

City of Manassas Park, Virginia
Office of the City Assessor

Frequently Asked Questions

The following are questions commonly asked by new residents and taxpayers about real estate assessments in the City of Manassas Park and other Northern Virginia jurisdictions. You may reach us by telephone at 703-335-8811, by e-mail at cityassessor@manassasparkva.gov, by mail or in person at the Office of the City Assessor, One Park Center Court, Manassas Park, Virginia 20111. Additional information can be found on the City Assessor webpage by accessing the City's main website at <http://www.cityofmanassaspark.us>, clicking on City Departments in the left navigation bar, and then selecting City Assessor from the list of departments.

1. What is the current real estate tax rate?

The short calendar year (CY) 2009 real estate tax rate is \$1.24 per \$100 of assessed value. This real estate tax rates will be used to levy taxes for the short CY 2009 that covers the period from January 1, 2009 through June 30, 2009. This special levy to accommodate switching to a fiscal year (FY) tax basis is payable in one installment due June 5, 2009.

Information about the fiscal year (FY) 2009-2010 real estate tax rate and other future tax rates can be found on the City Assessor webpage by accessing the City's main website at <http://www.cityofmanassaspark.us>, clicking on City Departments in the left navigation bar, and then selecting City Assessor from the list of departments.

The most recent full calendar year real estate tax rate was the 2008 rate of \$1.24 per \$100 of assessed value. Real estate tax rates for the last 10 years are posted on the City Assessor webpage.

2. How is the real estate tax calculated for the short calendar year 2009?

The 2009 short calendar year (CY) real estate tax rate is \$1.24 per \$100 of assessed value according to the last reassessment made in 2008. To compute the real estate tax on a property assessed at \$325,000, divide the assessed value by 100 and multiply by the tax rate: $(\$325,000 \div 100) \times \$1.24 = \$4,030$. Then divide by two again to account of the six month period covered by this short year (January 1 through June 30): $\$4,030 \div 2 = \$2,015$. Remember, this is a one-time short year tax that is only for a six month period and should not be used to estimate a full year tax. Beginning July 1, 2009, real estate tax assessments will have an effective tax of July 1 each year. Previously the effective date for real estate tax assessment had been January 1.

3. Where can I find additional information about the change in the effective date for real estate tax assessments from January 1 to July 1?

A publication entitled "Questions and Answers About Aligning the Real Estate Tax Assessment Year with the Fiscal Year Budget" is available on the City Assessor webpage under Downloadable Forms and Publications. The Governing Body adopted an ordinance on November 18, 2008, changing the effective date for real estate tax assessments to July 1. The Governing Body's ability to change the effective date is permitted by the Virginia Code.

4. What can I find the average changes in assessment from 2008 to 2009?

Average changes in assessed values from year to year for the various classes of real estate are available on the City Assessor webpage. For the 2009 assessments a publication entitled “Average Change in Residential Real Property Assessed Values 2008 to 2009” is available also.

5. My mortgage company has increased the escrow amount I pay each month for increased real estate taxes. Why?

The escrow account that your mortgage company maintains for the payment of insurance and taxes can be revised at anytime according to the practices, policies, and procedures of the individual mortgage company. The Office of the City Assessor begins to receive calls from taxpayers in September each year with question about why mortgage companies are revising escrow accounts for real estate tax payments. Although this is a complex matter, you should be able to get satisfactory answers by calling the escrow department of your mortgage company and the local assessor’s office. Keep these factors in mind:

- Each lender has many clients with mortgages throughout the Washington Metropolitan D.C. area and must estimate how real estate assessments and real estate tax rates in many local taxing districts (each city and county in Virginia) will change from year to year.
- The Manassas Park City Assessor does not know why your lender has increased or otherwise revised your escrow payments. The City Assessor knows how assessments and tax rates have changed from year to year, and depending upon the time of year may or may not know how assessments and tax rates are expected to change for the upcoming year, but does not know how each lender estimates needed changes in your escrow account.
- Ideally, your lender collects enough money in advance through your monthly escrow payments to pay the real estate taxes as they become due. In Manassas Park, as well as in most Virginia communities, real estate taxes are due June 5 and December 5.
- In additional to talking to a representative with the escrow department of your mortgage company and the City Assessor, inform the escrow department of any change in your assessed value and of the new tax rate adopted by the Governing Body. This way the escrow department will have all of the factual information they need about your current real estate tax liability. They will still need to estimate how much they need to collect each month to pay future taxes, but will be working for a base of factual information.
- Contrary to what the representative of the escrow company may tell you, Virginia does not have a homestead property tax exemption program at the present time.

