

Judge rules in favor of Connecticut assessor

An assessor, who applied a factor to equalize the assessed values of an upscale neighborhood with those of other residential areas, did not violate state law, a Connecticut trial court judge has found.

The judge further ruled that the statute did not prohibit the assessor from using ratio studies to test the accuracy of values within each neighborhood before conducting the required town-wide ratio study.

The appeal was brought as a class action by residents of an exclusive planned community after the 2011 town-wide reassessment. Unlike other neighborhoods in town, a home in this area comes with access to a host of high-end amenities including lifeguard-staffed beaches, boat docks, and private police and fire departments.

According to the assessor, Mary Gardner of the Town of Groton, a valuable tool in persuading the judge to their position was the ability to cite IAAO materials that supported their actions.

“We were able to show the judge that the assessments not only met the state’s legal requirements, but were prepared according to the standards and recommended practices of the recognized professional association for the assessment field,” Gardner said.

In 2011, sale prices in Groton’s other 12 neighborhoods still hadn’t recovered fully from the real estate collapse, Gardner said. Their values were still below those from the last revaluation in 2006. In contrast, homes in the oceanfront neighborhood were selling for more.

To test the validity of the assessed values as compared to recent sales, a preliminary ratio study was conducted for each neighborhood which compared the median of sale prices against the median of the total value for the neighborhood. For 12 of the neighborhoods, the level of assessment fell between 91 and 96 percent, well within the 90 to 110 percent threshold required both by Connecticut regulations and IAAO standards, Gardner said.

For the oceanfront neighborhood, however, even applying an adjustment factor of 1.2, as had been done in 2006, did not bring the level of assessment of these homes above 90 percent, Gardner said. To determine the proper adjustment, different factors were applied to the assessed values and then ratio studies were conducted to determine the level of assessment. A factor of 1.35 brought the level of assessment to 92.03 and was within the range of the levels of assessment in the other neighborhoods.

“In arguing for our process,” Gardner said, “it was quite helpful to be able to show the judge the passage in IAAO’s *Fundamentals of Mass Appraisal* (2011) that discussed the importance of adding factors to equalize assessed values or the section in the *Standard on Ratio Studies* (2013) that recommended procedures for determining the level of assessment.

“Without the factor, this neighborhood’s assessments would not reflect the higher sale prices purchasers have been willing to pay for homes in this community,” Gardner said. “It would also unfairly shift the tax burden to the other parts of town.”

Residents have filed to appeal this decision.

(John P. Tuohy, et al. v. Town of Groton, Superior Court of Connecticut, Judicial District of Hartford, Docket No. X03-HHD-CV12-6050023-S, July 5, 2017)