



# Assessing Department 2008 Revaluation Project

11/26/2007



## Tax Rate Calculation

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Portion of Budget funded by the **PROPERTY TAX**

*Approved by COUNCIL*

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**Tax Rate**

**Town's Taxable Value**

*Determined by ASSESSOR*

# Tax Bill Calculation

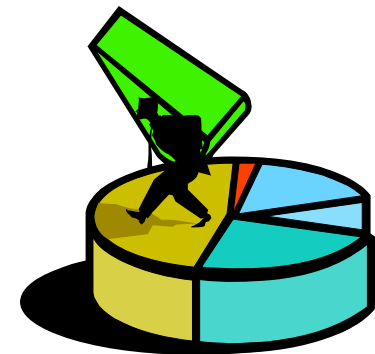
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$$\frac{\$25,354,138 \text{ Budget from Property Tax}}{\$1,736,584,800 \text{ Taxable Value}} = \$0.01460 \text{ Tax Rate}$$

$$\textit{Property Assessment} \times \textit{Tax Rate} = \textit{Tax Bill}$$

$$\$350,000 \times \$0.01460 = \$5,110$$

**Your assessed value determines how much of the property tax portion of the budget you pay**





## 2007 Assessed Value v Taxable Value

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<b>Real Estate:</b>		<b>\$1,723,693,400</b>
<b>Personal Property/Business Equip:</b>	<b>+</b>	<b>28,178,400</b>
<b>TIF Real Estate:</b>	<b>+</b>	<b>73,761,100</b>
<b>TIF Personal Property/Business Equip:</b>	<b>+</b>	<b><u>13,376,900</u></b>
<b>Total Real &amp; Personal Property:</b>		<b>\$1,839,009,800</b>

<b>Exempt Real Estate:</b>	<b>\$68,531,800</b>	
<b>Personal Exemptions:</b>	<b>+ 1,518,000</b>	
<b>Homestead Exemptions:</b>	<b><u>+32,375,200</u></b>	<b><u>- 102,425,000</u></b>

**TOTAL TAXABLE VALUE:** **\$1,736,584,800**

3.7% = Exempt Properties  
13.9% = Commercial Properties (includes Personal Property)  
82.4% = Residential Properties

# MAINE CONSTITUTION

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**The Maine Constitution requires 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.”**  
**Me. Const. art. IX, Sec. 8.**





# Assessor

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**The Assessor is responsible for determining the market value of all real and personal property in accordance to the State of Maine's property tax laws.**



## State of Maine Assessment Law

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- **The assessment-to-sale price ratio must be a minimum of 70% and a maximum of 110%.**
- **The Coefficient of Dispersion (COD) must be 20 or less.**



# Ratio

>70% and < 110%

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**Difference expressed as a percentage between  
assessed value and selling price.**

