BAA CHAIR STATEMENT ON RESIDENTIAL REAL PROPERTY REVALUATIONS AND CHANGE IN MOTOR VEHICLE ASSESSMENTS

This statement is in response to recent comments from First Selectman Matt Riiska regarding the 2024 real property revaluation results and changes to the motor vehicle valuation methodology.

In the article "Riiska Proposes $8 Million-Plus Budget," it was reported that Riiska told the Board of Finance that property values are said to have increased between 24 and 35 percent as a result of the recent revaluation. He then gave an example of how a proposed change in the mill rate from the current 28.4 mills to a hypothetical 22.5 mills would affect a hypothetical homeowner, stating that "[i]f you paid taxes on a $250,000 home last year, your taxes would have been about $7,100 [at 28.4 mills]. If your property value increased 24 percent, you would pay about $7,200 at 22.5 mills." However, assuming a 24 percent increase (or even a 35 percent increase) when discussing residential real property value increases is somewhat misleading. **According to the Assessor's database, the 2024 revaluation resulted in residential real property values increasing 51.4 percent on average, with a median increase of 48.8 percent.** Returning to Riiska's example, a $250,000 home would now be valued, *on average*, at $378,500 which, when multiplied by a 22.5 mill rate, would result in a $8,516.25 tax bill. That represents a $1,426.25, or 19.9 percent, tax increase over the prior year.

The article also quoted Riiska as saying "last week the Governor signed a bill that allowed municipalities to change the way they assess motor vehicles," and went on to state that "[t]he new bill allows towns to use manufacturers' retail prices to assess vehicles rather than the National Automobile Dealers Association's annual appraisal guide, which usually assigns lower values." In fact, the Connecticut General Assembly passed legislation mandating that all municipalities utilize an MSRP-based method of valuing motor vehicles effective with the October 1, 2024 Grand List. It also established a depreciation schedule under which 85 percent of a new vehicle's value is subject to tax, with that percentage decreasing 5 percent per year for 15 years. The state, not municipalities, changed the way motor vehicles are assessed. The new law did, however, grant municipalities the option to adopt a modified depreciation schedule which increases the taxable portion of a vehicle's MSRP subject to property tax by 5 percentage points. The Board of Selectmen exercised that option on March 5, 2025.

Taxpayers wishing to appeal an assessment of property on the 2024 Grand List must submit a written application to the Board of Assessment Appeals no later than April 2, 2025.

Walter Godlewski
Chair, Board of Assessment Appeals
March 20, 2025