

# Duty of Trustee to Challenge Real Estate Assessment

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Anyone who owns or manages property in his/her capacity as a trustee or some other fiduciary role should be attentive to the possible appeal of periodic property tax valuations. Generally, each municipality in Rhode Island is required to perform a comprehensive revaluation of all property located within the city or town at least every nine years. Municipalities are also authorized to perform less formal reviews every three years. Often, the municipality hires an outside appraisal firm to do the bulk of the work which the tax assessor then reviews and approves. Separate and apart from the never ending increases in the town's tax rate, the valuation results can vary wildly with little or no relationship to prior valuations. This is particularly true if different appraisal companies are hired by the municipality over the years. Also, due to the significant decline in real estate values over the past three years or so, assessors may be relying on inflated valuations not in sync with the current real estate market.

Those serving as trustee or in some other fiduciary capacity must consider whether or not the new valuation reflects the "full and fair value" of the property. Depending upon the value of the property and the tax amount at issue, the assistance of qualified professionals such as a certified appraiser and legal counsel should be engaged by the fiduciary. If the fiduciary believes that the value set by the municipality is incorrect, an appeal to the Board of Review should be considered. While the appeal process itself is not terribly complicated, it is extremely time sensitive with many arcane twists and turns, all of which favor the municipality, not the taxpayer.