

**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 in accordance with 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 the town's revenue comes from the State such as Revenue Sharing, reimbursement for tree growth tax loss and education subsidy. Other revenue may come from local service fees or excise tax.

There are several methods in performing a revaluation. A town may opt to make in-house adjustments at little or no administrative cost. There are also professional firms certified to do the job. A thorough revaluation by a professional firm would require a town vote in order to appropriate the money to pay for the process.

**A town votes** to pay for 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 of parcels and building components or due to a change in market value.

**During a revaluation.** Ordinarily, if a professional firm is hired, they will have



a crew that 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 typically 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<sup>st</sup>.

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.

**After the revaluation.** Once the taxable values are established, the municipal 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 the voters want to spend.

In 1975, Maine's 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. **Myth:** If a town's assessment ratio falls below 70%, then the State will step in and order a revaluation. This is not true.

**Appeal.** A taxpayer has the right to legally appeal their tax assessment if they feel that it is unfair or unjust. The first advice, however, is to visit the local assessor(s) and discuss your concerns.



## TAX RELIEF

*The following exemptions provide for local property tax relief. Applications are available at your town office or by contacting the Property Tax Division at 207-287-2013.*

**Veterans.** A person must be a ME resident, 62 years or older and have served on active duty during a recognized war period or; be receiving 100% disability compensation for service connected injury.

**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 by a medical doctor.

**Business Equipment Tax Exemption.** For businesses that own qualified equipment placed in service after April 1, 2007.

*The following Current Use Programs provide for a reduced valuation; however a penalty is assessed upon withdrawal from the program. Applications are available at your town office or by contacting the Property Tax Division at 207-287-2013.*

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

**Farm Land.** Property must have a minimum of 5 acres and produce an income from agricultural use.

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

**Working Waterfront.** No minimum acreage but the parcel must be providing access to or in support of the conduct of commercial fishing activities.

*The following programs provide for property tax relief as a reimbursement. Please contact the Income Tax Division at 207-626-8465.*

**Maine Residents Property Tax & Rent Refund.** Eligible Maine residents can receive a partial refund of property taxes and/or rent paid on their primary residence.

**Business Equipment Tax Reimbursement.** Eligible Maine Businesses may receive a rebate of property tax paid on eligible equipment.

## FREQUENTLY ASKED QUESTIONS

*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.

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## REVALUATIONS

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### *Understanding the Process And the Myths*

Maine Revenue Services  
Property Tax Division  
PO Box 9106  
51 Commerce Drive  
Augusta, Maine 04332-9106

Tel: 207-624-5600  
E-Mail: [prop.tax@maine.gov](mailto:prop.tax@maine.gov)

[www.maine.gov/revenue/propertytax](http://www.maine.gov/revenue/propertytax)