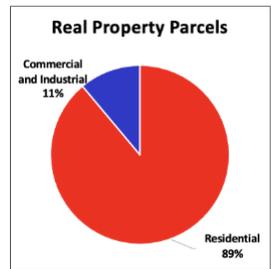


# Inside Town Finances

## Volume 14: Real-Estate Assessments

### What does the Assessor do?

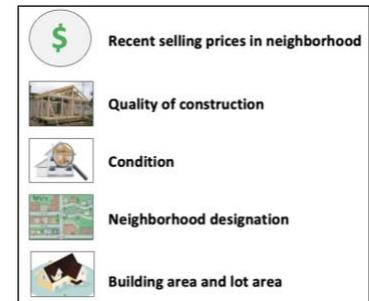
The primary role of the Assessor is to determine the fair and equitable valuation of all real and personal property in accordance with Massachusetts General Laws. The Hingham Assessor's office appraises and assesses approximately 8,400 parcels of residential, commercial, and industrial property, 300 billable personal property accounts, 20,000 motor vehicle excise accounts and 1,400 boat excise accounts.



### How are real-estate assessments determined?

Assessed values in Massachusetts are based on "full and fair cash value" as of January 1<sup>st</sup> of each calendar year ("the assessment date"). For example, the assessment date for Fiscal Year 2022 -- which begins July 1<sup>st</sup>, 2021 -- is January 1<sup>st</sup>, 2021.

The Assessor collects, records and analyzes information about property and market characteristics. The most critical factors in the valuation process are recent sale prices within a neighborhood, quality of construction, condition, a property's neighborhood designation, and building and lot sizes.



### How do assessed values compare to market values?

For the most recent year, the ratio of assessed property values to actual selling prices was 93%.

### Do assessments affect how much property tax revenue can be raised by the Town?

No. **Assessed values do not affect the calculation of the Town's tax levy amount.** The tax levy – or the amount of money the Town can raise in property taxes – is determined by Proposition 2½. See *Volume 1: Revenue* for further information regarding the tax levy.

**Proposition 2 ½:**  
Determines Tax Levy,  
or amount the Town can  
raise in property taxes  
  
"Size of the pie"

### What are assessments used for?

Real-estate assessed values are used to apportion the tax levy among property owners in a fair and equitable manner to ensure that everyone pays their fair share of taxes.

**Assessed values:**  
Method of apportioning  
tax burden so everyone  
pays their fair share  
  
"How the pie is divided"

### What is the difference between an abatement and an exemption?

An **abatement** is a reduction in a real-estate valuation based on a correction to the assessed valuation of a property. Abatement requests are accepted each January and reviewed by the Board of Assessors. An **exemption** is a reduction in a real-estate tax based on a taxpayer meeting certain qualifications set forth by the Commonwealth of Massachusetts. A list of available exemptions can be found on the Assessor's webpage.

**Abatement → Property**  
**Exemption → Taxpayer**

### Hingham has a single tax rate for all property classes. Would a split tax rate allow the Town to collect more in property taxes?

**No – a split tax rate does not change the tax levy. It simply "shifts" more of the tax burden from one property class to another.** Given the relatively small percentage of commercial and industrial parcels in Hingham, the impact of adopting a split tax rate would be a small reduction in residential property tax bills and a large increase in commercial and industrial property tax bills.

In accordance with Massachusetts General Laws, a tax classification hearing is held every year. In recent years, both the Board of Assessors and Select Board have considered the impact of a split tax rate on local businesses (many of whom generously contribute to local fundraising efforts) and on Hingham's ability to attract new businesses (which results in new revenue for the Town). Both boards have determined that the ratio of residential parcels to commercial/industrial parcels would have to change significantly before adoption of a split rate would be worthwhile.