



**Town of Windham**  
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**March 12, 2012 Testimony:**  
**House Bill No. 5424, "An Act Concerning Delays in Revaluation for Certain Towns"**

Thank you for the opportunity to appear before your Committee. I am here today to testify at the request of Neal Beets, Town Manager for the Town of Windham. My name is Joan Paskewich, and I have been Assessor for the Town for nearly twenty years, for a total of 35 years in the assessment profession. I was a member of two committees with the Property Tax Reform Commission in 1995, and *advocated* for the *increased frequency* of revaluations, from ten years to five years.

I could never have pictured myself before you today, to request a revaluation deferral; in fact, the Town of Windham performed a revaluation in 2005, a year EARLIER than required by statute, following the 2001 revaluation. At that time, the real estate market was healthy; arms-length sales were plentiful, and I had confidence that we could produce fair, equitable values that were defensible in court and to the taxpayers.

Current declining real estate market conditions are historical and unprecedented. To conduct a revaluation in the Town of Windham at this time, a CT designated "Distressed Municipality", could have some dire results.

Our "Service District" encompasses our struggling downtown and an abundance of tax exempt properties, including Eastern CT State University and Windham Hospital. It also carries the *fourth highest mill rate in the State*. Real estate values have decreased here significantly since the 2005 revaluation, which will require *even higher mill rates at current spending levels*. Although we achieved a 1% increase on the 2010 Grand List, the highest of our neighboring towns, we experienced **three** referendums before budgets were accepted. Trying to pass a budget, *starting* with a conservative 10-20% drop in real estate values, say, a *3+ mill increase*, would be a virtual bloodbath in our Town.

There are a significant number of large and complex commercial properties on our Grand List. **Increased mill rates will seriously impact their business personal property tax bills**. Our Town struggles under *current* circumstances to attract and keep businesses. This would be a potential kiss of death: the opposite of desperately needed economic development.

We have an extraordinary number of foreclosures and short sales in our inventory, with a corresponding decrease in "arm's length transactions". This makes it extremely difficult to establish defensible values that are also credible to the public.

The purpose of a revaluation is to correct inequities in assessments, in a fair and equitable manner. The Town of Windham, at this time, *does not have enough reliable data* to assure this result. I also fear that we could not satisfy the numerous requirements of State mandated Revaluation Performance Based Standards.

We have only one tax appeal remaining from the 2005 revaluation. Performing a revaluation under current circumstances opens the flood gate to new appeals. We have tracked other towns whose Grand Lists declined recently following their revaluations; the following years demonstrated *continued* Grand List declines from tax appeals. The financial impact is also realized from increased legal and appraisal fees. *This jeopardizes stability in future Grand Lists and the ability to rely on budgeted tax revenues*.

In closing, the Town of Windham does not minimize the importance of revaluations; in fact, we have conducted two revaluations in five years: 2001 and 2005. If we defer until, say, 2013, we will have *averaged one revaluation every 4.3 years*, as compared to every five years.

Thank you for the opportunity to endorse this important Bill. I would be happy to address any questions, now or in the future.

Joan E. Paskewich, CCMA II, SPA, Assessor