



Town of Ashfield

Assessing Department Review

Municipal Data Management and Technical Assistance Bureau

June 2007



Introduction

At the formal written request of the Ashfield Board of Selectmen, the Department of Revenue's Division of Local Services (DLS) has completed a management review of the town's assessing department. Our report is included herein.

We have based our findings and recommendations on a May 15, 2007 site visit by a Technical Assistance team consisting of staff from the Division's Bureau of Local Assessment and Municipal Data Management & Technical Assistance Bureau. During this visit and by telephone and email, the team interviewed and received information from the chair of the board of selectmen, the town administrator, town treasurer, town collector, town clerk and a current member and the former chair of the board of assessors. We reviewed office procedures and examined a full range of assessing department records and documents including property record cards, assessors' maps, abatement and exemption logs, Tax Recap sheets and minutes of the board of assessors meetings from December 2006 through April 9, 2007.

The town's request was prompted by sweeping property value changes proposed for the fiscal 2007 tax year that stirred controversy in Ashfield. Questions were raised about the need and rationale for the changes, the lack of a recorded vote on the changes, whether the valuation changes were uniformly applied or not, and whether the changes unfairly benefited the assessors. Therefore the purpose of this review is to provide insight to town officials on the future structure and office operating priorities of the town's assessing office to restore taxpayer confidence that property values are being fairly and uniformly assessed. We have focused on the organizational structure, office procedures and records as well as compliance with statutory and DLS requirements. We encourage the board of selectmen, when formulating overall strategies for improving the town's financial management, to consider the observations, analyses and recommendations contained in this report.

In general, we focused on internal procedures, the accomplishment of requisite tasks and compliance with statutory and regulatory requirements. We discussed lines of communication between the assessing department and other town offices, departments and boards. We also analyzed historical trends involving property values and considered the experience of Ashfield in the context of other communities. Our report provides an overview of department responsibilities and presents our observations, conclusions and recommendations relative to the general efficiency and effectiveness of office operations going forward.

We hope you find this report useful as you formulate strategies to further improve the town's financial management practices.

Table of Contents

<u>Role of Assessors in Local Government</u>	page 1
<u>Overview</u>	page 2
<u>Recommendations</u>	page 6
1) Account for All Office Responsibilities	
2) Contract with a Professional Real Estate Appraisal Firm	
3) Attend Financial Management Team Meetings	
4) Provide Training for the Clerk	
5) Perform Regular Data Backups	
6) Maintain an Assessing Department Calendar	
7) Town Administrator to Oversee Preparation of the Tax Recap	
8) Record Formal Votes and Comply with the Open Meeting Law	
9) Appoint the Board of Assessors	
10) Formulate a Policy on Chapter Land	
11) Time Parcel Combinations Around the Tax Bill Cycle	
12) Clearly Define Duties of Former Board Member	
13) Track Building Permits	
14) Reconcile Overlay Balances	
15) Improve Office Space Organization	
<u>Appendices</u>	
Assessors' Duties	page 15
Recommended Calendar for Ashfield Assessors	page 16

Role of the Assessors in Local Government

The primary role of the assessors in municipal government is to identify and value all property within town boundaries in order to equitably distribute the tax burden. The assessors maintain and update property records and otherwise act to ensure that property assessed values reflect, as nearly as possible, 100% of their full and fair cash value on January 1 of each year. This is accomplished through various inspection procedures and through the analysis of sale trends as part of town-wide revaluations of property completed, at least, every three years. The revaluation, and adjustments to values, if warranted, are completed under the direction of the Assessors and are subject to quality review and certification by the Massachusetts Department of Revenue (DOR).

The assessors, under the provisions of Proposition 2½, annually identify additional value and tax revenue associated with new growth that occurred in the town over a prior 12-month period. This requires coordination with the building department to receive information on building permit activity, completion of on-site inspections of properties and placing a value estimate on new development. This procedure is instrumental in establishing the town's annual tax levy limit and levy ceiling, which relate to the maximum amount the town can raise in property taxes.

The assessors work with the town clerk and accountant in the completion and submission to DOR of the "Recap Sheet" which is the basis for setting the annual tax rate. As part of this process, the assessors estimate the annual overlay reserve which would be available to offset revenue lost to potential abatements, exemptions and Appellate Tax Board cases. The assessors also prepare information for use by the board of selectmen during the annual classification hearing when the decision is made whether or not to shift a greater portion of the tax burden to commercial and industrial properties.

