

Frequently asked questions – Revaluation

1. What is a revaluation?

A revaluation is the process of estimating new values based on specific governmental laws and rules and current market data. It is accomplished by collecting and verifying recent market data and completing the analysis necessary to provide new values of all properties within a municipality.

2. What is market value?

Market value is the cash price a property would bring in a competitive and open market. Market value is determined by people, by the activity in the real estate market and the general economy. The value of your property for 2011 is based on an analysis of valid sales from 2009 to 2011. Only fair market, arms length sales will be used in the analyses. The market is made up of property owners and those who want to own property. It's you, it's the person who sold the property to you and it's the person willing to buy it from you, all of whom are not subject to any undue pressure and are all well informed.

3. Will a revaluation increase taxes?

Although a revaluation may result in a decrease of individual assessments, it does not mean that all property taxes will decrease. You may be saying "Sure!" but remember, assessments are only the base that is used to determine the tax burden. The overall tax burden is the amount that the community must raise to operate local government and support the many services that are provided such as schools, police and fire protection, operational costs of local government and road maintenance just to name a few. That amount is determined by many of you, the voters. If the same amount of money were to be raised the year of the revaluation as the previous year and each assessment was cut in half, the tax rate would merely be doubled. Keeping in mind that not all property has decreased, or perhaps increased, at the same rate since the last revaluation means that some taxpayers may actually see increases in their tax bills.

4. What is a full revaluation?

The Assessor receives pertinent information from the municipality so they may identify a property: Map and Lot number, Property Owner's Name and Address, Location of Property, Total number of acres, set of current tax maps, etc. The Assessor will then visit each and every property and gather all the data pertaining to those properties. They should measure

each home and any outbuildings on the property. If, for some reason, a feature is not being assessed, it is normally noted on the property record card. The Assessor will try to gain entrance into each property so they may gather the interior information and should make every effort to complete an interior inspection on all properties. Notices may be mailed to those properties where they did not gain entrance to set up appointments to gain entrance. The interior information consists of things like number of bedrooms/bathrooms, finished attic areas, finished basement areas, overall interior condition, etc. Once all the data is completed and has been data entered, a market sales survey is performed by a DRA certified Property Assessor Supervisor. The Assessor should analyze all sales throughout the municipality and verify if they were valid sales or not. This is crucial so that unqualified sales that are not representative of market value do not get included in the market analysis. The results of this analysis should then be applied to all properties in town ensuring that the level and uniformity of assessments are brought within state assessing guidelines. The Assessor should conduct informal reviews. This allows Taxpayers to sit with the Assessor and discuss information they have gathered to ensure its accuracy. This review should include discussion of the taxpayer's property record card and any factors the assessors used to develop the land and building values. Reviews should encompass both daytime and evening or weekend hours to accommodate as many taxpayers as possible.

5. What is a Cyclical Revaluation?

A cyclical revaluation is described as a Full Revaluation but the work is done over a multi-year period. The Assessor should measure and list each home and any outbuildings on the property. They will try to gain entrance to update the interior data on the property record card and indicate those updates. **(Only the data is updated, the assessed value will only change if a physical change was made to the property itself. The assessed values are not brought up to market value at this stage.)** As in the case of the Full Revaluation, the Assessor should make every effort to complete an inspection of all properties. Notices may also be mailed to those properties where they did not gain entrance to set up appointments to gain entrance. The Assessor will visit a percentage of the municipality yearly. (Example: If the contract is for four years, the contractor may visit 25% of the properties yearly to ensure all the properties have been measured and listed). This will ensure the Municipality's data is accurate and current. On the last year, the Assessor will perform a market sales survey and an update is performed to bring all the assessed values to current market value. The Assessor should analyze all sales throughout the municipality to verify if they were valid or not, this is crucial so that unqualified sales do not get included in the analysis. As with Full Revaluations, informal taxpayer reviews are a must at the end of the cycle.

6. What is a Statistical Update?

This occurs when a municipality decides to bring assessed values up to current market value **without** measuring and listing all properties. The Assessor should analyze **all** market sales throughout the entire municipality to determine if the sales were valid or not. The sales should be re-measured and re-listed to assure the property record card is accurate. For the Assessor, a DRA certified Property Assessor Supervisor would perform a market sales survey and update the strata or affected areas as needed. (Strata breaks down the properties into classes, i.e. vacant residential land; residential improved; waterfront, commercial, etc.). In some cases not all strata might need updating.