**Assessment/Sale Price = Ratio**

$$\text{\$140,100} / \text{\$151,000} = 93\%$$

$$\text{\$396,700} / \text{\$459,100} = 86\%$$

$$\text{\$875,900} / \text{\$1,300,000} = 67\%$$

$$\text{\$615,000} / \text{\$1,049,000} = \underline{59\%}$$

3.05% / 4 sales =

***Average Assessment Ratio of 76%***





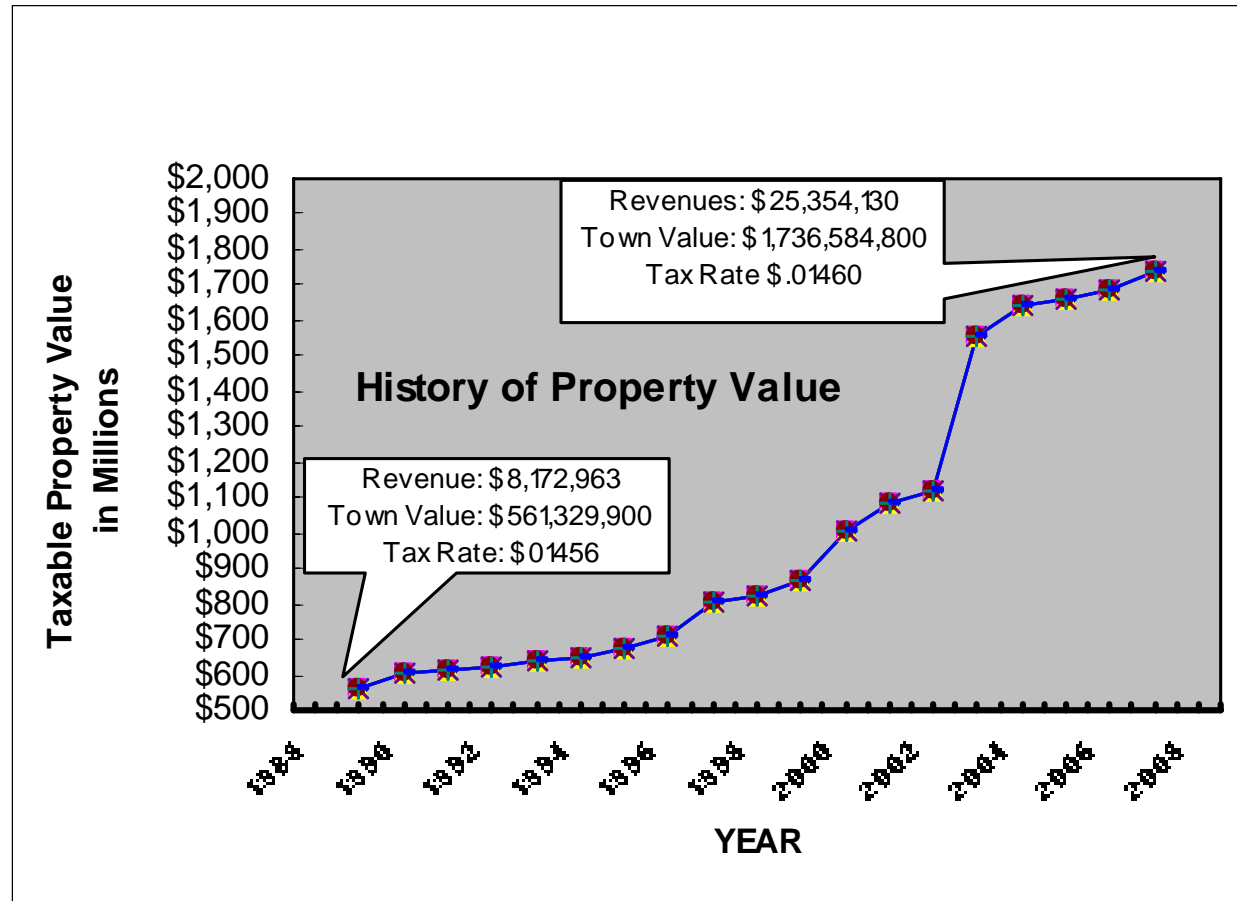
# Why Revaluation

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- **Average Ratio @ 76%**
  
- **Current valuation model created for 2003/2004 revaluations; requires updating to reflect current market trends.**
  
- **Exemptions & Tree Growth rates must be factored by law:**
  - **2006 ratio @ 90%**
    - **\$13,000 Homestead reduced to \$11,700**
    - **\$5,000 Veterans reduced to \$4,500**
  
  - **2007 ratio @ 80%**
    - **\$13,000 Homestead reduced to \$10,400**
    - **\$5,000 Veterans reduced to \$4,000**

# Revaluation & Taxable Value History

- 1997 Residential & Commercial
- 2000 Residential
- 2001 Commercial
- 2003 Residential
- 2004 Commercial