Once the tax rate is approved by DOR, it is the responsibility of the assessors to commit the taxes to the collector in preparation for the distribution of property tax bills and later in the fiscal year, to receive and investigate property tax abatements through on-site inspections. The assessors also process boat and motor vehicle excise bills, charges for betterments and exemption applications.

An on-going task of the office is to maintain and update property records. In addition to the data collected through property inspections for various purposes, information is obtained from deeds, and by mail-in personal property inventories, income and expense surveys and sale questionnaires. Other information is gathered by the assessors as part of a "measure and list" inspection program of all properties which should be completed, at least, every nine years.

Finally, the assessors are required to generate regular reports of office activities for the collector, auditor and for the DOR Bureaus of Local Assessment, Accounts, and Municipal Data.

Overview

The Town of Ashfield has a population of 1,825 people and is located in the southwest corner of Franklin County. It is bordered by Goshen and Cummington on the south and southwest, Plainfield on the west, Hawley on the northwest, Buckland on the north, and Conway on the east. Ashfield is 20 miles southwest of Greenfield, 21 miles north of Northampton, and 109 miles west of Boston.

Ashfield is a relatively small community, ranking 296th out of all cities and towns in population. With only 655 residential properties, 332 vacant parcels, 43 commercial/industrial properties, and 300 other parcels, the work of the assessors' office is relatively light. Mainly residential, only 7.4 percent of the Ashfield tax base is commercial/industrial/personal compared to a statewide average of 15.4 percent. The town also has a large agricultural base with 258 parcels in the agricultural and forestry chapters in 2007. It employs a single tax rate of \$11.61 per \$1,000 of assessed valuation, the lowest tax rate of all of the eight neighboring towns¹ while its average single family tax bill of \$2,751 in fiscal 2007 ranks 250th among all municipalities.

The Ashfield assessing office is responsible for maintaining assessment data on approximately 1,330 real estate parcels, 156 personal property accounts, and 2,416 motor vehicle excise accounts. In addition, the office processes approximately 20 abatements, 11 exemptions, less than 20 building permits, and 50 - 75 deed changes annually. The office is directed by of a part-time, three-member elected board that meets bi-weekly. The board members serve staggered, three-year terms. The office is typically staffed by a part-time clerk for which the town has budgeted 19 hours of coverage per week. That position has just been filled after a nearly 4-month vacancy due to the resignation of the former assistant assessor over the controversial changes to values and questionable practices of one member of the board. The majority of inspections and revaluation work is performed by an outside consultant, Mayflower Valuation, Ltd.

The sequence of events which led to DOR involvement began in December 2006 when the former assistant assessor brought her concerns about questionable actions and procedures of the board of assessors to the attention of the board of selectmen. Among the issues raised and later confirmed by the DOR Bureau of Local Assessment were:

- Assessors were allowing a single assessor to modify property values without a vote of the board and without proper analysis to determine whether the modifications were indicated and result in full and fair cash value for all taxpayers;

¹ We have compared Ashfield to the neighboring towns of Buckland, Chesterfield, Conway, Cummington, Goshen, Hawley, Plainfield and Shelbourne.

- Assessors were placing land into Chapter 61A that reduces the primary lot on certain parcels to less than the two-acre minimum building lot size required by town zoning requirements, and without the request or knowledge of the owners;
- Assessors meeting minutes were not adequately kept;
- Assessors consolidated parcels to decrease the value of properties without prior board vote and proper study to determine the affect of market trends on valuation;
- The assessors failed to alert town officials of the changes to determine whether other departments, or town obligations, might be affected;
- Assessors have personally benefited from reduced values due to parcel consolidation;
- A single assessor removed land influences on properties without proper board vote and proper market analysis. It is unknown whether this was consistently applied or properly recorded;
- Assessors were not consistently following the Open Meeting Law.

These revelations resulted in a meeting between town officials and the Department of Revenue's Bureau of Local Assessment (BLA) on January 19, 2007. As a result of that meeting, Marilyn Browne, Bureau Chief of BLA ordered that the assessors take the following actions before the town's fiscal 2007 tax rate would be approved. Tax rate approval should have occurred no later than December 31, 2006.

