

REVALUATION INFORMATION 2023

New statements of assessed value will be arriving in your mailboxes in a matter of days. The following information is here to help explain the process and hopefully answer some of your questions.

The Town of Wells Assessor's Office is here to serve the citizens of Wells by efficiently and fairly valuing all real estate and business personal property for ad valorem (at value) tax purposes. Our office maintains the assessment rolls, tax maps, and real estate registry for all parcels within the Town. We strive to provide useful information in a courteous and friendly manner to the public. We do this with impartiality, fairness, equity, transparency and in compliance with all State of Maine statutes and laws.

An important role of the Town of Wells Assessor's Office is to determine fair market value for all real property in Wells, which helps to ensure that the property tax burden is shared fairly and equally. The primary goals of the office are:

First, to achieve accuracy in property tax assessments. The Assessor's Office strives to maintain accurate property characteristics.

Second, to achieve equity in the property valuation process. The Assessor's Office ensures that all properties are assessed in a similar manner.

Third, to bring transparency to the assessment function. We achieve this by providing a full and fair opportunity for all taxpayers to examine and question their assessed value.

Finally, to achieve fairness in property tax distribution. The Assessor's Office ensures that property owners' share of the total property tax is the same as their share of the total value of all taxable property in the Town. If your home value has increased, your property taxes may not necessarily go up.

Example:

Mrs. Smith and Mrs. Jones each had their home assessed at \$100,000 during the last revaluation. Each is currently paying \$2,331 in property taxes based on the FY23 mil rate of .02331 or \$23.31 per \$1000 of assessed value.

The next revaluation shows that both homes have appreciated in value, but the appreciation has been at different rates due to location (they are in different neighborhoods) and maintenance upkeep over the years.

	Mrs. Smith	Mrs. Jones	Collected Taxes
Current Assessment	\$100,000	\$100,000	
Current Taxes	\$2,331	\$2,331	\$4,662
Assessment after Reval	\$300,000	\$150,000	
Taxes following Reval	\$3,108	\$1,554	\$4,662

With no revaluation, Mrs. Smith is paying \$777 too little while Mrs. Jones is paying \$777 too much. Mrs. Jones is subsidizing Mrs. Smith's tax bill. This is what is meant by Tax Equalization. The purpose is to value all property by the same standard and equalize those values so that no one is paying more than their fair share. This example also illustrates the point that a revaluation DOES NOT raise new tax revenue for the Town. The same amount of taxes is collected after the reval as before the reval. Think of the amount of taxes collected as a pie. A revaluation does not determine the size of the pie (the budget accomplishes this), but rather ensures the pie is cut up fairly – that taxes are distributed based on current market values. This

example is solely intended to demonstrate the relationship between property value and tax distribution. It does not reflect other factors that affect tax bill amounts such as Veterans and Homestead exemptions which play a significant role in individual property tax calculations.

Frequently Asked Questions

What is a revaluation or reassessment? A reassessment is a program undertaken by a municipality to appraise all property according to its full, fair, and just value and spreading the tax burden equitably. An essential condition for equity in property tax systems is uniform assessments, which helps to ensure that tax liabilities and property values are directly related. The only way to ensure that all properties are valued equitably is to analyze each value with respect to the current market at a specific point in time (the valuation date). During a reassessment, market values of all properties are reviewed and changes in the real estate market will help determine which property values need to be increased or decreased.

Why is revaluation necessary? Revaluation is mandated by State law with the purpose of equalizing market values that change over time between reassessments.

How does revaluation benefit property owners? Property taxes are based on property values. Without periodic revaluations, some property owners would pay relatively more while others would pay relatively less. Revaluation resets property values to their current market value so that the property tax burden is equitable for all taxpayers.

How often does a reassessment occur? The Maine Constitution says this should occur every 10 years. Maine statutes mandate that once the average assessment ratio drops below 70%, or when the quality rating (Coefficient of Dispersion) exceeds 20%, a municipality shall appraise and equalize properties (conduct a revaluation) under its jurisdiction.

If my taxes are paid through my mortgage escrow, should I do anything with the new assessment? Yes. Once millage rates are certified through the FY24 budget process, you should notify your mortgage company of your new assessment, millage rate and an estimate of a change in your taxes so the distributions can be adjusted to your escrow account accordingly. Otherwise, your mortgage company will not be notified of any change in your tax amount until they receive the next tax bill. This could create a shortfall or overpayment to your escrow account balance, potentially affecting your mortgage payment.

Appeal Process

All revaluation notices will contain information on appeal procedures, should you disagree with the new value assigned to your property. Appeals will be based on the market value of the property as of April 1, 2023 and not the amount of taxes. Property owners wishing to file an appeal must do the following:

- Review the property information for your property. Make sure it is correct and accurate.
- Review the new values of similar properties to your property. Determine if your property is significantly under or over assessed.
- Schedule and attend an informal hearing to review your property information and answer questions. These informal appeals will be conducted remotely via telephone or in person.