

Milton Reappraisal Completion

The reappraisal for Milton is nearly completed. A Change of Appraisal Booklet will be sent to every property owner in Milton by May 23rd. This booklet will list all values for all properties (however, current use, Veterans Exemption and Utilities will not be available at the time of the mailing).

The hearings process will consist of Pre Grievance hearings from June 6 – 10, 2022, and formal Grievance hearings from June 20 – 24, 2022. Pre Hearings are meant to be informational for both property owner and Assessors. Formal Grievances, however, must be in writing. A form will be available with the Change of Appraisal booklet and online at the Town of Milton Web site (www.miltonvt.gov). All hearings will be by appointment only.

Changes in Values:

There have been significant changes in values since the last reappraisal in 2006. The base values from 2006 have been used up to the reappraisal for 2022. Additionally, there has been a very strong market value increase over the past three years.

The median sale price for the past year was \$340,000 for residential properties. It increased by 13% over the past year alone. Those sales had a median assessed value of \$234,720; a 45% difference between the 2006 assessed values and current sales prices. The level of assessment for the past year was at 70% of market value.

Appraisal and Sale Price Summary Statistics

Year	Count	Appraisal Mean	Sale Price Mean	Appraisal Median	Sale Price Median
2 2019	129	240823.3	276325.3	254320.0	289900.0
3 2020	150	228740.9	291339.2	231345.0	300000.0
4 2021	161	243343.7	346966.1	234720.0	340000.0
Combined	440	237626.5	307291.8	239495.0	310000.0

Condominium and Commercial Sales had slightly lower differences between assessed values and sale prices of about 30%.

The three year aggregate of previous assessed values to sales price ratios for each property class were:

	Sales Ratio
Residential	0.77
Condominium	0.82
Commercial	0.79

The above table shows that residential properties have a lower assessment/sale ratio than both condominium and commercial properties.

Prior assessment values have no impact on the current market values. Many properties have changed in the past 16 years, and market factors have changed. There is a tendency to compare the rate of change from prior assessments to the new assessments. However, a recent Supreme Court decision stated specifically that “Assessments from prior years do not determine the value on the current reappraisal assessment date (Supreme Court Docket 2020-159)”.

Impact of Time

The timeframe for sales used for reappraisals matches what the State (Property Valuation and Review) uses for the annual equalization study. This past year the Common Level of Appraisal for Milton was 86.96 of market value; that CLA includes sales from April 2018 to April 2021. The equalization for 2022 will remove the 2018 sales and add the sales after April 2021.

Properties that sold in 2019 would need to be adjusted upward by 20 - 25% to be at market value today. Sales from 2020 would need a 10 - 15% upward adjustment. Residential sale prices increased by 13% over the past year alone. The following chart shows the adjustments since 2019. For purposes of the reappraisal, time adjustments were stopped at January 2022.

General Adjustments for Time

2019 - 20 – 25%

2020 - 10 – 15%

2021 – 0 – 5%

A trend analysis indicates sales values from 2019 increased by nine tenths (.9) percent per month since April 2019. What this means for reappraisal values is that sales from three years ago must be time adjusted to represent current market values. Single property appraisals completed for financing would not be representative of the market today if they are more than a year old.

Basic Tax Rate Example

A common misconception is that taxes will increase at the same rate as the assessment increases. As Assessors we don't concern ourselves with taxes, only value. However, it is important to understand that as property values increase, so does the grand list. Since the municipal budget is a fixed amount, the tax rates generally go down with the increase in the grand list. Taxes will go up for some and down for others.

For example (very simplified illustration), if a municipal budget is \$1,000,000 and the grand List is \$500,000 (the grand list is 1% of the total value) then the tax rate would be \$2.00 (1,000,000/500,000). If the grand list increased 40% with the same budget, the tax rate would drop to 1.429 (1,000,000/700,000).

Education Tax Rates

The education tax rates won't be calculated until sometime in July by the State. A complex formula using many variables is used to determine the rate for each municipality in Vermont.

However, the reappraisal eliminates the impact of the Common Level of Appraisal (CLA) on the education tax rate. Each year PVR completes an equalization study to determine the CLA. It is a general indication of the level between assessments and sales. As indicated earlier the 2021 CLA for Milton was 86.96. This CLA number is used to "equalize" or adjust the education tax rate for each Vermont municipality. Last year the statewide education rate was 1.3496 per hundred. The Milton CLA was applied, which adjusted the education tax rate to 1.552, a 20 cent increase just due to the CLA. That adjustment will go away as result of the reappraisal. The following table illustrates the impact of the CLA over the past two fiscal years.

Impact of CLA and Education Tax Rates

	FY 2022	FY 2023
Ed. Tax Rate	1.4212	1.3496
CLA	91.57	86.96
Adj Rate	1.5520	1.5520
Increase	0.13	0.20

Final Note on the Market

Over the past year there have been 126 sales in Milton. Of those sales, 64% sold for more than the asking price. Nineteen percent sold for the asking price. This indicates a market with great demand. No one can predict the future regarding market value changes, but as of April 2022 it was still very strong.