- Restore all the combined parcels to their fiscal 2006 status;
- Restore all the influences that were in place for fiscal 2006;
- Restore all 61A parcels to their 2006 status and do not change without the request of the owners;
- Hire a professional assessing consultant to conduct a full field review of all properties and make valuation recommendations for fiscal 2007.

In addition, Ms. Browne suggested that the selectman pursue a review of the assessing office by the Department's Technical Assistance Bureau which prompted a letter of request from the Ashfield Select Board and this review.

During our review, we discovered that the Board of Assessors has complied, in part, with the BLA order and the 2007 tax rate has been set so that the tax bills could be sent out. Influences that had been removed were restored to properties, 2-acre minimum lot sizes were restored to the 61A properties, and a consultant, Mayflower Valuation, Ltd., was hired for a full field review and 2007 valuation recommendations. However, with regard to the 132 combined

parcels, the assessors did not restore 34 to their uncombined state, claiming these changes had been properly voted on by the board and should stand.

Further compounding matters, the combinations have had a negative impact on the collector's office. Because the act of combining parcels resulted in new parcel identification numbers, and the changes occurred during the middle of a tax billing cycle (i.e., after first quarter tax bills had been issued to the uncombined parcels), cross references to sewer liens and escrow accounts were wiped out.

It was apparent in our review that the Ashfield Board of Assessors has not followed proper procedures in performing many of the actions taken. In valuing property, market analysis has to guide decision-making on values, and no such analysis was conducted in removing topographical, traffic and wetlands influences, or in the combining of parcels. Even when supported by market analysis, valuation changes caused by removing influences or combining parcels must be applied uniformly to all properties in town, and it is not clear that was done here. Furthermore, decisions of the board on abatements, chapter land applications, and changes in valuation policies should be recorded in formal votes of the board. Many of these items were discussed, but oftentimes only after the former board chair had already unilaterally made the changes and without a vote of the full board. If taxpayers are to be confident that their property values and tax bill are fairly set, proper adherence to form must be maintained, especially, as in this case, where the assessors themselves are among the beneficiaries of the changes in valuation.

The level of impropriety further damaged the office by leading to the resignation of the assessors' assistant, leaving the office empty. The board has hired a replacement who started the week of May 29th, but she has no prior assessing experience so training will be required. They also proposed hiring the former chair of the assessors as a consultant to fill the void in the meantime, but in a manner that violated state law requiring 30 days to pass before a former board member can be hired back into municipal service. That action served to further antagonize other town officials as he was the primary instigator of all of the controversial changes.

We were also concerned about the danger to resident confidence in the assessing operation by inappropriate remarks made by board members in open meeting. In one instance, a taxpayer was advised not to pay his taxes and have the town take his property. On another occasion board members remarked that they "did not trust" town counsel. Equally troubling is the fact that the board ignored their responsibility to sign the commitment for the 3rd quarter property tax bills forcing them to be mailed out without the proper approval.

To restore taxpayer confidence in the assessors and to ensure that property taxes are based on full, fair-market values and are equitable across the board, the town needs to take the following steps immediately:

- Enter a 3-year contract with a property valuation consultant for inspections and valuations to ensure that valuations are done by a professional, neutral third-party

- Comply with the open meeting law and take formal votes on all abatements and changes in valuation policy
- Secure market analyses from a professional consultant prior to altering property influences and apply any adopted policy consistently across all properties
- Meet with town officials in advance of policy changes impacting values to determine potential negative impacts on other town operations
- Notify taxpayers in advance of changes in policy that significantly change their property values
- Speak with town administrator about having a member of the board attend financial management team meetings
- Ensure adequate training and support for the newly hired assistant assessor

Looking forward, our recommendations are intended to present best practices for managing the assessing office, improving tax policy and restoring public confidence in the property valuation process. We recommend that the assessors be appointed by and evaluated by the selectmen instead of being elected. We suggest contracting for a cyclical reinspection program and interim year adjustments to value. We recommend reconciling the overlay account regularly. Other recommendations include improving the organization of office records and providing regular backups of all of the assessors' records.

On the pages that follow we present our recommendations for the Town of Ashfield.

