

TOWN OF SCARBOROUGH

REVALUATION THIS SPRING

The Assessing department is conducting a town-wide property revaluation this spring. 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).



WHY?

FAIRNESS

Property owners should pay no more or no less than their fair share of the property tax burden. Currently, some taxpayers may be paying more than their fair share of taxes, while others may be paying less. A revaluation redistributes the existing tax base so all property owners pay their share based on the market values of their property.

Did you know?

A revaluation is revenue-neutral. By itself, a revaluation does not increase or decrease total tax revenue collected by the Town. The amount of taxes raised only changes if the Town, School, and County budgets change. Your assessed value may go up, but the tax rate will go down.

COMPLIANCE

Scarborough is currently out of compliance with assessment requirements; when this happens, the State reduces many reimbursements and exemptions.

Did you know?

Maine State Law requires that assessments be maintained between 70-110% of market value. Scarborough's are currently below 70%. A revaluation will bring assessed values back in alignment with market value, keeping us in compliance and eligible for higher reimbursements and exemptions.

BACKGROUND

First Revaluation in 5 Years

Scarborough last conducted a revaluation in 2019. Here's how the upcoming revaluation will be different:

- ✓ Work performed in-house by Town Assessing Staff, not a contracted company
- ✓ No in-home inspections, unless specifically requested; existing data will be used to revalue all town properties
- ✓ More community engagement and public outreach efforts

WHAT'S NEXT?

MAY-JUNE: NOTICE OF VALUATION



Preliminary new valuations will be mailed to property owners. Review your updated property card to ensure it is accurate and free of errors. If corrections are needed, please contact us.

REVIEW PROCESS



If you believe the new assessed value does not represent fair market value of your property, you will be able to schedule an informal hearing to review details and ask questions. If after the informal appeal you still disagree with the findings, you may file a formal appeal. Details to come.

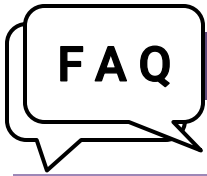
Look at the back for some of our Frequently Asked Questions

Go to www.scarboroughmaine.org/Revaluation

Call 207-730-4000 between 7:00 a.m. and 5:00 p.m. Monday-Thursday



TOWN OF
SCARBOROUGH, MAINE



FREQUENTLY ASKED QUESTIONS & TIMELINE

Q: How does the Assessor determine my property’s value?

The Assessor considers **three standard approaches** in determining the fair market value of a property:

- 1) The **sales comparison (market) approach** bases a valuation on sales data of similar types of properties in town;
- 2) The **cost approach** bases a valuation on what it would cost to replace your property minus any depreciation;
- 3) The **income approach** bases a valuation on what the potential future income would be for that property.

Q: My assessment went up, does this mean I’ll be paying more on my tax bill this year?

Maybe. During a revaluation year, the tax rate often goes down when the total valuation of all property in town is higher. Adjustments to the tax rate may reduce or eliminate the impact of a higher valuation. However, a tax rate reduction may not fully compensate for a significant property valuation increase. This can only be determined once a tax rate is set for the upcoming year in August.

Q: Why did my new assessment go up even if I didn’t make any improvements to my home?

Home values have changed significantly since the last revaluation process 5 years ago. **Your assessment will be based on the market value as of April 1, 2024.** If your home value went up it is likely because homes around you are selling at a higher value in recent years.

Q: Why did my taxes go up?

Annual property tax bills can increase for a variety of reasons. For example: 1) any home improvement or renovation could potentially increase the assessed value of your property; 2) a data correction to accurately reflect the description of the property could increase the assessed value; 3) a revaluation of town properties to bring them to current market value could increase the assessed value, relative to other properties; and/or 4) an increase in the town budget can raise your tax bill.

Q: Can I multiply the current tax rate times my new value (per thousand) to determine my new tax bill?

No. The tax rate represents the amount per every \$1,000 of your property’s value (or millage rate). The Town has not yet set a new tax rate for the 2024-2025 fiscal year. The current mill rate is based on property values from the 2019 revaluation. Multiplying the current mill rate times your new assessed property value will likely result in a number much higher than your prospective tax liability. The tax rate is determined by taking the total Tax Levy (combined municipal, school, and county budgets minus all revenues) and dividing it by the total Taxable Valuation. In short, Tax Levy/Taxable Valuation = Tax Rate.

PROJECT TIMELINE	
Month/Year	Activity
Nov 2023 – Apr 2024	Assessor to analyze all sales, commercial income and expense data, and update database cost tables.
May 2024 – June 2024	Preliminary new valuation notices mailed to property owners.
June 2024 – Aug 2024	Owners may appeal the appraised valuation of their property through informal hearings.
Aug 2024	FY2025 Tax Rate set based on final town-wide taxable valuation and Town Council-approved FY2025 budget.
Sept 2024	Tax bills mailed reflecting new assessment and new tax rate.
Feb 2025	Formal appeals deadline.