



City Council Workshop

2007 Revaluation

City Assessor's Office

Background

- **City of Augusta Assessment History**
 - **1978 Full revaluation at a cost of \$102,000**
 - **1988 Full revaluation and conversion to a computer assisted appraisal system at a cost of \$318,000**
 - **Interim Changes**
 - **2006 In-house Revaluation with \$101,000 contract with consultant**

Interim Changes

- **Condominiums**
- **Apartments**
- **Water Street**
- **North Augusta**

2007 Project Goals

- **Equalization of tax burden**
- **Maintain compliance with State Law**

Legal Requirements

Maine Constitution

“All taxes upon real and personal property...shall be apportioned and assessed equally according to the just value thereof.”

Maine Statutes

Assessment Ratio (AV/MV)

Minimum of 70%

Quality Rating (Σ ABS DEV/AR)

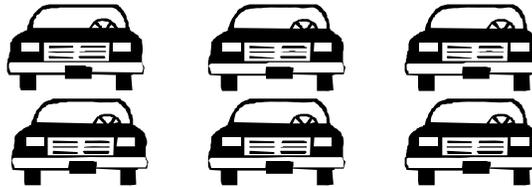
Maximum of 20%

Important Points

- **Revaluation DOES NOT raise new revenue for the City: the purpose is to value all properties by the same standard**
- **JUST VALUE defined by law is the same as fair market value**
- **PRICE does not always equate to market value**

MARKET VALUE versus ACTUAL SELLING PRICE
MARKET VALUE is the *most probable selling price* negotiated

between knowledgeable and willing buyers and sellers.



Asking Price: \$20,000 each for all 6 cars

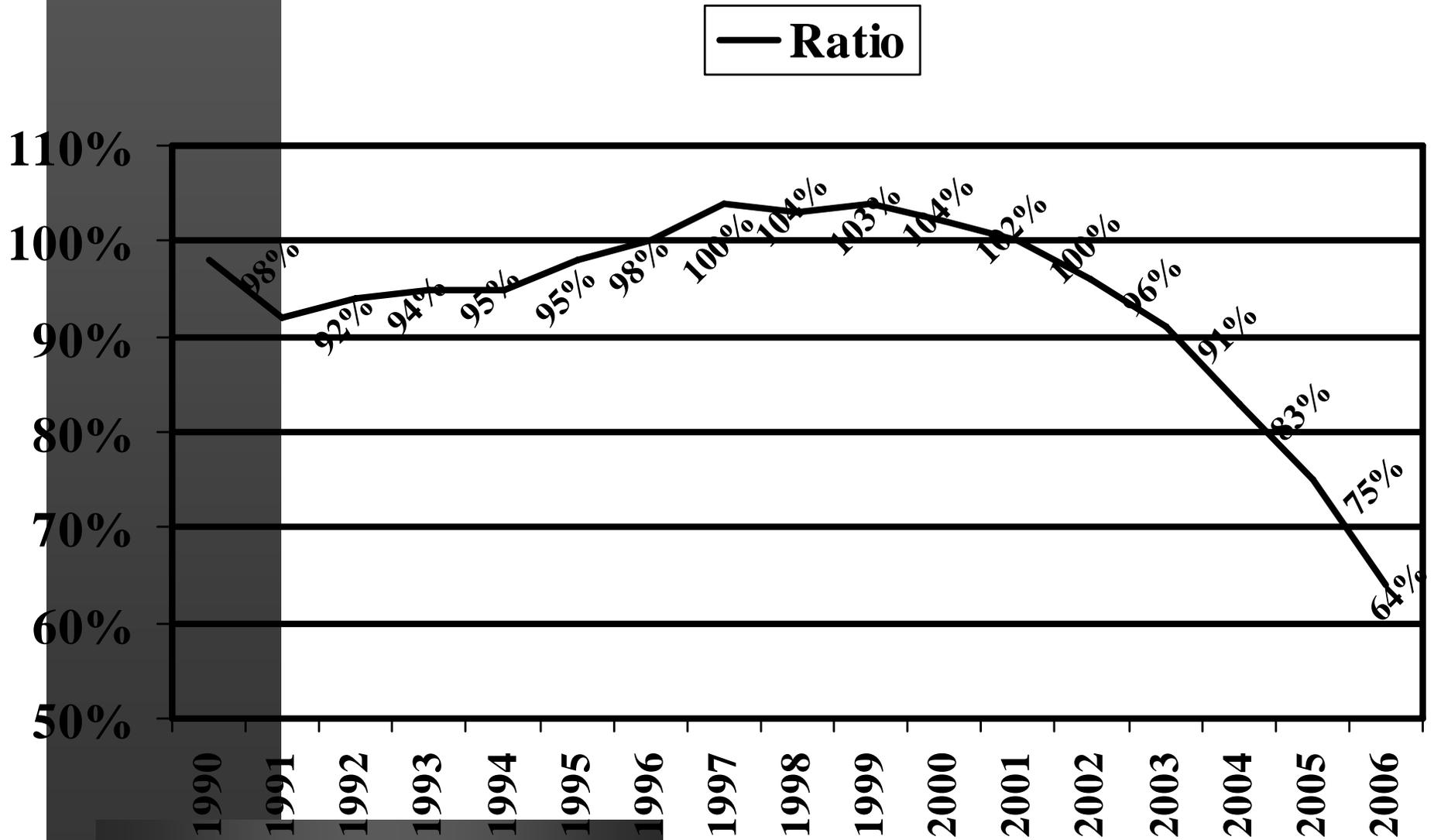
- *  **Selling Price: \$19,000**
- *  **Selling Price: \$18,500**
- *  **Selling Price: \$17,700**

