

City of Old Town – Real Estate Valuation Information - 2023

Municipal Valuation FAQs – Questions asked of staff.

1) How do I question my real estate valuation with the City?

All taxpayers have 185 days from commitment date to question their assessed value.
Please refer to the attached flow chart to see the process.

2) What parts of the valuation process can I challenge?

- The first step is to meet with the assessor and communicate any errors in the data on your property card. This is typically things like there are too many bathrooms listed, or we tore down that shed years ago, etc.
- If you are not satisfied with the results of this conversation you can file for abatement. This application will ask what you think the value should be and will require you to submit proof of this market value assertion.

3) Why did the City decide to do the valuation updates now?

State law required at least partial revaluation every ten years, to maintain proper certified ratios.

The last full revaluation was completed in 2007, and minor adjustments were made as needed by former assessors.

The City had identified the need to update values in 2019.

The City started negotiating with the contractor in the Fall of 2019.

Just as we were close to an agreement in early 2022, the Covid-19 pandemic brought a halt to the start of the updates.

In the Fall of 2022, the City renewed the conversation with the contractor and hired them to produce updated cost files to be used in the City's TRIO software system that creates the valuations.

4) How much did the City budget go up this year? About 3.8%

5) Is this because the mill closed? No, the mill was open on April 1st, so they received a full tax bill for this year.

6) Why the increase then?

It is a shift of tax burden onto the residential real estate because the residential real estate market has increased sharply, while commercial increased a minor amount and industrial was flat.

While we anticipated some shift, we did not know that it would make this large a shift.

7) Is my value raised because of the sale price that I just bought it for?

No, we do not raise individual property values to the most recent sale price.

Municipal valuation is developed through mass appraisal procedures which looks at overall sales-to-assessment ratios for all properties in a specific group.

8) Why is my neighbor's new garage not on their assessment?

Thankyou for letting us know, but the most likely answer is that they started to build it after April 1st or they do not have a permit. We will review their file.

9) The City has three bedrooms listed for my house and I only have two, will this change my assessment?

No, bedrooms do not have a specific dollar amount associated, they are accounted for in the overall living area of the home.

10) The City has my house listed for three bathrooms, but I only have two bathrooms, will this change my assessment?

Yes, bathrooms are adjusted at a specific value amount in the system.

11) I called three days ago, and I have not heard back from the Assessor, why?

Assessor April Buchannan has received and is responded to over 150+ contacts from homeowners. There are two other staff members that are assisting her in the process as time allows.

12) Will I lose my right to question my valuation because I have not heard back from the assessor yet?

No, all taxpayers have 185 days from the commitment date to question their assessment.

The deadline to question this assessment is March 1, 2024.

13) When will the mill rate be adjusted?

The mill rate is set at commitment time each year, which is usually in early August.

Old Town's rate history –

FY2019 - \$22.86/\$1000 in value

FY2020 - \$22.86/\$1000 in value

FY2021 - \$22.86/\$1000 in value

FY2022 - \$21.70/\$1,000 in value

FY2023 - \$21.00/\$1,000 in value

FY2024 - \$17.70/\$1,000 in value

13) What is the quality rating of this current assessment?

The quality rating on this ratio study is 17

14) So, if the mill rate has been in the \$20's and now it in the \$17 range, what will it be next year?

The mill rate is calculated by dividing the overall approved budget, which includes all expenses to the City for City, County and School operations by the overall taxable value of the community each year.

This is why there is a certain date, April 1st that the assessor focuses on to determine what value may have been added or subtracted from the community. The Assessor then spends the summer inspecting properties and recording the data into the assessing software.

With so many variables there is no way to predict a mill rate a year in advance.

16) What about the seniors that were supposed to have no tax increase?

Any homeowner that was qualified and approved for the Tax Stabilization Program was billed the same amount as their tax bill last year, or less if they had any changes in their property. Any additional tax amount from this year is billed to the State of Maine and will be reimbursed to the City 100%.

17) When will interest begin on these tax amounts?

At the September 18th City Council meeting, the Old Town City Council will consider suspending all interest accrual on the FY2024(current tax bill) tax amounts. This step is being considered to allow for some extra time for residents to plan for and pay the increased amounts.

18) What does the City plan to do with the "windfall" of extra tax money?

There is no "windfall" of extra tax revenue.

The majority of the change in residential tax bills is due to a shift in the tax burden.

Residential property values have increased at a much higher rate than commercial and industrial properties. Thus, when we set out to adjust all classes of properties to be taxed in a fair and equitable manner the residential properties took on more of the overall amount to be raised by property taxes.