

Frequently Asked Questions, provided by the Town of Starks

Why is a revaluation performed?

A revaluation is done to equalize the values within a municipality to ensure a fair distribution of the tax burden. It is not done to raise taxes.

Property values change over time, but they do not all change at the same rate. Market value may have increased more for some neighborhoods and property types than for others, while others still may have decreased in value. A revaluation is done to make sure assessed values reflect changes that have occurred in the real estate market.

Will a revaluation increase taxes?

A revaluation may result in an increase or decrease in an individual property's tax burden depending on how the property's value increased or decreased relative to the average change in assessment. A revaluation does not mean all taxes will increase or decrease. A revaluation does not increase the tax dollars that a municipality is able to raise. The amount of taxes to be raised is determined by the budgets that are passed by the municipality, school, and county, and not by property assessments.

Assessed values are the base by which the tax burden is determined. In contrast, the tax bill is determined by the amount of tax which must be raised by the municipality to cover the municipal, county, and school budgets. For example, if the municipal, county, and school budgets were to remain the same and all assessed property values were to double, the tax rate would merely be cut in half, but the same property tax amount would be due from each property.

Will all property values change?

It is likely that most property values will change, however, they will not all change at the same rate. Market value may have increased more for some neighborhoods and property types than for others. The values of some neighborhoods and property types may have even stayed the same or decreased in the current market. The purpose of the revaluation is to make sure that the assessments reflect those changes in market value.

What is fair market value?

Market value is defined as the amount a typical, well-informed buyer would be willing to pay a willing seller for a property. For a sale to be considered a qualified sale used to determine market value, it must be an arm's length transaction — the buyer and seller must not be related, the buyer must not be under pressure to buy and the seller must not be under pressure to sell, the property must be on the market for a reasonable length of time, the payment must be in cash or equivalent, and the financing must be typical for that type of property.

How will market value determine my assessed value?

The value of your property is based on an analysis of the entire market for a specified period of time before the completion of the revaluation project, in this case from April 1, 2023, to March 31, 2025. The sales are researched and analyzed and factors such as location, size, quality of construction, age of improvements, topography, utilities, etc. are analyzed to establish valuation parameters (construction rates, land rates, market adjustments, etc.). When these valuation parameters are applied to the properties that sold, the calculation will result in a value that is very close to the sale price. The KRT appraisers then test the valuation parameters to ensure they consistently produce values that closely approximate the sales prices across all types of properties throughout the Town. When this is accomplished, the KRT appraisers then reapply these same valuation parameters to all of the "non-sale" properties in the Town. In doing so, they are approximating the market value of each property using the information derived from ALL of the recent, qualified sales. Using this methodology, there is no particular sale or group of sales that are used to determine your property's value (unlike a bank appraisal for a mortgage).

This appraisal methodology is used throughout Maine and all of New England for revaluations.

The inside of my home was not inspected, so how could you reassess it?

The ultimate goal is to see the inside of as many homes as possible. While KRT may not be able to accomplish this for many reasons, it is still possible to accurately estimate the data, quality and condition. The Assessor's Office maintains a complete record of each property. Information is kept current through permit inspections, sales inspections, periodic re-inspection and exterior reviews. These records are available for your review in the Assessor's Office. The details on your property card are used to determine your new value. We encourage you to review your property card for accuracy.

Why did my assessment change when I haven't done anything to my property?

Market value is determined by the activity in the real estate market and the general economy. As property values change in the marketplace, which is reflected in sales, those changes will eventually be reflected on the assessment roll.

When will I know how much my resulting tax bill will be?

A notice stating the proposed assessed value will be mailed to each property owner. The goal is for this phase to be completed in summer of 2025. The mil rate (the rate used to calculate property taxes due) is determined after the municipal, county, and school budgets and values are finalized. The Town commits taxes in September and tax bills go out by the beginning of October; it is only at that time that we can tell you what your tax bill will be.

Below is some information and answers to other frequently asked questions.

What is a Full Revaluation?

The Town of Starks has hired KRT Appraisal (KRT) to complete a Full Revaluation. According to Maine Revenue Service, "Revaluation" means the development of new property valuations by a firm through the introduction of new grading and pricing schedules, the updating of existing grading and pricing schedules, or the maintenance of an existing valuation system.

