

Town-wide Revaluation Proposed in FY2024 Budget

By Allison Carrier, Marketing & Communications Manager

Scarborough, Maine, May 2023 – The FY2024 proposed budget includes a town-wide revaluation to be conducted by the Assessing department.

A Revaluation is the process of updating all property values in town to reflect their current market value (i.e., to maintain reasonable estimates of what each property could sell for on the open market). The Assessor has proposed that an in-house town-wide Statistical Market Update Revaluation (“Statistical Revaluation”) commence in the Fall of 2023. The reassessment project will establish market value as of April 1, 2024 and will be reflected in the tax bills issued in the Fall of 2024.

The primary purpose of a revaluation is to create equitable distribution of the tax burden. The Assessor is responsible for ensuring the fair and equitable assessment of all property located within the town. In accordance with state law, as assessed values fall out of alignment with actual market values over time, the Assessor’s Office must revalue all properties to ensure fairness to all property owners within the town.

Sales that have taken place in the last three years indicate that the market value of property has increased. When the real estate market has higher prices, the ratio of assessed value-to-sales price grows further out of alignment. When this occurs, the “Certified Ratio” from the State reduces many reimbursements and exemptions. A Revaluation can bring State reimbursements and exemptions back to full value. If we do not conduct a Revaluation, the homestead exemption, as well as several other exemptions and State reimbursements, will continue to decrease.

The last revaluation was performed in 2019 by independent contractor KRT Appraisal. Post-revaluation public workshops were conducted by Town Leadership and Assessing regarding how the revaluation process could be improved upon. One conclusion was to perform more regularly scheduled revaluations, and are now currently proposed to occur once every 5th year, unless special circumstances necessitate otherwise. Market update revaluations will be based upon existing property data and sales data from the preceding 2 years. This routine cycle will help to maintain a fairly apportioned property tax burden and provide predictability for taxpayers.

Another outcome after the 2019 revaluation was to use in-house Assessing staff to conduct future revaluations, rather than an independent contractor. The Assessing department has a Scarborough-specific base of knowledge of Town properties and the real estate market. The department will be also able to provide a higher level of customer service throughout the process and the overall cost is largely reduced. The estimated cost related to the in-house revaluation totals \$44,000, as compared to \$391,000 for the one performed by KRT Appraisal in 2019.

The goal of the 2024 revaluation is to appraise thousands of properties, all at one time, to create uniform, equitable and fair assessments. The Assessing department strives to follow established industry standards for mass appraisal, and is committed to working with all property owners to ensure that every property is assessed at a reasonable estimate of its market value as of April 1, 2024. The Assessor’s office will also afford all property owners a chance for an

informal meeting where you can appeal your new assessed value and ask questions about the assessment process.

Residents can expect additional details to follow later in 2023. Revaluation communication materials are being developed to ensure taxpayers are appropriately educated and informed of the process, methods, and timeframe. The newly proposed project schedule, along with answers to the most commonly asked questions, can be found on the Assessing Department's [2024 Revaluation](#) and [Revaluation FAQ](#) pages of the Town of Scarborough website. Associated costs are outlined in the [FY24 Budget Book \(Exhibit #7\)](#).

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