Recommendations

The recent actions of the Ashfield Board of Assessors have shaken the confidence of town officials and taxpayers that their property values are being fairly and accurately assessed. We recommend that Ashfield take the following steps in an effort to restore the public's confidence, and ensure that all of the requisite duties of the assessors are performed in a timely and professional fashion:

Recommendation 1: Account for All Office Responsibilities

We recommend that the board account for all requisite assessing department responsibilities. With a newly hired assistant and a new board member recently elected, it is an opportune time for Ashfield to evaluate the assessors office to ensure that all of its duties are being performed, and to assign responsibility for completing tasks to the assessor's assistant, the board members and the outside consultant.

At the end of the recommendations section of the report is a summary of the duties of municipal assessors with statutory references. As the board considers the delineation of office responsibilities in the future, it must be certain to, at a minimum, account for the following tasks:

- Inspection of sale, building permit and abatement properties. Conduct cyclical property reinspection program (consultant/board)
- Maintain public records in compliance with state law and BLA regulations (assessors' assistant)
- Mail forms of list, sale questionnaires and income/expense statements (assessors' assistant)
- Data enter new property information from inspections, mailings and deeds (assessors' assistant)
- Conduct analysis for new growth estimate (consultant/board)
- Prepare information for Tax Recap Sheet (consultant/board)
- Prepare classification hearing presentation (board)
- Process abatement and exemption information (assessors' assistant)
- Assess and administer motor vehicle, farm and boat excises (assessors' assistant/board)
- Establish annual overlay (board)

- Conduct annual property adjustment analysis (consultant/board)
- Set property values and prepare commitment list (assessors' assistant/board)
- Prepare for triennial state certification of property values (consultant/board)
- Determine the annual tax levy and tax rate (board)

Recommendation 2: Contract with a Professional Real Estate Appraisal Firm

We recommend that the town contract with a professional real estate appraisal firm to keep up-to-date with inspections and valuation work and to maintain the record-keeping system. Assessing offices throughout Massachusetts vary in how the workload is assigned among the assessing board, in-house staff, and outside consultants. Regardless of who performs them, however, all fundamental duties and responsibilities must be accounted for and carried-out effectively to ensure public confidence that taxation is consistent and equitable. As a part-time elected board, none of the current assessors has sufficient time nor the expertise to complete much of the data collection and analytical work in house, nor does the new clerk possess the training or experience to perform the requisite job duties on her own. To reverse the erosion of confidence in the Ashfield assessing operation, we recommend the Town of Ashfield engage an outside consultant who can perform necessary work as a neutral, disinterested third party.

The Ashfield board already has a standing relationship with Mayflower Valuations, Ltd. for inspections and valuation analysis. The board should explore expanding the scope of contract work and solidify its relationship with a long-term agreement. A further advantage of a contract is that performance deadlines can be specified to meet DOR requirements so that tax bills are mailed on time.

The scope of work for the outside consultant contract should include:

A. Conduct Market Analysis

We recommend that the board of assessors engage their real estate appraisal consultant to conduct a market analysis of property influences and combining parcels on property values. In late 2006, the sitting chairman of the board unilaterally decided to remove influences, combine parcels and increase the amount of land taxed under Chapters 61 and 61A based purely on his personal observations as to their appropriateness. Subsequently, the board was ordered by DOR to undo most of these changes because no market analysis was conducted to support the changes and proper votes by the board were not recorded. The board appears intent on remaking those changes for fiscal 2008 with greater attention paid to properly voting the changes. While it is important that valuation policy changes be properly voted on, the larger issue is that any changes

to valuation should be based on a market analysis and the Ashfield assessors have yet to complete that analysis. The board should engage their consultant to conduct an analysis to determine whether or not these changes are supported by market conditions before they proceed. Although not required, they should also consider holding a public meeting for the consultant to present his results and answer taxpayers' questions so that the public is assured that the proposed changes are warranted, and that they are being taxed equitably.

B. Inspection of Sale/Building Permit Properties

We recommend that the assessors place a priority on the systematic inspection of sale properties and building permit properties. The lifeblood of the assessors' office is property information. Unless accurate and up-to-date, the reliability of assessments, annual value adjustments, new growth estimates and tax recap submissions are undermined. In the normal course of events, the assessors gather property information through: 1) the inspection of recent sales, 2) the inspection of properties where building permits have been issued, and 3) pursuant to a cyclical re-inspection program. In the case of Ashfield, we recommend these responsibilities be contracted out.