# Before & After Revaluations

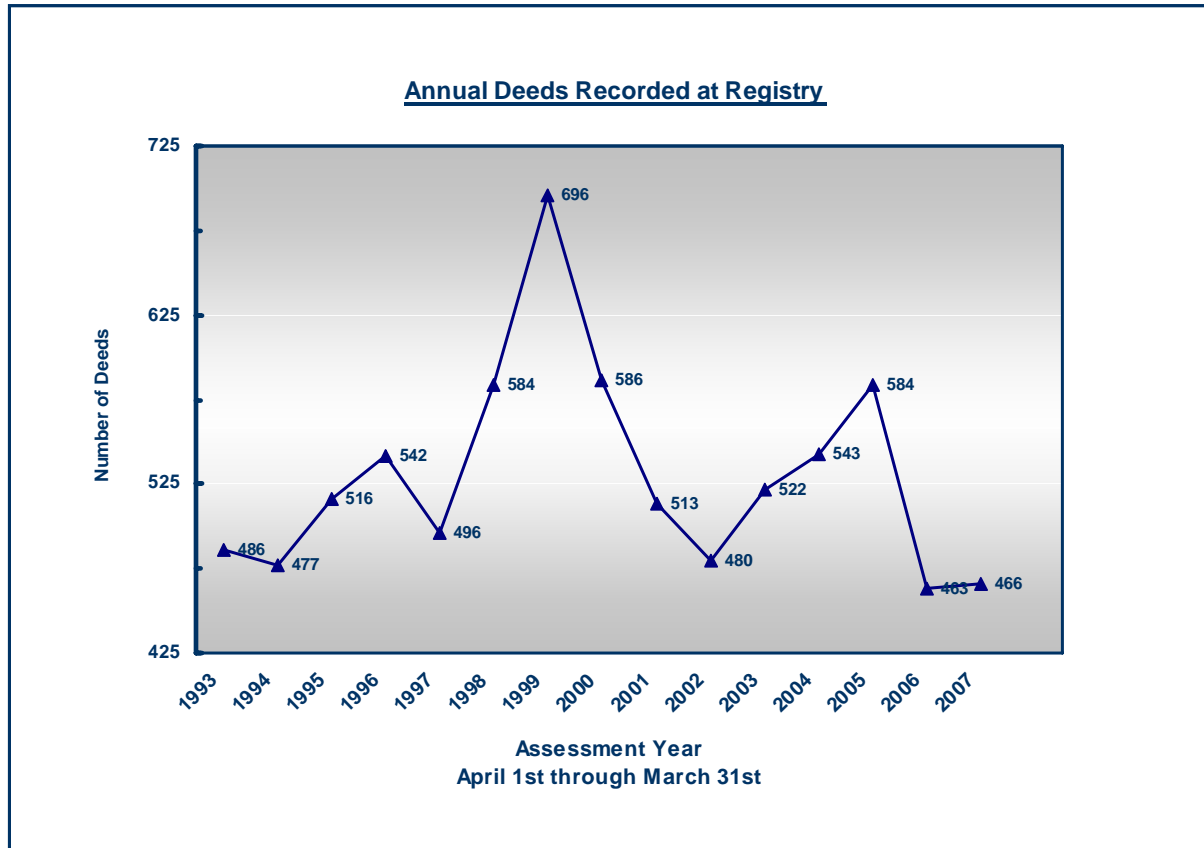
YEAR	TAXABLE VALUE	REVENUE/ PROPERTY TAX	TAX/ MILL RATE	PARCEL COUNT
1996	\$ 707,686,100	\$ 12,971,888	\$ 18.33	4,411
1997 Residential Revaluation	\$ 806,327,326	\$ 13,909,158	\$ 17.25	4,509
1999	\$ 869,659,226	\$ 16,036,516	\$ 18.44	4,616
2000 Residential Revaluation	\$ 1,008,543,200	\$ 18,758,904	\$ 18.60	4,689
2001 Commercial Revaluation	\$ 1,080,644,600	\$ 21,115,795	\$ 19.54	4,809
2002	\$ 1,116,718,300	\$ 22,836,889	\$ 20.45	4,842
2003 Residential Revaluation	\$ 1,556,591,600	\$ 25,425,600	\$ 15.80	4,832
2004 Commercial Revaluation	\$ 1,643,280,700	\$ 25,405,119	\$ 15.46	4,882
2007	\$ 1,736,584,794	\$ 25,354,138	\$ 14.60	5,185

# History of Property Sales

YEAR	AVERAGE SALE PRICE	MEDIAN SALE PRICE	AVERAGE ASSESSMENT	# OF SALES	RATIO	MISC
2000	\$288,000	\$258,000	\$242,400	210	91%	
2001	\$337,000	\$329,000	\$240,100	196	82%	
2002	\$345,000	\$313,000	\$264,300	220	75%	84 DOM*
2003	\$382,000		\$370,900	197	96%	
2004	\$425,000		\$350,700	232	87%	
2005	\$439,000	\$340,000	\$352,900	212	78%	
2006	\$460,000		\$338,100	183	73%	
2007*	\$458,000	\$401,000	\$347,000	110***	76%	133 DOM
*Data from inhouse study as State's Ratio Study not completed.						
** DOM = Days on Market						*** 10 months

2007 Sales Range = \$151,000 to \$2.3M

# Recorded Deed Activity





## 2008 Revaluation Process

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- ✓ **Determine Sales Analysis Time (4/05 to 10/07)**
- ✓ **Qualify Sales**
- ✓ **Create Commercial & Residential Models**
- ✓ **Apply New Values to All Properties**
- ✓ **Complete Annual Assessment work**
  - ✓ **Inspect properties with changes**
  - ✓ **Create New Lots**
  - ✓ **Process Personal Property accounts**
  - ✓ **Process Exemptions**
- ✓ **Conduct Field Review**
- ✓ **Mail Notices**
- ✓ **Conduct Hearings**
- ✓ **Make Revisions**
- ✓ **Finalize Assessments**
- ✓ **Process Appeals**