

# Revaluation Questions and Answers



## What is a revaluation?

A revaluation is the process of conducting the data collection and market analysis necessary to equalize the values of all properties within a municipality for the purpose of a fair distribution of the tax burden.

## Why is a revaluation needed?

For the past several years the Town of Wells has been experiencing tremendous growth and the real estate market has been thriving. Since property taxes, which pay for municipal services such as schools, police, fire & rescue, waste disposal and snow removal, are based on market value; and because the market is constantly changing, it is essential that property values are kept current. Maine State law requires that cities and towns perform a revaluation whenever the ratio of assessment to sales price drops below 70 percent, or the quality of assessments erodes. Therefore, it is a legal requirement that all properties are assessed as close as possible to current market value to create an equitable distribution of the total tax burden. For example, if you and your neighbor have essentially the same home and land features, and your property is valued at \$200,000, then your neighbor's value should also be similar to the \$200,000 valuation.

## What is market value and who determines my property value?

Market value is determined by the activity in the real estate market and the general economy. The value of your property is based on an analysis of the entire market for the full two calendar years before the completion of the revaluation project. It is the Assessor's job to research and analyze the values in any particular area or neighborhood. In effect, he or she does what you would do to determine the selling price when putting your property up for sale. Examples of factors that are examined for each property are: location, size, quality of construction, age of improvements, topography, utilities and zoning restrictions.

## Will a revaluation increase taxes?

A revaluation may result in an increase or decrease of individual assessments; it does not mean that all property values will increase. Assessed values are the base that is used to apportion the tax burden. The tax burden is the amount that the municipality must raise from property taxes to operate the local government and schools, and to support the many services each of us has come to expect. Assessed values will most likely go up, but the tax rate will most likely go down. As a result, property owners may only experience a moderate increase in taxes or even a decrease.

## How will I know if my assessment is equitable?

There are two very good methods of determining this. First, compare your property to similar properties that were sold in the previous year. Your value should be in line with these sale prices. Second, if no recent sales are available, compare your assessment to other similar properties in your area using listings that are available in the Assessor's office or by using the Assessor's online database at:

<https://www.axisgis.com/WellsME>

Your value should be in line with these similar properties. Remember, very few properties are exactly alike. Your value should be comparable, but it seldom will be exactly the same as what seems to be a similar property.

### **What is an informal hearing?**

Towards the end of the revaluation, every homeowner receives a notice of their proposed valuation based on the analysis performed. These values are not final until the informal hearings are complete. When a homeowner has a question or concern about the proposed valuation they are asked to call the Assessing Office and schedule a date and time to discuss the valuation process and get answers to any questions the property owner may have. Homeowners are asked to come prepared with questions and to have compared their property value to other comparable properties in their neighborhood. The Assessor will determine if a review of the property is necessary and will make any appropriate changes before setting final values.

### **If I disagree with my assessment after a hearing, what are my options?**

By State law, if a property owner believes the final assessment on their property is in excess of its fair market value, he or she will need to contact the Assessor's Office within 185 days of the date of Commitment to request an abatement of taxes. If not satisfied with the Assessor's decision, the property owner may then appeal to the Wells Board of Assessment Review. The Board will review the case and make a determination as to the disposition of the appeal. After that, should the property owner still feel the assessment is incorrect; an appeal can be made to the Maine Superior Court and even on to the Supreme Court. In the case of large commercial properties, the case will be heard by the State Board of Assessment Review prior to going to Superior Court.

### **Are there any tax relief measures available?**

Yes! Tax relief programs are: Veteran's Exemption, Homestead Exemption, Tree Growth tax program, Farm and Open Space tax program, the Maine Business Equipment Tax Reimbursement Program (BETR) and the Business Equipment Tax Exemption Program (BETE).

### **Who Is Performing the Town of Wells Revaluation?**

Vision Governmental Solutions, Inc. is an experienced Massachusetts-based revaluation company that also sells and services successful Computer Aided Mass Appraisal (CAMA) software. They have been providing quality appraisal services to assessing departments located throughout the United States since 1975. During this time, their company has grown to be the largest New England based provider of revaluation services and software. The company has extensive recent experience in Maine. The Town has contracted with Vision to perform the revaluation of all properties, to hold the taxpayer requested public hearings to defend the updated average values for these properties.