Among the property information sources, the collection of sales data is most crucial. Sales analysis provides evidence of market trends, which form the basis of property assessments and annual adjustments to value. This is particularly important where the assessor intends to estimate annual adjustments to property values in between state-mandated triennial revaluations. However, the conclusions drawn from sales data are only as good as the quality of information collected. Therefore, it is imperative that sale data be collected as near to the sale date as possible and with specific information gathering goals in mind. Building permit inspections are useful in tracking new construction and property upgrades.

C. Provide New Growth Estimate

We recommend that the consultant provide the assessors an early estimate of new growth for the selectmen and finance committee in November of each year to coincide with the initial phases of the budget planning process. It should be followed by a more precise figure when it becomes available after January 1st.

New growth is the additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. In recent years, the amount by which new growth has increased Ashfield's annual levy limit has ranged from about \$11,000 to nearly \$68,000.

By November, much of the new construction that will be complete before January 1 will be either entirely or nearly done. If the assessors have been tracking building permits throughout the year, this should not pose a major difficulty. With early estimates of new growth, the selectmen and finance committee will be able to generate more accurate revenue projections.

D. Interim Year Adjustments to Value

We recommend that the consultant analyze and adjust property values annually to reflect changes in the real estate market from the previous year. This analysis is now required on an annual basis and, if indicated, adjustments must be made. We have found that there are a number of benefits to annually updating values. Some of these include:

- *Improved equity* -- Values that do not accurately reflect changes in the real estate market can result in an inequitable distribution of property tax obligations.
- *Increased public acceptance of the property tax* -- An annual update process allows for changes in the market to be phased in. This avoids the impact that occurs when three year's worth of market appreciation is factored into a single reassessment cycle.
- *Reduced abatement exposure* -- Values that do not reflect market downturns may create abatement liabilities for the town. The Appellate Tax Board is not bound to the three-year certification cycle when evaluating the market value of properties in abatement appeal proceedings.
- *Additional new growth added to the levy limit* -- Values that do not reflect market appreciation will result in less new growth added to the levy limit. Adjusting values in an appreciating market allows the town to maximize its revenues.

E. Perform Cyclical Re-Inspection

We recommend that the town adopt a formal cyclical re-inspection program to be conducted by their consultant. A cyclical re-inspection program encompasses a complete interior and exterior inspection of all real property over a multi-year period. The primary benefit of this program is that it will provide the assessors with current, accurate data. Beyond inspecting sale properties, improved parcels, and reviewing real property abatement requests, scheduling additional properties for inspection annually will enable the office to complete a full re-inspection by FY12 without the added cost of a full list and measure contract.

Assigning these tasks to an outside consultant does not free the assessors of their responsibilities. The board needs to review and understand the work and recommendations of the consultant, and are still required to approve it.

Recommendation 3: Attend Financial Management Team Meetings

We recommend that a member of the board of assessors be assigned to attend the town's financial management team meetings. DLS advocates a team approach to municipal financial management because of the overlap and interaction of the various town financial offices. The

Ashfield town administrator has embraced this approach with monthly team meetings of the town administrator, treasurer, clerk and collector. A member of the assessors should also attend to be kept abreast of issues of town-wide importance and to better coordinate the assessing functions with other offices. Generally speaking, the assessors need to do a better job of communicating with the taxpayers and the rest of town government. They need to understand how their actions or inactions affect operations in other departments and their impact on town finances. For example, if the assessors had made known their intention to combine parcels mid-year they would have learned of the problems this caused the collector's office and may have delayed making the changes.

Recommendation 4: Provide Training for the Clerk

We recommend that the town increase the assessing office's training and/or travel budget. Having the assessors' clerk attend the Patriot training will enable her to properly learn the operating system. The vendor's training includes entering information and doing sketches, preparing analysis and management reports, and helping manage the database. While there would be a one-time cost for the clerk's initial training, the office budget should include recurring funding for staff training on Patriot system changes and/or improvements. If it is the town's goal to restore local confidence in this office, having a well-trained staff will be necessary. In addition, the clerk should be required to take DOR's Course 101 when it is offered in the fall, the Massachusetts Association of Assessing Officers Course 200, a course dealing with the assessors administrative responsibilities and an in-depth explanation of the assessors everyday involvements, and any other courses that may be available.

