

# Inside Town Finances

## Volume 14: Real-Estate Assessments

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### ***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, 400 billable personal property accounts, 25,000 motor vehicle excise accounts and 1,460 boat excise accounts.

### ***How are real-estate assessments determined?***

In Massachusetts, property assessments are based on the "full and fair cash value" of a property as of January 1st of each calendar year, which is known as the assessment date. For example, the assessed value for Fiscal Year 2026, which begins on July 1st, 2025, is determined based on the property's value as of January 1st, 2025.

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 95%.

### ***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.

### ***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.

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

An **abatement** is a reduction in a real-estate valuation, granted when a correction to the assessed valuation of a property is justified. Abatement requests are accepted each January and reviewed by the Board of Assessors. An **exemption** is a reduction in an actual property tax bill, provided to taxpayers who meet specific qualifications established by the Commonwealth of Massachusetts. The Town of Hingham offers several property tax relief programs for eligible residents based on factors including age, income, and veteran or disability status. A list of available exemptions can be found on the Assessor's webpage.

### ***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 increase the total amount of property taxes the Town collects; it only redistributes the tax burden between different property classes.** Since commercial and industrial properties represent a relatively small portion of Hingham's parcels, adopting a split rate would slightly reduce residential property tax bills, but cause a significant increase for commercial and industrial property owners.

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.

