

# Revaluation Q & A

## **What is a revaluation?**

Revaluation is the process of performing all of the necessary Market Analysis and Valuation steps to determine accurate and equitable values for all properties within a municipality. The purpose of a Revaluation is not to raise taxes. It is to create an equitable distribution of the tax load.

## **Does revaluation bring in more tax dollars for the municipality?**

No. The town budget gets approved and if the town approves a 40-million-dollar budget than that is all that may be collected in taxes. Revaluation changes who pays what portion of that 40 million based on their current fair market value.

## **Why do you perform revaluation?**

Revaluation is mandated by State law and the town is required to implement it every five (5) years. The reason it is mandated is because over time, property values change. However, they change differently for different classes of properties (i.e. Retail, Apartments, Industrial, Vacant Land, Condos, Single Family, multi-family, etc.). They also change differently based on location (i.e. state highways, arterial roads, sub-divisions, waterfront, etc.)

## **What are real estate taxes based on?**

Since the property tax is "based on value" and over time, property values change differently for different classes and locations, some properties are paying too much while others are paying too little based on their current market values.

## **Why not perform a revaluation every year?**

There is a significant cost with performing a town-wide revaluation and during certain times in the market, property values will change very little. Based on the cost vs. benefit analysis, the State has determined that five-year intervals are most appropriate.

## **Will my taxes go up after revaluation?**

After the revaluation is completed, property owners may see an increase, decrease, or a tax bill that remains relatively the same. There are numerous factors in determining the final tax bill including if the town debt service payments are increasing or decreasing that year, if the approved town budget is higher or lower than the previous year, if the State Aid the town receives is greater or lesser than the previous year, if there was significant Grand List growth during the revaluation year, and the estimated tax collection ratio.

**When I receive my new assessment notice, how can I determine what my new tax bill will be?**

You cannot determine your new tax bill until after the Board of Finance sets the new mill rate (usually about 5-6 months after revaluation assessment notices are mailed).

**Can property owners contest their tax bill?**

No, you cannot appeal taxes. You can appeal your new assessment if you feel that it is excessive. The Board of Assessment Appeals conducts hearing each year in which you can go before the BAA with evidence of the Fair Market Value of your property.

**Will all property values change?**

Most likely. It is possible that some will change very little, but every property will be re-appraised. Some values may have been low after the last revaluation in 2019, some may have been high. Many properties have made recent improvements which will also affect the tax bill. At this time the average increase in Residential values is up 58%, this is unprecedented in recent years, with values increasing drastically during the pandemic and continuing upward since. There is a shortage of inventory on the market, with demand keeping values up. Other towns in Revaluation this year are also seeing increases between 50% and 60%+

With this said, in other years with significant increase in Grand List values, the mill rate has always gone down. Tax bills will not go up 58% based on market adjustment alone.