Average Selling Price: \$18,400 each for 3 cars

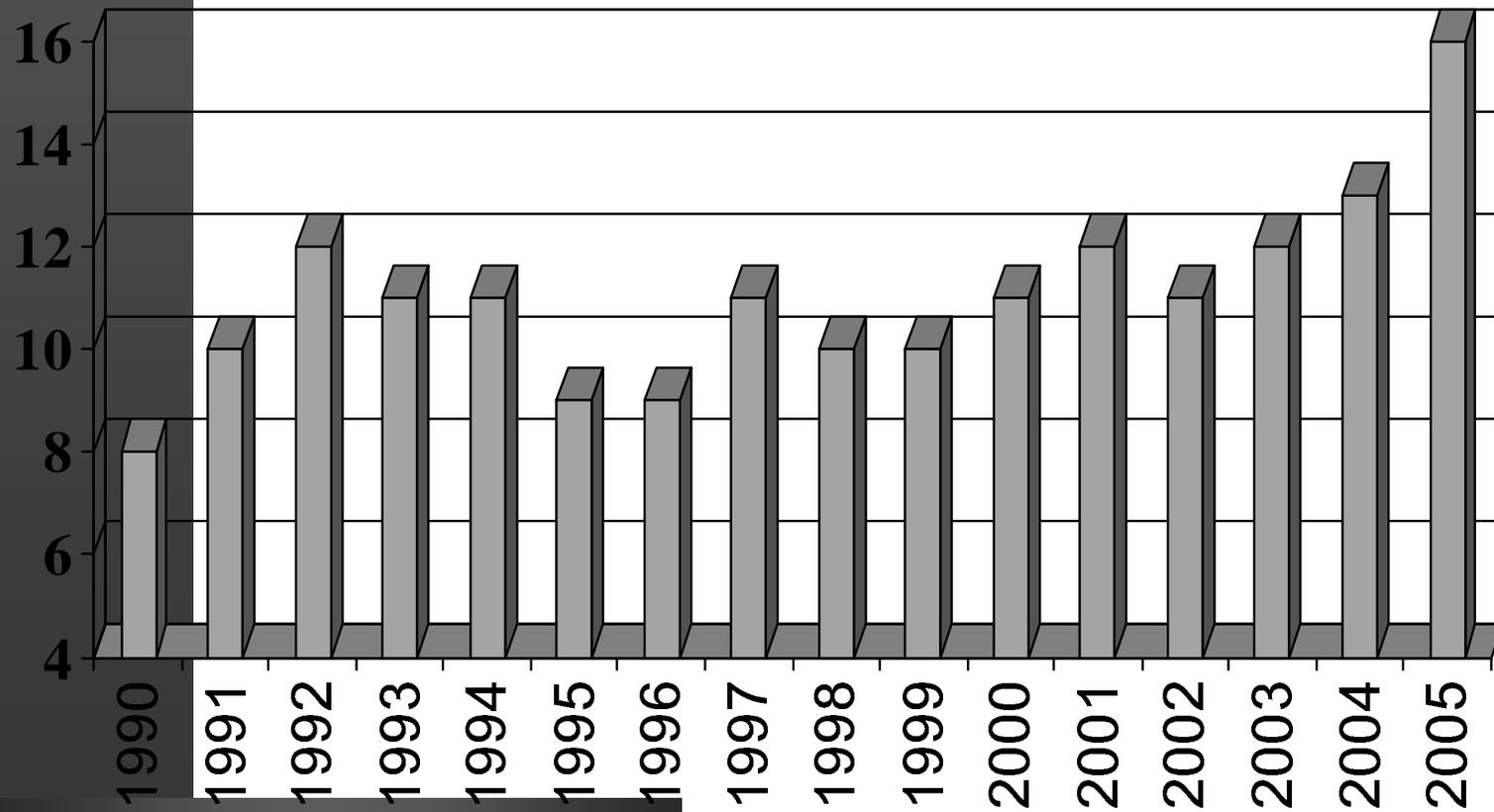


Assessed Value: \$18,400 each for all 6 cars

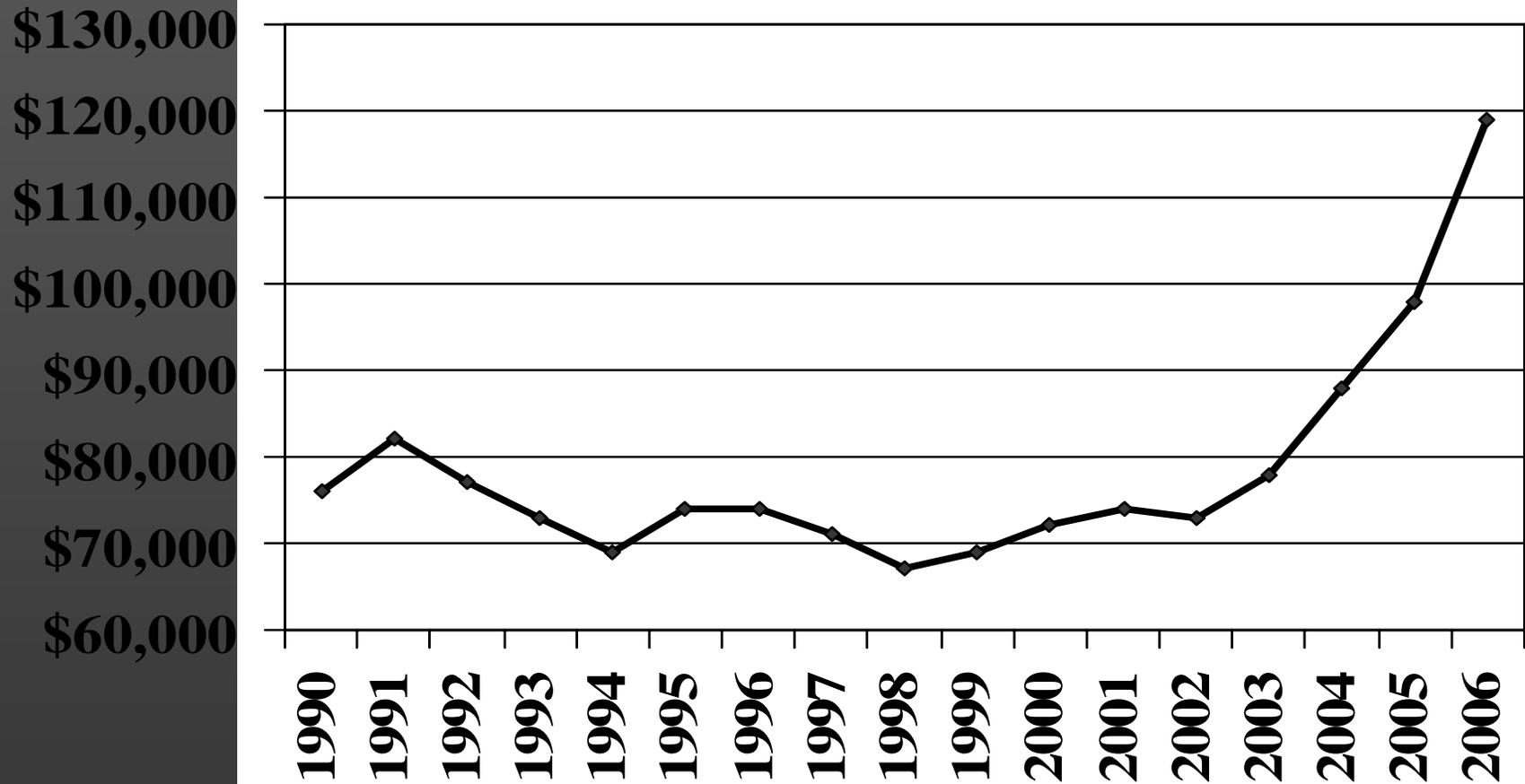
Ratios of Assessed Values to Sale Prices