6. How will I know if my assessment is correct? How do I find sales used to determine my January 1 assessment?

Review the physical characteristics of your property (square foot size, number of bathrooms, etc.) for correctness and completeness. Next, you should review the sales relied upon to determine your assessed value. The assessor can provide you with a list of sales that took place in your assessment neighborhood that were considered in determining the assessment for the current year. A list can also be downloaded from the City Assessor webpage during the assessment review and

appeal period. You should find the sales of properties that are most similar to your property (i.e., style, location, age, and condition). Once you have located sales data you believe to be most comparable, compare the sales price and the assessed value of those properties to your own. The more similar the comparable property, the more likely the assessed values will be closely related. Typically real estate appraisers select three to five sales that are most comparable. More comparable sales than this will not necessarily lend more support to your request for review of the assessment or appeal.

7. How can I challenge an assessment?

Once the Notices of Assessment are mailed that inform you of the most recent reassessment, property owners can ask the Office of the City Assessor to review the new assessed value if they file a Request for Review of Assessment form by June 30. A Request for Review of Assessment form can be provided to you either by calling or visiting the Office of the City Assessor in City Hall (One Park Center Court). This form can also be downloaded from the City Assessor webpage during the assessment review period. You may speak to the assessor, review the data used in computing the assessment and, if necessary, schedule an inspection of the property.

After this, should a dispute still exist, you may file an appeal to the City of Manassas Park Board of Equalization. The deadline for filing an appeal of real estate assessment form with the Board is typically August 1, but has been extended to August 3 for 2009, as the first falls on a Saturday. The Board, appointed by the Prince William County Circuit Court, is composed of City property owners.

If you are dissatisfied with the Board's decision, you may appeal to the Circuit Court.

8. Is there a state law that prevents assessments from changing more than a certain amount each year?

The Constitution of Virginia requires real estate assessments to represent fair market value. At the present time there is no provision to limit the amount of change in assessed values from year to year.

9. What is the assessment process for real estate in the City of Manassas Park?

Each year, the Office of the City Assessor appraises all real property in the City to determine its value for tax purposes. All assessments of real property, including land and permanently affixed structures, are based on estimated fair market value and are equitable with the assessments of comparable properties.

In addition to estimating the market value of all existing property, the assessor inspects, lists, and determines the value of all new construction in the City, including both new structures and renovations or additions to existing structures.

To determine the value of a property, the assessor obtains and maintains many different types of information. The Office of the City Assessor keeps on file a property record card listing the physical characteristics of each property and its condition. This information is a matter of public record and may be reviewed or copied.

Sales of property in the City are important factors in determining assessment values. The Office of the City Assessor regularly researches property transfer records, which are recorded at the Land Records Office in the Prince William County Clerks of the Courts Office.

Other types of information used in determining the value of commercial, industrial and special purpose properties include current building replacement costs, the operating and maintenance costs of various types of property, and rental rates certain properties can be expected to earn.

10. How do changes in assessed values in Manassas Park compare to other Northern Virginia jurisdictions?

The percentage change in your assessment is generally close to the assessment change of other properties located in your neighborhood. Exceptions include cases where properties have had physical work done over the past year that would cause the assessments to change at different percentage rates. Each year the City Assessor sends a real property assessment report to the Director of Finance that explains how assessment changed from year to year and how assessment changes in Manassas Park compare to other assessment jurisdictions in Northern Virginia. Upon request, the City Assessor can provide you with a copy of the latest report.

11. Should my assessment change be the same as what has been published in the newspaper for my zip code area in the recent past?

Newspapers often publish sales data in a summary format for large areas, such as by zip code, by city or by county. This information can show general trends in the market. However, these trends should not be compared to the percentage change in your assessed value. One reason for this is that the time period can fluctuate for the reporting of the data. The assessment office primarily relies on sales during the past calendar year within precise areas and of properties that are more similar in nature to your property.

