

PROPERTY OWNERS GUIDE TO REVALUATION

Please see **Maine Assessment & Appraisal Services, Inc.** website for more information. www.maineassessment.com/cushingreval Their website also has information and forms for various exemptions and programs for which you may qualify that will reduce the amount of tax you are required to pay.

A town wide revaluation of all properties located in Cushing is underway and in-progress. The Town last implemented a reassessment in 2011-2012. Properties fluctuate in value over time with general market conditions, such as supply and demand, home sale prices and the state of the economy, which is constantly changing. A revaluation ensures that property taxes are paid on current and fair market values across the whole of Cushing.

The revaluation will appraise all property values at fair market value as of **April 1, 2023**, and will affect property tax bills issued for the fiscal year 2024 tax cycle.

Maine State Constitution and Assessment Law

The Maine Constitution stipulates several important pieces of valuation policy:

Section 7, Valuation: *While the public expenses shall be assessed on estates, a general valuation shall be taken at least once in 10 years.*

Section 8, Taxation: *All taxes upon real and personal estate shall be apportioned and assessed equally according to the just value thereof.*

- Case law has interpreted “just value” to mean full and fair market value. A property’s assessed value should reflect what the property could sell for on the open market.

Maine Revised Statutes, Title 36, §327 Minimum Assessing Standards: A municipality shall achieve an assessment ratio not less than 70% and an assessment quality rating not higher than 20.

- Maine Revenue Services determined Cushing’s assessment ratio for 2022 to be 78% and a quality rating (Coefficient of Dispersion) of 17. Each year these numbers move closer to the minimum standards and for 2023, we are out of compliance with the ratio standard and close to the same for the quality rating.

For the reasons listed above the Town must conduct a complete revaluation. A revaluation is a process undertaken by a municipality to appraise all property according to its just/market value. Each property must be assessed using the same standards to ensure that every property owner is paying his or her fair share of the property tax burden. This process includes site visits to each property to assess what is there in case things have been built or demoed without the town’s knowledge since 2012.

The Town of Cushing’s Assessor’s Office

The Assessing office consists of three members elected by the voters:
William Aboud, Chairman
Robert Ellis
Mike Roberts

Our contracted Assessing Agent is Maine Assessment & Appraisal Services, Inc., whose team consists of:
Garnett Robinson, Joshua Bragan, and Richard Dunton

The Reassessment Process

Maine law requires that all real property (land and buildings) will be reappraised and adjusted to current fair market value as of April 1st of the year prior to implementing the reassessment. Only real property is appraised during a reassessment. The purpose of a reassessment is to equalize the valuations of all real property in a municipality.

The Assessor's Office maintains a database of the physical characteristics for over 1,400 parcels within the Town limits of Cushing. The data includes information such as square footage, garages, decks, pools, type and quality of construction, land/lot area, view, easements, water features, and several other attributes required for the mass appraisal process. Properties are then grouped into one of approximately 5 appraisal models based on similar market characteristics.

Licensed staff appraisers determine land values for each of the appraisal models based on analysis of vacant and improved property sales. Structural improvements to the land are valued using a market sales modified Marshall & Swift cost service. Residential structures are generally valued based on the reproduction cost new, less depreciation for age and condition. The valuations produced for each appraisal model are then tested for accuracy using actual market sales.

Commercial properties may be evaluated on a cost basis or rental income streams, operating expenses, and what kind of investment return (cap rate) can be reasonably expected.

Property Tax

Real property should be assessed and taxed at 100% of fair market value according to Maine Law. In Maine, property tax is the primary source of revenue for local government entities. Other sources such as grants, state revenue sharing, state aid for education, excise tax on vehicles & boats, and permit fees. Once the taxes are collected, the Town disperses the money for the operation of the town, for schools (RSU 13), and for the Town's portion of the Knox County government expenses. In this way, property owners receive only one property tax bill instead of several. The taxing authorities determine how much is needed to pay for key government services through their annual budgeting processes. Once the budgets have been adopted, a resolution is passed by the voters at

the annual town meeting. All property owners pay a fair share of property taxes based on the taxable value of property they own.

The market value increase in our town is not uniform as some areas have increased in market value more than other areas. These changes also impact the assessed values that will be used for property tax calculations in 2023. An overall increase in values will result in an offsetting reduction in the tax rate. As a result, some taxpayers in the Town may pay a greater share of the tax burden while others in different areas may pay less. This occurs in every reassessment. The general rule of thumb in a revaluation is one-third of properties will see a higher tax levy, one-third will stay the same and one-third will see a decrease.

Appeal Process

Once the revaluation is complete, Maine Assessment & Appraisal Services Inc. will send copies of their work to every owner in the Town of Cushing. Included in this will be a letter with an estimated mill rate and a copy of your property record card including your new valuation.

We request that you :

- Review the property record card & ensure it is accurate and free of errors.
- Review the new values of similar properties to your property. Determine if your property is significantly under or over assessed.
- Lastly, we ask for you to schedule and attend an informal hearing to review your property information and answer questions. These informal appeals will be conducted via telephone or in person at the Assessor's Office in the Town Office.

We will be scheduling interior inspections and meetings at the Town Office between the time we send out these letters and the formal tax commitment.

If after commitment you do not feel like you have been assessed correctly and have complied with Title 36 Section 706-A you may file an appeal in the form of an Abatement. Abatements will be based on the market value of the property as of April 1, 2023, and not the amount of taxes.

Upon receipt of the appeal, staff will review all submitted information and look for any obvious errors in the record. If no data errors are found, personnel will review sales of comparable properties in your neighborhood to determine if your market value is reasonable and equitable compared with these sales.

After the informal appeal, should you still disagree with the findings and assessed value, you may file a written Application for Abatement with the Knox County Board of Assessment Review.

- State why you believe the new valuation is incorrect; and
- Provide supporting documents or facts that substantiate your request and support your opinion of the property value questioned.

Often asked questions

Do I have to let the Appraiser or Field Reviewer into my home?

Property owners are not required to invite or let the Assessor or their designated property appraisers into their home. However, if the appraiser does not enter your home, estimates will be made to determine overall value and you may lose the ability to appeal the value of the estimate.

Will revaluation affect property tax bills?

Not necessarily. While assessed values for almost all properties will certainly change, whether your tax bill will increase, decrease, or stay the same depends on how much your property value changes in relation to the rest of the Town. If the Town's overall value change is 40% and your property value change is 38%, you would see a 2% tax decrease. If your property value increases 42%, you would see a 2% tax increase.

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.

How do I correct misspelled names on my tax notice?

Be sure to first check your deed. If the names are spelled incorrectly on the deed, this will need to be corrected. To do so, you must contact a real-estate attorney or title company to record a corrective deed at the Knox County Registry of Deeds Office. If the misspelling is due to our data entry keying error, we apologize! Please contact our office and we will correct it immediately. We do require change requests in writing. An email to the town office is acceptable.

How do I change the mailing address where the tax bill is sent?

The Assessor's Office will happily change a mailing address for tax bills. We ask for that request in writing (email is acceptable). Please note, we will not change a mailing address to forward a bill to a mortgage company. Tax bills are sent to property owners or their designee.