We also recommend that the clerk participate in the Patriot system's users group and attend any clerks' association meetings. Regular contact with these groups will enable the clerk to meet and establish working contacts in other communities, a valuable resource as she becomes acquainted with the operations of the assessors' office.

Training for the new assessing clerk should take a top priority because of the almost 4-month vacancy in the position and the new person's lack of previous experience. It is imperative to have well-trained staff especially since she is likely to be the only person in the office dealing with taxpayers.

Recommendation 5: Perform Regular Data Back Ups

We recommend the assessors back-up data to a disk or tape on a daily basis. The assessing office's property data should be copied to a tape back-up or compact disk on a daily, or at least weekly, basis and stored in a secure, off-site location. A system of rotating disks or tapes could be used to ensure that data, right up to the prior day entries, are backed-up. Data backups

should probably be done daily with a new clerk in the office to be able to restore values in the event of some inadvertent error as she learns how to negotiate and manage the system software. If the town lacks the in-house resources, it should purchase technology services to put a back-up system in place.

Recommendation 6: Maintain an Assessing Department Calendar

We recommend adopting a formal calendar that lists important DOR due dates and imposes deadlines for the various steps that are necessary to meet those due dates. Attached at the end of the report is our recommended calendar for Ashfield's assessing department. Such a calendar will help the assessors to ensure that major tasks and procedures are not missed. It will also allow the selectmen, the other financial officers, and the public to have a better understanding of what the assessors' office does, when important deadlines are approaching, and how to better coordinate overlapping tasks.

Recommendation 7: Town Administrator to Oversee Preparation of the Tax Recap

We recommend that the town administrator take the lead role in overseeing the completion of the Tax Rate Recapitulation form for setting Ashfield's annual tax rate. Given the time commitment of the part-time board, the inexperience of the assessors' assistant and the tax rate's importance to town financial affairs, someone should be responsible for managing the recap process from start to completion. Because the recap requires coordination between several town financial offices, this oversight function should naturally fall to the town administrator.

Recommendation 8: Record Formal Votes and Comply with Open Meeting Law

The assessors should familiarize themselves with the requirements of the Open Meeting Law to make sure they are in compliance. We also recommend that they take greater care in taking the minutes and recording all votes, particularly on all decisions that affect property valuation. No policy changes such as removing influences on properties should be undertaken without an affirmative, recorded vote from the majority of the board, nor without the proper analysis of the impact on valuation demonstrating that the change is supported by market conditions.

Motions should be made and seconded before formal votes are taken in the following instances:

- to approve or disapprove abatement and exemption applications
- to accept and approve the valuations on the Tax Recap
- to adopt the annual Overlay Reserve
- to approve or disapprove Chapter Land applications

- to make any substantive changes to property valuations such as removing influences or combining parcels

Motions and votes should be accurately reported in the meeting minutes. There are also times when hearings need to be recorded and when ample notice to taxpayers provided.

Recommendation 9: Appoint the Board of Assessors – MGL Ch 41 §1B

We recommend that the town convert the board of assessors to an appointed board. A clear trend has emerged among Massachusetts communities in favor of appointed positions. Most act under a prevailing theory of government practice that policy makers should be elected, but operational positions like the assessors, where a certain skill set is required, should be appointed. In Ashfield, the assessors inconsistent application of changes to property valuations, their apparent disregard of the open meeting and conflict of interest laws, and lack of consideration for their actions on other town offices suggest a need for change in the assessing office and prompt our recommendation favoring an appointed, rather than elected, board.

Recommendation 10: Formulate and Vote a Policy on Chapter Lands

We recommend that the board formulate a policy on how to treat the primary lot size for the purposes of Chapter 61, Chapter 61A and Chapter 61B properties. One of the controversial unilateral actions taken by the former board chair was to change the acreage to be taxed as so-called chapter land properties without a vote of the board or prior notification to the affected taxpayers. The usual practice of assessors is to exclude the primary residential lot from chapter designation and tax it as residential property. Since Ashfield has a two-acre minimum residential lot requirement, normal practice would exclude two acres. In addition, taxpayers indicate the amount of acreage that applies to chapter use on their annual application for the favorable tax treatment. By reducing the amount of land taxed as residential property to less than two acres, the taxpayer is left with a non-conforming lot and will face additional roll-back taxes on the property, if he goes to sell. In addition, it is not clear whether this change was universally applied. In any event, the board should formally adopt a policy. This policy should include the proviso that the lot size not be reduced below the two acre minimum unless requested by the taxpayer, and they can document that the land is actively used for agricultural purposes.