12. How do trends in real estate affect assessments?

As part of the assessment process, the assessor reviews data about real estate trends in the region and in the City. However, the assessor relies primarily on data from the sales of properties located within the City and further grouped by subdivision or neighborhoods of similar properties. It is the sales of property in your neighborhood that most affect the final assessed value of your property.

Commercial properties are more complex in nature than residential property. There are trends in the national marketplace and region that affect each class of commercial property. As with residential properties, while the assessor considers information about trends in the commercial market, primary reliance is placed on income and expense data generated by commercial property owners in the City, regional sales data, and interviews with buyers and sellers of commercial property in Manassas Park, and the Northern Virginia market as a whole.

13. Why is the City's assessment different than a private appraisal?

The Office of the City Assessor for the City of Manassas Park assesses real estate using mass appraisal methods. The mass appraisal practices and assessment techniques used by the Office of the City Assessor are consistent with those used in assessing jurisdictions throughout Virginia. All assessments have an effective date for valuation purposes of July 1. The assessor considered

the real estate market activity that occurred during 2008 in order to estimate fair market values as of July 1, 2009. These 2009 assessed values will then be used as the basis for real estate taxes due December 5, 2009 (first-half) and June 5, 2010 (second-half).

Assessments are based on a large numbers of sales that are analyzed to determine values for large groups of properties. In considering sales over the 12 months of 2008 before determining the 2009 assessments, the resulting individual assessments represent a typical, or average, value for a property in relation to other property values.

A private appraisal determines the value for a specific property on a certain date, typically the date of inspection, and considers comparable sales that occurred during the previous 90 days. The private appraisal may be made for a variety of purposes, such as for purchase or sale, mortgage financing, a home equity loan, an estate settlement, income tax purposes, etc.

The valuation of real estate is not an exact science, especially when market conditions are changing rapidly. During normal conditions any two expert appraisers can be within 10% of each others value determination when appraising the same property. During rapidly changing conditions these two appraisers can differ 15-20% on their value conclusions.

While it is desirable to have assessments that accurately reflect current market conditions, it is more important to have assessments that are fair and equitable, so that all property owners share equally in the tax burden. Fairness and equity in the assessment process refer to using a systematic mass appraisal process to estimate value.

14. Why is the assessment different from the sale price recently paid?

An individual sales price is the actual price a buyer pays for a particular property. While the sales price is one indicator of market value, there are numerous additional sales that are relied upon to determine your assessment. There are also reasons why an individual sale of property can be disqualified from consideration when estimating market value. For example, foreclosures and bank-owned property sales that took place during 2007 were disqualified from consideration before determining the 2008 assessments. The practice of disqualify foreclosure sales, divorce decrees, family sales and similar sales when determining assessments is the same criteria are used by assessors throughout Virginia and recommended by the Virginia Department of Taxation (VDT).

VDT performs a ratio study each year in each city and county that performs an annual assessment to determine the level of assessment and to measure uniformity of assessment. The ratio study compares the assessments for properties that have sold to the sales prices of the same properties to determine an average level of assessment and performs other statistical measures of assessment uniformity. The latest ratio study by the VDT compared 2006 assessments to 2006 sales in the City of Manassas Park.

Assessments are based on typical values within larger neighborhoods or areas. While the sale price of a property will affect its assessment, the effect will be diluted by the mass appraisal methods which consider all sales within a neighborhood or area in determining assessed values. Also, the City primarily uses sales occurring within a 12-month period prior to the July 1 assessment date. A consequence of this time lag is that the assessments of properties which have sold very recently may differ from the sales prices by a marked amount when real estate markets are changing. Although assessors have consistently followed these same methods each year, the lag time is more evident to property owners when real estate values are declining.

15. How do foreclosures and other trends in real estate prices affect assessments?

In estimating property values for the 2009 assessments, the Office of the City Assessor is required by state tax law to estimate the fair market value of the property as of July 1, 2009. Generally the best evidence includes property sales that took place during 2008. However, the Supreme Court of Virginia has defined “fair market value” generally as the price a property will bring when it is offered for sale by a willing seller who is under no compulsion to sell and is bought by a willing buyer who is under no necessity of having the property. Because many sales during 2008 were foreclosures, short sales in order to avoid foreclosure, or bank-owned property sales, some of these sales may have been disqualified because they did not meet the criteria for what real estate appraisers and assessors call “arms-length transactions.”

