



December 2008

To Holliston Property Owners;

The Holliston Board of Assessors has recently received inquiries from property owners concerning the effects of the declining real estate market and their property tax burden. Specifically the Board has been asked "If my property value drops, shouldn't my tax payment? The short answer, unfortunately, is no.

Massachusetts General Law provides that your property value for this Fiscal Year (Fiscal Year 2009) be determined based upon sales of homes in Holliston from January 1, 2007 to December 31, 2007. The Holliston Board of Assessors has recently completed the process of analyzing those sales to determine the valuation of property in the Town for Fiscal 2009. The residential class of properties has reduced an average of 4% as result of the 2007 market. For Fiscal Year 2008, last year, the analysis of sales from January 1, 2006 to December 31, 2006, resulted in a reduction in property vales on average of 6%

As a result of the State mandated process valuations are always at least one year behind the market. When values are increasing and we are in a "thriving" economy the public shows less concern that valuations are "behind" the market. In a declining market and economy the public understandably becomes more aware of the delay in change. The delay in updating values however does not mean that values to be established for Fiscal Year 2009 are "wrong"; and the Board cannot establish values based upon the continued decline in property values since December of 2007 as the law does not allow it. The responsibility of the Board is to follow the State requirement and determine how the values established for Fiscal Year 2008 have been impacted by the sales in calendar year 2007 and to apply its determination of the percentage change across the board uniformly.

Based upon our analysis there is an average 4% reduction in residential values, where homes have not been improved. Values are now available at [www.townofholliston.us](http://www.townofholliston.us) in spreadsheet format. We expect our property card access to be up with FY09 values prior to the end of the year.

The determination of the value of your home however is only one factor in determining your tax bill. Therefore, even with a reduction in the value of your home your tax bill may still increase. This is because of factors outside the purview of the Board of Assessors.

As the Town voted to increase the annual budget as allowed by Proposition 2 and 1/2 at Town Meeting your taxes will increase as the Town has to raise more money to pay its bills

So even if property values drop for Fiscal Year 2009, the Town, in order to raise tax revenue needed to pay for its obligations approved at Town Meeting, will need to increase the tax rate. So with an increase in the tax rate you may see an increase in your tax bill. Simply stated, as property values drop, the tax rate increases. Conversely, as property values increase the tax rate will decrease. This method of calculation ensures that despite the inevitable ebb and flow of property values, the Town will always have a method to collect what it needs to fund services.

For more information about your property – or any general questions about this process, we encourage you to contact the Board of Assessors Office at 508-429-0604; our staff would be very pleased to help you in any way!

Holliston Board of Assessors:

- John Cronin, Chairman
- Philip Waterman III, Vice Chairman
- Peter Barbieri, Esq., Clerk

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**"Our office is always open!"** Visit our Website: [www.townofholliston.us](http://www.townofholliston.us)

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