Quality Rating



Average Sale Price



—◆— Sale Price

What is the effect of revaluation on taxes?

- **Taxpayers whose current valuation is below 65% of market value, tax increase**
- **Taxpayers whose current valuation is 65% of market value, no change**
- **Taxpayers whose current valuation is above 65% of market value, tax decrease**

Ganneston



1,752 sq ft living

32,600 sq ft lot

Current Assessment: 134,700

Sold 8/02: 175,000 (76%)

Sold 9/05: 205,000 (65%)

Mayfair



1,790 sq ft living

19,824 sq ft lot

Current Assessment: 99,700

Sold 12/00: 100,000 (100%)

Sold 6/05: 160,000 (62%)

West Side



960 sq ft living

5,500 sq ft lot

Current Assessment: 64,700

Sold 2/00: 69,900 (92%)

Sold 12/05: 115,000(56%)

Smith St. - Condominium



1,250 sq ft living

Assessed 1990: 69,300

Assessed 1996: 55,200

Assessed 2003: 70,000

Sold 6/90: 74,000 (93%)

Sold 7/96: 50,000 (110%)

Sold 6/05: 107,000 (65%)

Mobile Home with Land



952 sq ft living

43,560 sq ft lot

Current Assessment: 38,600

Sold 6/05: 59,900 (64%)

Riverside Mob. Home Park



1,064 sq ft living

Current Assessment: 24,900

Sold 8/05: 35,000 (71%)

Three Cornered Pond – Waterfront



1,602 sq ft living

1.40 Acre lot

Current Assessment: 97,900

Sold 4/02: 151,500 (64%)

Sold 8/05: 235,000 (41%)

Togus Pond- Waterfront



1,075 sq ft living

12,250 sq ft lot

Current Assessment: 60,900

Sold 7/05: 221,500 (27%)

Togus Pond - Waterfront



1,382 sq ft living

14,850 sq ft lot

Current Assessment: 79,000

Sold 8/05: 229,000 (34%)

6 Unit Apartment Bldg.



3,147 SF Apt. building

4,224 SF Lot

Assessed 1990: 138,700

Assessed 1996: 109,000

Sold 1/95: 90,000 (121%)

Sold 3/02: 85,000 (128%)

Sold 5/04: 150,000 (73%)

Sold 9/05: 190,000 (57%)

Turnpike Mall



149,710 SF Retail

20.33 Acre Lot

Current Assessment: 6,515,400

Sold 8/99: 6,650,000 (98%)

Sold 12/04: 14,577,500 (44%)

Key Bank Building – Water St.



76,510 SF Office Bldg.

