

## How are Motor Vehicles Valued?

Two state departments as well as the Assessor are involved in the assessment of motor vehicles. The Department of Motor Vehicles provides a list of all registered motor vehicles as of October 1st of any year pursuant to Connecticut state statute 14-163.

On or before the first day of October each year, the Secretary of the Office of Policy and Management in cooperation with the Connecticut Association of Assessing Officers recommends a schedule of motor vehicle values pursuant to 12-71d which **must be used by assessors in each municipality** in determining the assessed value of the motor vehicles that are encompassed in the schedule. **The OPM schedule lists the NADA** Used Car Guide, Older Used Car Guide, Motorcycle Guide and Recreation Vehicle Appraisal Guide. The recommended pricing schedule states that “the valuation of motor vehicles not included in the above recommended schedules continues to be the responsibility of the assessor.

### **Excerpt from Connecticut state statutes - Sec. 12-71d Schedule of motor vehicle values**

*“The value for each motor vehicle as listed **shall represent one hundred per cent of the average retail price** applicable to such motor vehicle in this state as of the first day of October in such year as determined by said secretary in cooperation with the Connecticut Association of Assessing Officers.” (Emphasis added)*

The statutory mandate that Assessors value motor vehicles at one hundred per cent of the average retail price does generally equate to a higher value than the average person could obtain in private sales transactions. The National Automobile Dealers Association (NADA) average retail price represents the price that auto dealers can sell a car in good condition. It includes a level of profit that is unavailable in sales not involving a car dealer.

**Most people either sell a car they own by themselves, at a low price, or trade a car into a dealer when purchasing a new car, at an even lower price. Frequently those sales are at prices that are much less than average retail price. Additionally, the average retail price contained in the vehicle guides does not allow for high mileage, normal wear and tear, or unusual depreciation.**

All values are multiplied by the state mandated 70% assessment ratio to derive the assessment and then by the mill rate to produce the tax bill.