City of Troy – Assessing Department
2018 Assessment Notices
Change in 2 Year Sales Study

Near the middle of February, 2018, Troy property owners will receive a "**Notice of Assessment**, **Taxable Valuation and Property Classification**" from the Assessing Department of the City of Troy, which details 2018 changes.

For the 2018 Assessment Year, a Two-Year Residential Sales Study is used for all properties. For 2018 Assessments the State Tax Commission (STC) has changed the dates of the 2 year sales study. *The Residential Sales Study now runs from April 1, 2015 through March 31, 2017.* (Last year the study ran from October of 2014 through September of 2016). Please review the study for your type of property under 2018 Sales Studies on the Assessing web page.

This has the effect of eliminating 6 months' worth of the most recent sales from the study. In practical terms, this means that your 2018 Assessed Value lags behind the actual current value of your property by at least 6 months, and closer to 9 months. This is done by the STC to protect property owners from large Assessment increases due to the robust residential real estate market.

For the 2018 Assessment Year, the Study shows an average increase in residential property values of about 2.4%. This is the average - citywide. There will be subdivisions within the City of Troy that will show decreases and there will be subdivisions in the City that will show increases of more than 2.4%. There are over 262 different residential neighborhoods in Troy.

While some Residential Assessments can change more than 2.4%, Taxable Values cannot change more than 2.1% (1.021 multiplier), barring new construction, or transfers of ownership. Here's why:

Taxable Value can only increase by the rate of inflation (Consumer Price Index or CPI), or 5%, whichever is less. As stated above the CPI for 2018 is 1.021 (as a multiplier).

Taxable Value is the lesser of Assessed Value or Capped Value. It is also the value that millages are levied against to determine a property's taxes. This capping process is exclusive of 'loss' (physical demolition, fires, and natural disasters) that remove a portion, or all of a structure, or 'new' (physical additions to the property).

Thus the calculation of the 2018 Capped Value becomes: (2017 Taxable Value minus losses) times the CPI (1.021), plus new.

Since Assessed Value still represent 50% of the Market Value of a property, Assessments may increase (or decrease) by whatever percentage is necessary to maintain the 50% level. Taxable Value is 'capped' by the CPI or 5%, since 1994.

The gap between Assessed and Taxable Value has been increasing over the last 7 years. This means that more and more, your Taxable Value will be less than 50% of your Market Value.

Overall, the City of Troy will see an increase in overall Taxable Value of about 2%.

Remember that the Assessment on your Residential property is as of December 31, 2017, based on sales that occurred between 04/01/15 and 03/31/17. *It does not reflect the value of your property for any other time period.*

As you consider whether to appeal your 2018 Assessment to the local Board of Review, bear in mind the time frame of the Sales Studies used, as *the Board of Review is limited to that same Sales Study*. Otherwise, time adjustments must be made. This study will be available on the Assessing Web site near the middle of February.

Also remember that to affect a reduction in your taxes, you must be able to show that the Assessed Value of your property should be below the current Taxable Value.

Please remember that Foreclosure Sales, and Sheriff's Deed's are not considered indicators of Market Value. Some Bank Sales can and are being used.

As always, you may call, or visit our office for an explanation of your Assessment. A review, and any warranted change in your Assessment may be done by the staff of the Assessing Department at any time between the receipt of your "Notice" and the first day of the Board of Review (March 6, 2018). Once the Board is in session, only they can change your Assessment.

Neither the Board of Review nor the Assessor can change your Taxable Value without evidence of a physical loss to the property, or barring a reduction in Assessed Value below the proposed Taxable Value.

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