

Understanding the Process and the Myths

A Revaluation is a process which creates a solid base of inventory for tax purposes. The Maine Constitution states that all taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof.

In order to apportion the tax burden equally, the assessor(s) must establish assessed valuations at just value. Just value is synonymous with market value.

Each year a town votes to raise a certain amount of money in order to provide and pay for local services, such as education, administration, plowing, etc. Some of your revenue comes from the State such as revenue sharing, reimbursements for tree growth tax loss and education subsidy. Other revenue may come from service fees or excise tax.

To initiate a revaluation will be the decision of the voters, because the voters must appropriate the money to pay for the process. There are several professional firms certified to do the job.

A town votes to have a revaluation because they recognize the need to equalize the valuations so that no one taxpayer pays more or less than their fair share of the tax burden. The need to have a revaluation may be due to the lack of an inventory or due to a change in market activity or market value.

During a revaluation. Ordinarily, the firm that is hired will visit every property within the town and record data such as land acreage and building components including age, dimensions, quality of construction.

Land data will also be collected based on the acreage, topography, improvements, restrictions and covenants.

The firm will review local sales that are considered "arms length" transactions and start creating pricing schedules for land and buildings.

As a result, all properties will have an assessed value for tax purposes based on current cost of construction and local market sales.

The information collected and the ownership of the property will reflect the status on April 1 st .

In most revaluations, the taxpayer will have the opportunity to review their new assessment and ask the professional firm specific questions. The municipality may hold informational meetings as the revaluation progresses.

The municipal assessor(s) are the legal officials who validate the valuations for tax purposes. They are legally obligated to assess and apportion property tax each year.

After the revaluation. Once the taxable values are established, the officials will set a tax rate (mil rate). This is done by dividing the town's net appropriations (as voted) by the town's taxable value.

Each year, the municipal assessor(s) should review the assessment records, make updates for new construction and land splits and monitor sales activity.

Some towns may hire a part time agent or a full time assessor to maintain the records. This will depend on the needs of the town and how much money they want to spend.

In 1975, State Property Tax Law added language that required a town to maintain valuations equitably to at least 70%. This allowed a taxpayer to understand their own valuation and relate it to other property values within the town.

In order to maintain property assessments in accordance with State standards, adjustments may be made to the

pricing schedules.

Appeal. A taxpayer has the right to legally appeal their tax assessment if they feel that it is unfair or unjust.

Applications are available in the town office or from the property Tax Division.

The first advice, however, is to visit the local assessor(s) and discuss your concerns.

Tax Relief. The following exemptions and Current Use programs are available to those who qualify. Applications and more information can be obtained either through the town office or by contacting the Property Tax Division at 287-2013.

Veterans. A person must be a ME resident, 62 years or older and have served during a recognized war period or; be receiving 100% disability compensation for service connected injury. \$5,000

Homestead . A person must be a ME resident and have owned and resided in that homestead for at least 12 months prior to date of application.

Blind. A person determined to be legally blind. \$4,000.

Current Use. In the 1970's, the Constitutional Law added a current use clause which allowed special treatment for certain property use.

Tree Growth. A parcel of land with at least 10 forested acres which is harvested for commercial purposes.

Farm Land . Property must have a minimum of 5 acres and be used for agricultural purposes.

Open Space. No minimum acreage but parcel must be undeveloped and provide a public benefit.

FAQ'S

If we have a revaluation, will my taxes go up?

Not necessarily. A town will raise exactly what they vote to appropriate. A revaluation will not raise any more or any less

than that amount.

But what if my taxes do increase?

If you see an increase in your individual tax bill, then most likely you were paying less than your fair share of the overall tax burden the year before. Some tax bills may even decrease.

Will we lose Education Funding?

Unlikely. Both the education funding and revenue sharing are based on the town's equalized valuation (state valuation) which is determined by the Maine Revenue Services. A revaluation only solidifies the base for your state valuation.

Do I have to let them into my home?

No. You have a right to deny entrance. However, in the inspection process of the revaluation, the more information made available, the more fair and equalized will be your assessment.

It is very important that the inspector review not only the quality of your construction, but also any deterioration or negative influences.

- See more at:

<http://www.maine.gov/revenue/forms/property/pubs/revaluation.htm#sthash.f9OFEUAX.dpuf>