

# Planning & Preparing for Grievance Day

## *An Assessor's View*

The most important factor is the assessed value and how close it is to market value. The further above market value an assessment is, the easier it is to prove. The more accurate or under-valued your assessment is, the harder it is to prove over-assessment. Providing stacks of documentation at grievance does not guarantee success. It is not the quantity of the documents provided but the quality that ensures success. Quality data usually results in quality assessments. Poor data ALWAYS results in poor assessments.

Following the suggestions below will improve your chances of having a quality assessment. It will also give you a better understanding of how the process works:

- (1) The first step is making sure your data is accurate. Review the information on file for your property, including home measurements and land breakdown. Any discrepancies should be reported for correction. Do a follow-up after a few months to make sure the changes were made. Your assessor may require a field inspection to change some data. If so, it is suggested you allow access to the property. A one-foot error here or there on the home measurements could result in thousands of dollars on your assessment.

An interior inspection may be requested but it is your right to say “no.” Assessors request interior inspections to understand the quality and condition of the structure itself, including the functionality of the layout. As an assessor, I find it much easier to inspect a vacant home because nothing obstructs my view of the structure itself.

- (2) The second step is knowing what properties are considered “similar” to yours. Ask your assessor if he/she could provide you with a listing of properties considered most comparable to yours. A listing of 5 or 10 other properties is usually sufficient.
- (3) The third, and most difficult step is understanding how assessments are determined. Assessors, appraisers, and realtors all deal with market values of real property. Since assessments are based on market value, it is important to understand the market and the driving forces that affect market change. Your assessor is a good source of information. Summer and Fall are the best times to ask your assessor about the process of determining an assessed value.

With the above steps taken, you receive an assessment change and believe it is not equitable. What should you do?

- (a) Review your value with the comparable properties received in Step 2 above. Make sure the comparable properties have not changed since you last obtained the data. Estimate a fair value for your property.
- (b) Speak with your assessor about the value change and what you believe is a fair value. Be ready to defend the value estimate.
- (c) Prepare for grievance. Most grievances are based on sales or other assessments. If you base it on sales, provide at least 3-5 sales within the last year or two. If you base it on assessments, provide at least 5-10 assessments of similar type properties.

# Grievance Preparation

*The grievance process can be as simple or as complicated as you want it to be. To avoid being overwhelmed, keep reminding yourself to “keep it simple.” Inventory, Assessments, and Sales are the key ingredients to determine the fairness of your assessment. Once you decide to grieve, get the inventory and assessment for your property and of properties comparable to yours. Get the sales of all similar type properties. This is all you need to check your assessment.*

**DO NOT** focus on taxes, how much they have increased, or how little your neighbors are paying. Taxes do not indicate the accuracy of your assessment.

**DO NOT** focus on the percentage your assessment has increased in comparison to your neighbors, or the township as a whole. The percentage change in assessment is dependent upon how good or bad your assessed value was, or is now.

**DO NOT** focus on how much your assessment has increased over the past 3, 5, or 10 years. Past market changes do not reflect current or future accuracy in assessments.

**DO NOT** provide a list of 25 or 50 properties with lower assessments. Lower assessments do not automatically provide proof of over-valuation. Stacks of data may overwhelm or confuse the intended reader, resulting in a reluctance to change an assessed value.

**DO NOT** concentrate your efforts on runaway taxes or the inequities in the property tax system. We all would like to simplify property taxes, or at least make them more fair. Grievance is your chance at fairness.

**DO** provide photographs of your property and other comparable properties, if possible. Exterior and interior pictures are your best tools. If you have waterfront, a picture of your frontage helps.

**DO** provide truly comparable properties to prove your case. For residences, include year built, style, grade of construction, square foot living area, basement type, heating system type. Extras such as central air conditioning, fireplaces, garages, larger exterior buildings, and in-ground pools should also be included. Your assessor can provide this data.

**DO** be truthful and accurate. Inconsistencies in statements made and/or data provided can sink your chances of success.

**DO** provide a copy of any appraisal within the last 2-3 years if available. A market analysis from a real estate agent is acceptable but it should include all pertinent data related to value. (*Remember: An appraisal, like an assessment, can be in error*)

Enclosed are examples of BAD comparable properties and GOOD comparable properties. The column to the LEFT lists most of the critical data items used to arrive at an assessment. Be sure to include this data in your presentation. Of course, the three most important factors are location, location, and location.

# **SUMMARY**

## *Planning & Preparing for Grievance Day*

*Grievance Day is not complicated. To increase your likelihood of success simply do the following:*

- *Decide on how you plan to prove your case. Keep it simple.*
- *Include any comparable SALES and related data.*
- *Include relevant data on your property and a short list of comparable properties.*
- *Include recent photographs, if available.*
- *Include a recent appraisal or market analysis by a real estate agent, if available.*
- *Provide a reasonable value estimate for your property and be prepared to defend it.*
- *Provide a simplified explanation of how you arrived at your value estimate.*
- *Rehearse your presentation.*
- *Be brief, courteous, and focused on proving your case.*

*Thank you for your time.*