires that all municipalities establish the "full and fair cash value" of all real estate properties as of January 1st of the prior year – this tax bill will be based on the value of your property in January 2020. In determining the value, assessors approximate what the property would have sold for based on local market activity during the previous calendar year – in this case 2019. As such, assessed values may not reflect the most recent transactions.

Q: What does "100% of full and fair cash value" mean?

A: The courts have defined this phrase to mean the price arrived at by a willing buyer and a willing seller, each with a good knowledge of the market and each acting without undue pressure or compulsion.

Q: Why do LAND values change at different rates from BUILDING values?

A: Land values change at a different rate than building values. The large increase in value attributable to land is because it is in limited supply.

Q: Who verifies that the assessing model used by the Town and the resulting property values are accurate?

A: The Massachusetts Department of Revenue (DOR) annually performs a statistical analysis of all municipal proposed assessments. In addition, the DOR conducts a comprehensive analysis of the Town's appraisal process and reviews property values in great detail every 5 years to ensure that the assessments represent "full and fair market values." The DOR most recently conducted this analysis for Belmont in 2019.

Q: Can I contest my assessed value if I think it is too high?

A: As a Belmont property owner, you have the right to "contest" your property valuation (assessment) by filing a written and signed abatement application for the additional review of your local tax assessment. Abatement applications are available through the Assessors' Office, and are also available online at **belmont-ma.gov**. Filing for an abatement is an option within 30 days after receipt of your 3rd (Fiscal) quarterly tax bill, which property owners normally receive in early January. If you think your property's assessed value is "incorrect" you must specify your preferred valuation method (or rationale) and your differing opinion of value in an abatement application. Filing for an abatement does not alter your obligation to pay your tax bill as it must be received by the Belmont Collector of Taxes by the due date.

Q: What if I cannot afford to pay my Real Estate taxes?

A: There are multiple programs that offer tax relief to qualifying property owners including state and local tax relief. More information can be found at the Board of Assessors website.

Town Administrator Office
townadministrator@belmont-ma.gov
617-993-2610