Recommendations 11: Time Parcel Combinations around the Tax Bill Cycle

We recommend that the assessors consult with the collector before they recombine parcels. Ashfield was required by DOR to undo most of the parcel combinations and other changes before the 2007 tax rate was approved. While the board restored all but 34 of the parcel

combinations it had originally imposed in 2007, the board indicated that they intended to change them back with the proper vote of the board. It is important, however, to coordinate this activity with the collector's office so property tax billing can be more easily managed. If the assessors intend to follow through with the re-combinations, they should make sure the changes are filed in conjunction with the tax bill cycle. There is a window, from after the final 2007 tax bill is sent in May and before the first 2008 tax bill is sent in July, when the assessors could implement this change for the entire year. In addition, the decision to recombine parcels should be formally voted on by the board, and universally and consistently applied.

Recommendation 12: Clearly Define Duties of Former Board Member

We recommend that the board clearly define the duties and responsibilities of any consultants they hire in a contract. Immediately following the town election the board of assessors voted to hire the former board chairman to fill the void in the assessing office, and intend for him to assist in the training of their new assistant and whatever else they may require. There are several issues with this. First, state law requires a "cooling off" period preventing a board from hiring former members for at least 30 days to avoid allowing former members undue influence. The second issue is that the public needs to be aware that he is in the office in a new capacity as an employee and cannot be advising taxpayers as if he were still a member of the board. Finally, the board of selectmen is opposed to the hiring because of his lead role in the controversy of setting fiscal 2007 values. If the assessing board insists on hiring the former board chair, they need to clearly define what his duties and responsibilities are, and taxpayers should be clearly informed that he is only an employee and no longer speaks with the authority of a board member.

Recommendation 13: Track Building Permits

We recommend that the assessors work with the Franklin County Building Inspection Program to receive copies of all building permits issued in Ashfield. In our requests for information of the town to ascertain the workload of the assessing office, it was reported that the office processed six building permits in 2003, eight in 2004 and 14 in 2005. Those numbers jumped in 2006 to 70 because many were missed in the previous years.

In the absence of the building permit inspection, a property may be under assessed, causing a disproportionate distribution of the property tax among the owners. It also hinders the growth of the property tax levy that is essential to support town operations and services. Therefore, the Ashfield assessors need to do a more thorough job of tracking building permits.

Recommendation 14: Reconcile Overlay Balances

We recommend that the assessing office develop and maintain a simple electronic spreadsheet to track the balance in the overlay accounts by fiscal year. This record should show the opening balances as the amount raised on the tax recapitulation sheet. Abatements and exemptions should be entered in chronological order by date of issue, resulting in a running available balance. We recommend that the assessing office reconcile the overlay account with the accountant at least quarterly. If there are any variances, the two offices should meet to determine the source of the difference and make the appropriate adjustments.

Recommendation 15: Improve Office Space Organization

We recommend the assessing department dispose of unnecessary records and reorganize its office space. Document disposition schedules available from the state supervisor of public records² in the Secretary of State's Office can help staff identify records that must be maintained. Recognizing the lack of storage space in the assessors' office, all non-essential records should be discarded. In addition, the town might consider adding some partition walls to the assessing office to provide a more private space for the assistant or assessors to conduct sensitive conversations with taxpayers about their valuations. To the extent possible, efforts should be made to improve the assessors' space so as to inspire confidence among those with business in the office.

² The Records Management Unit in the Secretary of State's Office provides guidance on how to maintain public records. See <http://www.sec.state.ma.us/arc/arcrmu/rmuidx.htm> for more details.

Appendix One

Assessors' Duties

(Source: Job Responsibilities, Department of Revenue)

Below is a summary of the duties of the municipal assessors as excerpted from *Assessment Administration: Law Procedures, Valuation* prepared by the Massachusetts Department of Revenue (September 1999).