16,120 SF Lot

Assessed 1990: 8,554,600

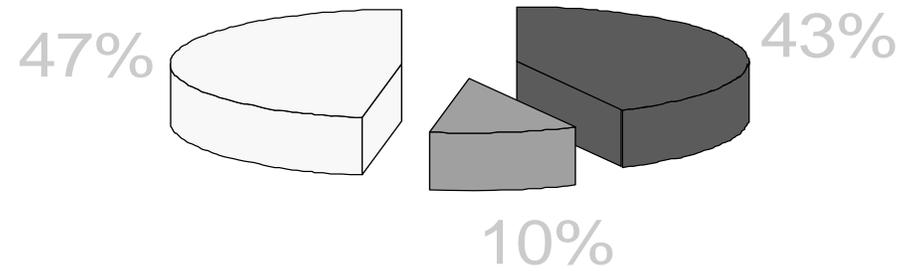
Assessed 2002: 7,813,100

Sold 7/02: 7,000,000 (112%)

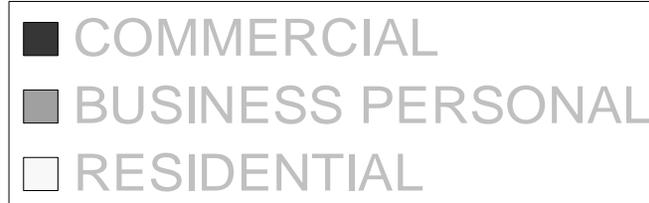
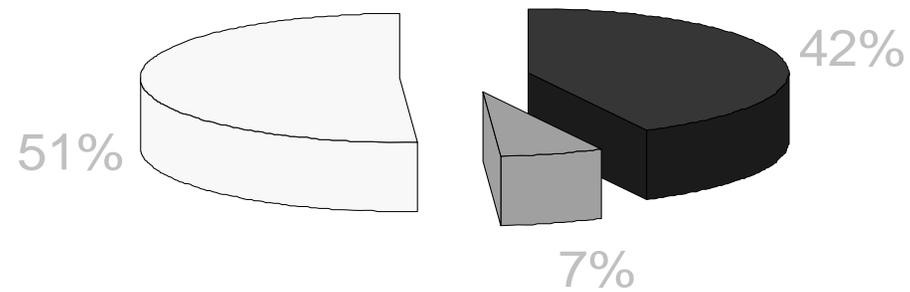
Sold 11/05: 8,900,000 (88%)

