

MEMORANDUM

DATE: July 6, 2011
TO: Town Council
FROM: Anne Gregory, Assessor
RE: Assessor's Operations

The Assessor is mandated by Maine's constitution to determine the market value of property for the equitable collection of property taxes. According to MRSA Title 36, the Assessor must:

- Hold a Certified Maine Assessor designation and complete 16 hours of continuing education annually.
- Maintain an assessment-to-sale price average ratio of 70% minimum to 110% maximum.
 - ✓ Ratio: the average assessed value divided by the average residential selling price.
 - ✓ Average ratio was 102% for the sales period from July 2009 to June 2010.

Note: Average ratio fluctuations are a direct result of the always changing real estate market.

- Sustain a Coefficient of Dispersion (COD) rating less than 20.
 - ✓ COD: the average ratio deviation divided by the average ratio.
 - ✓ Per the State's latest ratio study, the COD was 9.

Note: Increases in the COD indicate the valuation model is not generating assessed values as accurately as when it was created for the last revaluation.

Town's Commitment Year	Ratio	COD	Average Sale Price	Average Assessed Value	Sales*	Town's Commitment Valuation	State Valuation (Minus Sheltered TIF Value)
2007	77%	9	\$469,800	\$361,700	217	\$1,736,584,800	\$2,143,400,000
2008	93%	8	\$497,000	\$462,200	172	\$2,173,791,900	\$2,171,450,000
2009	97%	7	\$472,300	\$458,100	141	\$2,196,304,800	\$2,131,400,000
2010	102%	9	\$416,600	\$424,900	148	\$2,240,375,800	Not finalized

*Number of qualified residential sales used in State's annual ratio study for State Valuation

In-house revaluations were completed in 1997, 2000, 2003 and 2008. A revaluation takes two years to complete from start to finish. I do not anticipate another revaluation until the ratio slips below 70% or exceeds 110%. Since all property assessments reflect the same economic time period, equity is maintained for the fair and equitable collection of property taxes. In other words, if all similar properties are similarly assessed, then the distribution of the property tax burden is equitable.

Since the 2008 revaluation, the most common question asked by taxpayers is: "My property's value has declined so why aren't you reducing my assessed value?" My response is:

- A revaluation takes two years to complete so even if started this year, revised values would not be implemented until 2013.
- If all assessed values were simply decreased by 20% across the board, tax bills would remain the same since the revenue needed to fund the budget must still be collected from the tax payers.
- For those recent buyers: If you purchased your property between revaluations when the market was steadily increasing, the assessed value could not be increased to your purchase price. So, the same principle applies when property values are decreasing and your assessed value is lower than your purchase price.

2010 Appeals: The deadline to appeal the 2010 assessed values was March 17, 2011. Six taxpayers appealed to the Assessor and one taxpayer appealed the Assessor's decision to the Board of Assessment Review (BAR). For one taxpayer, the deadline for appeal to the BAR is July 11, 2011.