- Complete required DOR Course 101, *Assessment Administration: Law Procedures, Valuation* for Assessing Board members. ([830 CMR 58.3.1](#))
- Value all real and personal property within the municipality on a fair cash value basis ([MGL Ch. 59 sec. 2A, 38](#)). Inspect property sales, implement a cyclical property reinspection program, complete annual property value adjustment analysis, and prepare for triennial certification of property values by the Department of Revenue.
- Conduct inspections of building permit properties and determine new growth for levy limit ([MGL Ch. 59 sec. 21C\(f\)](#)).
- Fix the annual tax levy and set the tax rate. Participate in the preparation of the Tax Recapitulation Sheet. ([MGL Ch. 59 sec. 21, 23](#)).
- Prepare the valuation and commitment list. ([MGL Ch. 59 sec. 43, 54](#)). Sign under oath ([MGL Ch. 59 sec. 52](#)) and send the commitment with a warrant to the collector. ([MGL Ch. 59 sec. 53](#)). Send a notice of commitment to the town accountant or city auditor. ([MGL Ch. 59 sec. 23A](#)).
- Process and act on abatement and exemption applications. ([MGL Ch. 59 sec. 59](#)). Send copies of approved abatement or exemption certificates to collector and to accountant or auditor.
- Establish the annual overlay amount ([MGL Ch. 59 sec. 25](#)) for insertion in the tax recap sheet. Determine any overlay surplus.
- Commit original and apportioned betterments to the collector ([MGL Ch. 80 sec. 4](#))
- Commit delinquent municipal charges, including water and sewer liens and charges, to tax bills. ([MGL Ch. 40 sec. 42A-F](#); [MGL Ch. 83 sec. 16A-F](#))
- Assess and administer motor vehicle, farm and boat excises. ([IGR 88-219](#))
- Meet all regulatory requirements, assessment administration standards of the Department of Revenue, Division of Local Services.

Appendix Two

Recommended Calendar For Ashfield Assessors

- January 1 – *Begin to inspect building permit properties*
- January 31 – *Mail Income and Expense Statements to commercial, industrial and apartment property owners*
- June 1 – *Determine valuation of land in possession of another municipality or district.*
- June 15 – *Deadline for appealing DOR Commissioner's telephone and telegraph valuations*
- June 15 – *Make preliminary tax commitment to allow mailing by July 1*
- June 20 – *Final date to make omitted or revised assessments*
- June 30 – *Overlay surplus closes to surplus revenue*
- June 30 – *Submit annual report of omitted/revised assessments to DLS*
- June 30 – *Last day to submit requests for current fiscal year reimbursements of exemptions granted under the various clauses of c.59, §5 to DLS*
- June 30 – *Submit LA-3 (real property verified market sales) to DLS (Recertification years)*
- September 15– *Preliminary certification from DLS*
- October 15 – *Public disclosure (Recertification years)*
- October 15 – *Begin work on Tax Rate Recapitulation sheet*
- November 5 – *Final certification from DLS (Recertification years)*
- November 15– *Submit Interim Year Adjustment Analysis to DLS (Non-certification years)*
- November 15 – *Submit new growth to DLS*
- December 1 – *Submit tax recap to DLS*
- December 31 – *Deadline to issue final tax bills*
- December 31 – *Mail 3-ABC forms to all eligible non-profit organizations*

Acknowledgements

This report was prepared by

The Department of Revenue, Division of Local Services (DLS)

Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

Frederick E. Kingsley, Bureau Chief
Municipal Data Management and Technical Assistance Bureau (MDM/TAB)

Joseph Markarian, Jr., Senior Project Manager, Technical Assistance, MDM/TAB

Scot Keefe, Project Manager, Technical Assistance, MDM/TAB

Sandra Brusco, Community Advisor, Bureau of Local Assessment

Jeff Reynolds, Community Advisor, Bureau of Local Assessment

In preparing this review, DLS interviewed the following persons

Bill Perlman, Chair, Board of Selectmen

Andrea Llamas, Town Administrator

Maryellen Cranston, Clerk/Treasurer

Laura Blakesley, Treasurer/Collector

Seth Cranston, Board of Assessors

Thomas Cranston, Former Chair, Board of Assessors