2006 Tax Base Distribution

2006



2007 Tax Base Distribution



Tax Rate Calculation

2006

$$\frac{23,003,947}{884,767,208} = \$26.00/\$1,000 \text{ of assessment}$$

2007

$$\frac{23,003,947}{1,365,600,000} = \$16.85/\$1,000 \text{ of assessment}$$

Average Single Family Home

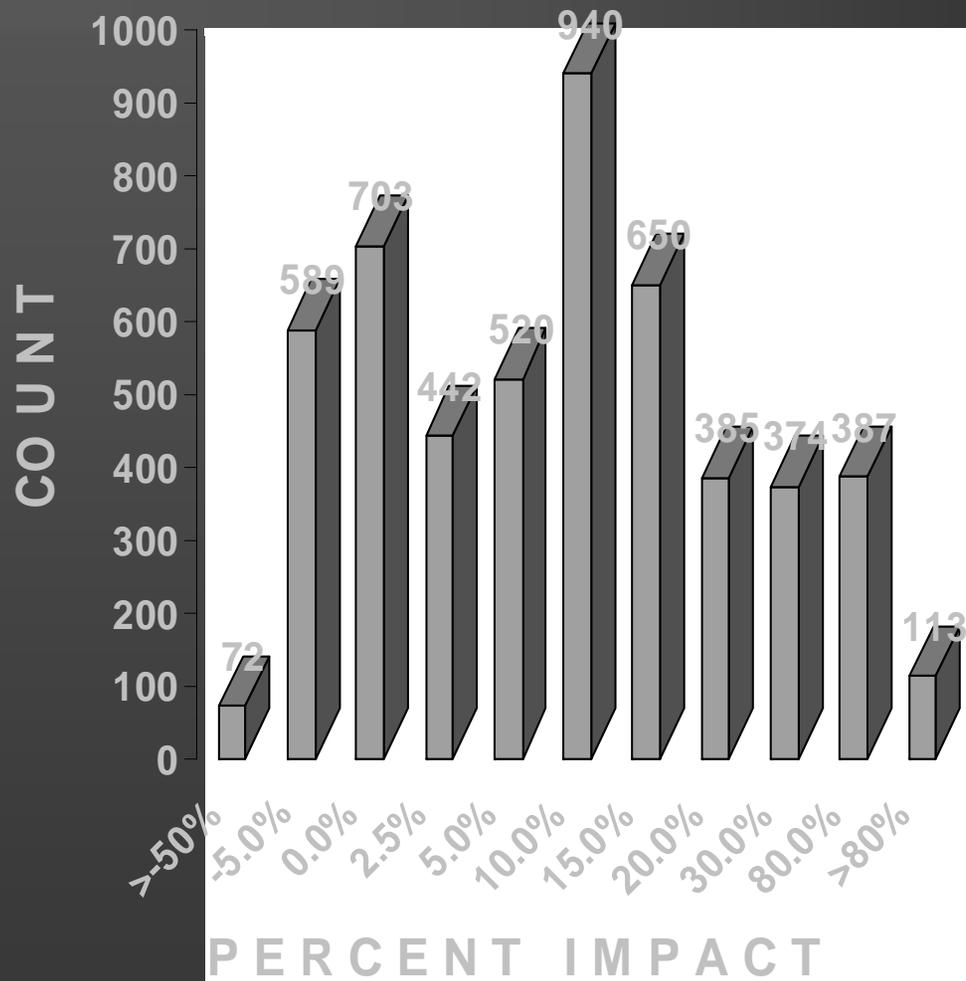
$$\$75,000 \times .02600 = \$1,950.00$$

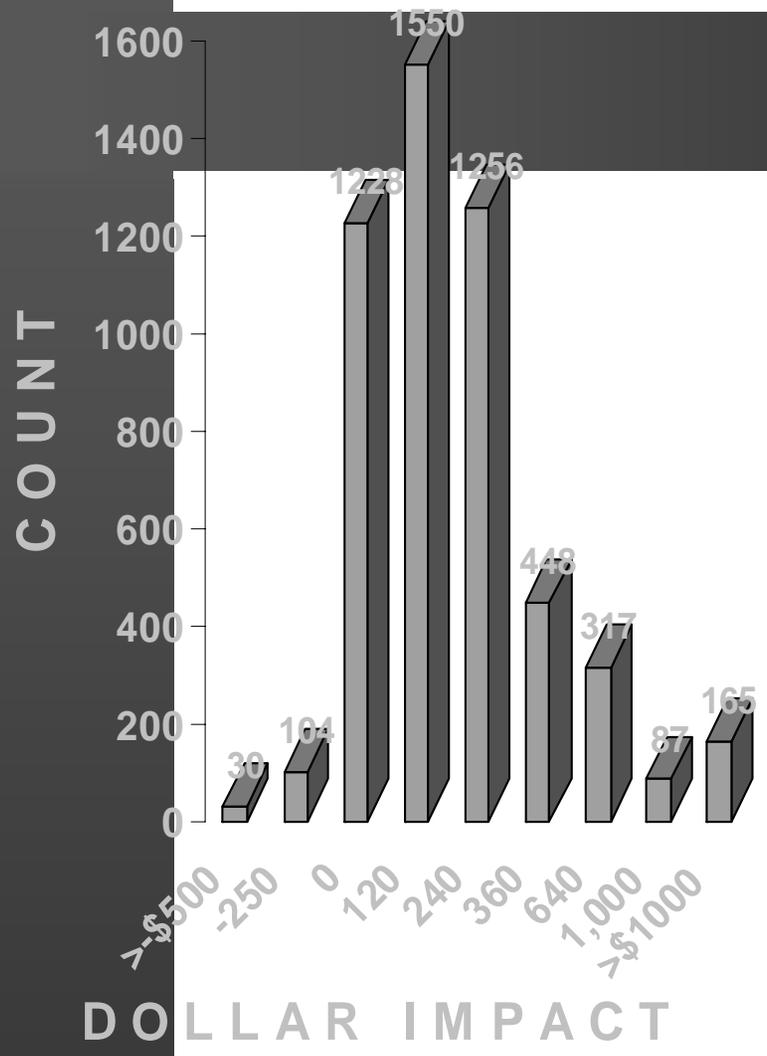
$$\$125,500 \times .01685 = \$2,114.67$$

