

TOWN OF LUNENBURG SELECT BOARD

Michael Ray Jeffreys,
17 Main Street
Tom Alonzo, Vice Chairman
P. O. Box 135
Lou Franco,

Todd Dwyer, Member
Heather Sroka, Member
Fax 978-582-4175



Chairman

Clerk
Lunenburg, MA 01462
Phone 978-582-4144

Heather R. Lemieux, Town Manager

FOR IMMEDIATE RELEASE

PRESS RELEASE-FEBRUARY 7, 2023 TAX ASSESSMENT INVESTIGATION

Fiscal Year 2023 (which began on July 1, 2022 and ends on June 30, 2023) is, in many ways, an ordinary budgetary year for the Town of Lunenburg. To meet the needs of the community, Town Meeting voters approved a budget that increases at a rate similar to previous years; 2.5% plus new growth and excluded debt. For Fiscal Year 2023, the Town's budget is \$50,144,851.65, of which, \$28,618,106.43 is to be raised and appropriated from residential property owners.

In Lunenburg, the Principal Assessor and Board of Assessors are tasked with identifying the fair cash valuation of all the estate subject to taxation with the Town. Massachusetts' Department of Revenue (DOR) is the regulatory authority for the property valuation and assessment process, and provides rules and guidelines for how municipalities are to assess the value of property within their communities. The focus of the Select Board's investigation is to understand how property values for Fiscal Year 2023 were achieved.

What we have learned, thus far, is that the Town's Principal Assessor and Board of Assessors were qualified to perform and certify assessments for Fiscal Year 2023, as per MA DOR requirements. The principal assessor and two members of the Board of Assessors had their required trainings completed at the time that assessments were finalized and submitted to MA DOR in December, 2022. One member of the Board of Assessors does not have her coursework completed, but based on regulations in place at the time of appointment, she is afforded 2 years to complete the training and is still within that timeline.

A CAMA system is a computer-assisted mass appraisal system. Lunenburg previously used the state CAMA system through Fiscal Year 2020, when that system was taken offline. Starting in FY21, we switched over to Vision CAMA, and continue to use that as our software system that assists with tax assessments. The Principal Assessor has confirmed receiving specialized training in Vision CAMA and reports over 7 years of experience working directly with Vision CAMA.

Throughout the year, there are submissions to MA DOR that occur, and MA DOR has confirmed that they interacted with the Town's principal assessor routinely throughout the process, as they do with most communities. All sales data submitted was accepted by MA DOR and valuations submitted were within their guidelines.

In Lunenburg, all residential properties are placed into 5 indexes, for the purpose of assessment. To briefly summarize, the average property is in Index 3. Neighborhoods along major roads, at major intersections, and those with a typically lower sales value compared to the average, are placed in Index 4 or 5. Neighborhoods that are more appealing on the market, and that generally have higher values, are placed in index 1 or 2. All property directly adjacent to Hickory Hills, Lake Whalom, and Lake Shirley are identified as the most appealing on the market and are in Index 1, and includes approximately 434 single family homes.

The valuation and assessment process does not consider impact on property owners. How much someone's taxes increase by, from one year to another, is simply not considered in the process. MA DOR's regulatory goal is for all homes to be brought to 100% of the market value during annual valuations, but they allow for a range of 90 - 110% of the market value. The assessment process is a mathematical and statistical exercise that is part science and part art — and it considers a variety of variables to make qualified estimates on what a property is worth.

Using qualified sales data, that was reviewed and accepted by MA DOR, it was identified that properties in Index 1 had a notably low assessment to sales ratio. The data identified that the average home adjacent to those three lakes had an assessment that was 48.47% of the sale price. The assessment process brought homes in Index 1 to 92% of the assumed market value — which for many, resulted in a significant increase in valuation.

MA DOR does not provide an audit service for municipalities. So we are actively soliciting proposals to hire independent tax assessors with experience working for municipalities, to perform a thorough review of the assessment process that was undertaken by the principal assessor. This will allow us to have unbiased feedback on the quality of the sales data utilized and the calculations employed, across all indexes, to achieve property values.

Every five years, the Town goes through a detailed assessment of all properties. For our Town, this will occur this calendar year, in preparation for fiscal year 2024. Calculations that occur in the four years between comprehensive reviews are data-driven exercises and are not personalized to any property. It's a review of neighborhoods, home types, and a variety of other factors. The Board of Assessors has received approximately 420 abatement applications for Fiscal Year 2023, and we intend to use available data in our investigation, to quantify the difference between actual values assessed, and values identified after the abatement process.

As part of the investigation process, we have been logging all questions from residents that we receive and we will continue to attempt to provide updates and answers, twice a month. The investigative process that we've laid out is occurring in phases. The pre-investigative phase identified the ten core questions we are seeking to answer and the rules we're following. The current phase of the investigation is the data collection phase, in which we are procuring a variety of documentation and data and conducting interviews. The next phase is the analysis phase, in which we will purpose to establish facts, supported by the evidence we collect.

The timeline of this independent investigation will be determined by the availability of outside support, our ability to conduct thorough interviews, and the quality of data we received. We are committed to providing an investigative summary, as required by the Town Charter, and will additionally provide our full investigative report, including all exhibits, when the investigation concludes. We want to be thorough and complete in the information that we provide and will provide another update on February 21st.