Typically the Virginia Department of Taxation disqualifies all sales involving banks and financial institutions and auction sales and foreclosures when they conduct assessment ratio studies to determine the average level of assessment accuracy and uniformity each year for each assessment jurisdiction in Virginia.

For the 2008 assessments, which considered sales during CY 2007, foreclosures and bank-owned property sales were disqualified from consideration before determining property assessments. However for the 2009 assessments, which considered sales during CY 2008, most bank-owned property sales were considered before determining the property assessments. The overriding factor between the 2008 and 2009 assessments was the fact that bank-owned property sales had become the prevailing market for residential property transfers during 2008.

16. I own a residential condominium. Why is there an assessment shown for land? How are land assessments determined for residential condominium assessments?

Property assessments in Virginia include a value of land and a value for your building or unit. Although you do not technically own land, or the structure for that matter, ownership of the condominium affords you the use of the unit and associated common elements, which includes the land that makes up the condominium community.

There is not a separate assessment for the land that comprises the condominium community, but it is allocated on a per unit basis to the number of condominium units that make up the total development. Ultimately, the allocation to land is added to the estimated value for the building, in this case the condominium unit, and the total value should not exceed the market value of what willing buyers and willing sellers are agreeing upon in the open market. In other words, the assessor must check his or her values against real estate market indicators. If the prices for qualified sales are above or below assessed values the assessor must decide how to adjust assessments to bring them inline with market value. Such assessment can be adjusted by revising building values or land values or both.

The assessment methods employed by the Manassas Park Office of the City Assessor are consistent with generally accepted computer-assisted mass appraisal practices used by local assessors throughout Virginia and as recognized by the International Association of Assessing Officers and other appraisal and assessment organizations. Additionally, the Virginia Department of Taxation performed an annual study to determine the level of assessment and to measure

uniformity of assessment in the City of Manassas Park. As part of their study a ratio study is prepared that compares the assessments for properties that have sold to the sales prices of the same properties to determine an average level of assessment and performs other statistical measures of assessment uniformity.

17. What oversight is performed to be sure assessments are being done properly?

The Virginia Department of Taxation performs an assessment/sales ratio study each year in each city and county that performs an annual assessment, including the City of Manassas Park, to determine the level of assessment and to measure uniformity of assessment. The ratio study compares the assessments for properties that have sold to the sales prices of the same properties to determine an average level of assessment and performs other statistical measures of assessment uniformity. The latest ratio study by the VDT compared 2006 assessments to 2006 sales in the City of Manassas Park.

18. If I find incorrect data on the website for my property, how do I ensure that this data is corrected?

The Office of the City Assessor is making a concerted effort to maintain accurate real estate data for the basis of the assessments for all property owners and for use by the public. Please notify the assessor immediately if you note an error in your property information by sending an e-mail to cityassessor@manassasparkva.gov or calling 703-335-8811.

19. If I maintain my house will my property assessment increase?

Assessors who value real estate don't add value for such things as residing, replacing furnaces or hot water heaters, or generally keeping your property in a state of normal repair. A matter of fact, most assessors assume that normal maintenance and repairs are made in order to keep the property in a working condition. Typically, real estate assessors increase assessments when certain improvements are added that never existed before. For example, if you add air conditioning, the assessment would be changed to reflect such a change. But if you replaced an existing air conditioning unit, the assessment would not likely be increased. Ultimately the assessor is looking for improvements that make a marked impact on the market value of property.

To fully understand what is considered as an improvement that would cause the assessment to increase call your local assessor. Keep in mind that the local assessor works closely with the local building department to discover changes in properties from one assessment year or reassessment to another. Asking the building department which improvements to your home or property would require a building permit can also give insight into this concern. As with most things, go directly to the source rather than relying on second or third hand information.

Property assessments typically change upon each reassessment. These changes will reflect changes in market value, through appreciation when values are increasing or depreciation when values are declining. An increased assessment due to market appreciation can sometimes be mistaken by the property owner as an increase because of residing or some other improvement. Call the assessor and ask why the assessment changed. Don't leave it to chance. Most assessors have an active public relations program for answering questions just like yours.