

Wilton Property Revaluation and Your Property Taxes: from Toni Boucher, Wilton First Selectman 1/25/2024

By now most property owners have received their property revaluation notices in the mail. Most, like me, have sticker shock from the wild upswing of their property's value from only five years ago. As this is such a serious change for many, I have written this memorandum in the hopes that it will clarify the revaluation process and answer the many questions that have resulted from it. The appeals process is also detailed here, for those who would like to challenge their property's new assessment.

Please remember that a big increase in home value does not necessarily mean the homeowner will see a big increase in their tax bill. Other influences also must be considered.

Ultimately, there are three major factors that affect property tax increases:

The Town Budget: The first, and most important, component, is the annual town budget, the cost blueprint we use to run our schools and pay for town services, like our police, fire, roads and more. This year's budget process has only just begun. Determining how much money the town will need to run itself will be the major consideration in your property tax change from last year to this coming July 1, 2024. The good news is that Wilton residents, unlike many other communities, have the chance to vote on their annual town budget. This year's vote will occur on May 7, and May 11 at the Annual Town Meeting. Please mark your calendars so that you may take advantage of this opportunity to be directly involved in the process.

Wilton Grand List: Every five years, the State of Connecticut requires each town to conduct a property revaluation of all of their businesses and private residences. This is known as the grand list – the grand total of our collective real estate value in Wilton. After the assessment is completed, the town's grand list is updated and signed. If it is determined that the grand list has grown by 30%, but your *personal* property values have grown less than that (20% for example), you may see a reduction in your property tax. But, if your property values have grown by 30 % or more, you might see an increase in your property tax, **subject to the approved budget changes**. This occurs because you will have to fund a greater portion of the budget since your property now occupies a larger portion of the grand list.

Note that any property that is **tax exempt** adds to the grand list, but not to the taxable grand list, so those values would not be taken into consideration when determining the mill rate after a budget is set.

Town's Mill Rate: The mill rate is applied to each \$1,000 of assessed value of a property. In other words, one mill is equal to one dollar in property tax levied on \$1,000 of assessed value. To calculate the property tax of a property the assessed value of that property is multiplied by the town's mill rate and then divided by 1000. For example, a property with an assessed value of \$50,000 with a mill rate of 20 mills would have a property tax bill of \$1,000 per year.

Wilton's mill rate is currently 29.26. But, a property revaluation can raise the mill rate if property values go down. Conversely, the mill rate can go down, if property values go up. Our private property valuation has increased by an average of 37%, plus or minus a small percentage point. Wilton business real estate values are estimated to go up an average of 15 %, plus or minus a small percentage point, which is fortunate, because a lot of municipalities have seen a decrease in their commercial properties. This means our mill rate is likely to go down.

Annual Town Meeting:

Some may conclude that the higher the mill rate the more you pay in taxes. But the actual mill rate will ultimately be determined by the budgets submitted by the Board of Education and the Board of Selectmen. These budgets will then be proposed to the public by the Board of Finance at the annual town meetings on

Tuesday, May 7, and Saturday, May 11, 2024. The public will then be able to vote on these budgets at these meetings.

To reiterate: The final decision on your property tax will be made by you, the voters, at the Annual Town Meetings in May. At that time, you will be asked to approve, or oppose, the percentage increase in your tax bill.

Process if you disagree with the assessment of the value of your property:

The first thing to do, if you'd like to challenge your new property assessment, is to request an informal hearing from the valuation firm, Vision Government Solutions, **within 5 days** of receiving your letter. Appointments can be made by going to www.vgsi.com/schedules. The hearings must be in person, or by phone. There are no Zoom options. To schedule a hearing by phone, please call 888-844-4300, between 9am and 4pm, Monday through Friday. An informal hearing is not a forum to discuss taxes, it is strictly meant to answer questions on the property valuations.

How to appeal your real estate assessment:

If you wish to appeal your assessment, after you've had an informal hearing, you must file a written application with the Wilton Board of Assessment Appeals, on, or before, March 20, 2024. Applications will be available at the Assessor's Office, and online, on March 1, 2024.

Final Thoughts



Benjamin Franklin famously said, "Our new constitution is now established, and has the appearance that promises permanency; but, in this world nothing is certain except death and taxes."

Most towns in Fairfield County are experiencing the same whiplash shift in their revaluations from five years ago, when the downturn in the economy depressed home values. This is the first Wilton revaluation after the difficult COVID-19 years, which caused major population shifts out of our local cities, and into our suburban communities. The demand for available homes produced many unprecedented home sales, where offers went far above asking prices. Supply is now greatly reduced, while demand continues to rise. For sellers, this is an ideal environment, but it also creates a dramatic increase in the assessed values of residential real estate. One's home is typically the largest investment one makes in a lifetime. Many depend on the growing equity (value) in their home for their retirement income. That is just one way that increasing home values are an overall positive for a community. But the conundrum is being able to afford to continue to live in that community until retirement. The Board of Finance (all volunteers) will have the challenge of addressing these new realities into a coherent budget that balances the usual needs of the town, plus the added \$150 million in both school and town deferred building maintenance and repair fees, which must be done over the next 10 to 15 years. To make things more complicated, Moody's rating service, which municipalities like ours rely on to win favorable loan rates, has changed their requirements to receive their AAA bond rating, from which we, as a town, have always benefited. Moody's now requires towns to retain 25 to 30 % of cash to be held in reserve, instead of the traditional 10%. This is quite a Gordian Knot for the Board of Finance. Maybe we should all be sending them chocolates on Valentine's Day to sweeten their workload!

For several years now, the world has been experiencing tectonic shifts on so many fronts. At Town Hall we are doing everything we can to anticipate the changes and prepare for what's to come. As First Selectman, I always carry a little George Burns with me for inspiration:

Thank you, all.

Toni Boucher
First Selectman
Wilton, CT