$$\text{Tax Increase} = \$ 164.67$$

$$\text{Percent Increase} = 8.5\%$$

Single Family Tax Increases





Maine Property Tax Refund Program

- **Not Welfare**
- **Over 200,000 Households Qualify**
- **Provides a refund on property taxes/rent**
- **Application filed with State of Maine**
- **Program expanded in 2005**
- **Increased maximum benefit to \$2,000 per household**
- **Forms available at City Center**

How Program Functions

- **Household income eligibility less than \$99,500**
- **First \$4,000 of property tax bill qualifies**
- **Household responsible for tax amount equal to 4% of income**
- **Property tax amount between 4% and 8%, state refunds 50%**
- **Tax amount greater than 8%, state refunds 100%**
- **Maximum refund \$2,000**

CIRCUIT BREAKER (Tax Relief)

	FY 2005	FY 2006		FY 2007	
TAX RATE	\$26.00	\$26.00		16.85	
AVERAGE HOME HOMESTEAD TAXABLE VALUE					
TAX BILL					
TAX REFUND					
FAMILY INCOME					
4% INCOME					
ELIGIBLE					
REFUND 50%					
3% INCOME					
REFUND 100%					
REFUND (MAX \$1					
NET TAX					
PERCENT OF INCO					

CIRCUIT BREAKER (Tax Relief)

TAX RATE						
UNREGISTERED HOME						
DOMESTIC TAXABLE VALUE						
TAX BILL						
TAX REFUND						
FAMILY INCOME						
% INCOME						
ELIGIBLE						
REFUND 50%						
% INCOME						
REFUND 100%						
REFUND (MAX \$1						
NET TAX						
PERCENT OF INCOME						

CIRCUIT BREAKER (Tax Relief)

	FY 2005	FY 2006		FY 2007	
TAX RATE	\$26.00	\$26.00		\$16.85	
AVERAGE HOME HOMESTEAD TAXABLE VALUE					
TAX BILL					
TAX REFUND					
FAMILY INCOME					
% INCOME					
ELIGIBLE					
REFUND 50%					
% INCOME					
REFUND 100%					
REFUND (MAX \$1					
NET TAX					
PERCENT OF INC					

CIRCUIT BREAKER (Tax Relief)

TAX					
AVE					
HOM					
TAX					
TAX					
TAX					
FAM					
4%					
ELIG					
REF					
8%					
REF					
REF					
NET					

CIRCUIT BREAKER (Tax Relief)

	FY 2005	FY 2006		FY 2007	
TAX RATE					
AVERAGE HOME ASSESSMENT					
TAXABLE VALUE					
TAX BILL					
FAMILY INCOME					
% INCOME					
ELIGIBLE (BENEFIT)					
REFUND 50%					
% INCOME					
REFUND 100%					
REFUND (MAX \$1,000)					
NET TAX					
PERCENT OF INCOME					

CIRCUIT BREAKER (Tax Relief)

AVERAGE HO						
HOMESTEAD						
TAXABLE VAL						
TAX BILL						

Schedule

- **June 2005- Dec 2005:** **Field Review, Analysis, Computer Entry**
- **Nov 2005-March 2006:** **Review & Analysis**
- **Feb – March 2006:** **Interior Data Verification**
- **April 1, 2006:** **Set Values**
- **April - May 2006:** **Notices, Hearings**
- **July 1, 2006:** **Final Values**

Team/Resources

Staff:

- Donald Cadwell, Assessor
- Susanne Campbell, Deputy Assessor
- Lisa Morin, Appraiser
- Stephen Traub, Property Valuation Advisors