A "Full Revaluation" includes measuring and listing all properties to verify existing assessment data. The end goal is for assessments to be adjusted to reflect market value as of April 1, 2025. This creates equity and ensures a fair distribution of the tax burden across all property owners.

Stages of a Full Revaluation

KRT will be updating existing grading and pricing schedules for property valuations and maintaining the existing valuation system by performing a Full Revaluation of assessment values. To accomplish this, KRT will complete five phases: (1) Data Collection, (2) Sales Review/Validation, (3) Market Analysis/Valuation, (4) Field Review, and (5) Informal Hearings. During these phases, many tasks will be completed to ensure the Full Revaluation is successful. Below is a general outline and explanation of each phase of the project.

PHASE 1: DATA COLLECTION: The first phase, Data Collection of all property, will begin in early 2024. During this phase “Data Collectors” go to each property in the Town to measure the exterior of each building and attempt to inspect the interior if the owner is available at the time of the visit. These Data Collectors note the buildings’ location, size, age, quality of construction, improvements, topography, utilities, and numerous other characteristics both inside and out. They may also ask the homeowner a few questions regarding the property. To confirm that a home was inspected, the homeowner is asked to sign a data collection form. The data collected is subject to verification by the Town Assessor and a KRT Supervisor. KRT Field Representatives will carry Picture IDs, Municipal Letters of Introduction, and have their vehicles listed with both the Assessor’s Office and Police Department.

Prior to starting the data collection, a postcard will be mailed to each property as notification that the property will be visited in the next few weeks. Data Collectors will show up unannounced shortly after the postcard is mailed and ring the bell or knock on the door. If someone is home, they will explain who they are, with their KRT badge visible, and ask for an interior and exterior inspection.

If no one is home, they will assume it is ok to measure the outside of the building and proceed to do so. A letter will be mailed out towards the end of the project asking for a phone call to schedule an appointment for an interior inspection. The visit from KRT shouldn’t take more than 15 minutes from start to finish. Data Collectors will not visit a property posted “No Trespassing”. Posted properties will receive a letter asking for permission to visit the property at a scheduled time convenient for everyone.

PHASE 2: SALES REVIEW/VALIDATION: During this phase, KRT appraisers will field review each property that sold between April 1, 2023, and March 31, 2025, and review the information on the property record card for data accuracy. The appraiser will make notes regarding the property location, size, condition, quality of construction, and numerous other characteristics that may affect value. The goal is to gain a clear understanding of what sold and for what price. In conjunction with the Assessing Office, KRT will begin the process of qualifying sales as “arm’s length”. Only sales with market exposure between a willing buyer and willing seller (in other words, an “arm’s length” sale) will be used in the analysis.

PHASE 3: MARKET ANALYSIS/VALUATION: A variety of resources are used to analyze the real estate market. KRT will be analyzing property sales that occurred between April 1, 2023, and March 31, 2025, to determine which market factors influenced property values. KRT will gather and use information from Maine Multiple Listing Service (MLS), property managers, developers, and local real estate professionals. Once all the data is

collected and reviewed for accuracy, the appraiser will determine land values and delineate neighborhoods, which rate the desirability of locations throughout the Town as determined by actual market activity.

Valuation is done using one of the three recognized appraisal methods: Cost Approach, Income Approach and Sales Comparable Approach. Mass appraisal uses a market adjusted cost approach to generate assessments.

During this phase, individual characteristics of the buildings are analyzed using information gathered in both phases 1 and 2. Each property is compared to other comparable properties with similar characteristics. Then the market values of the improvements are added to the land value that was previously determined. This value is the final estimate for each parcel of property, building and land.

PHASE 4: FIELD REVIEW: Field Review is the method of checking and re-checking both the values that have been determined and the accuracy of the data used. During this phase, properties are viewed in the field by experienced appraisers to ensure that the appraisal methodology established from the sale properties is consistently applied to the entire population of properties within the Town.

PHASE 5: INFORMAL HEARINGS: Once the Field Review is completed and the values are approved by the Assessor's Office, a notice stating the proposed value will be mailed to each property owner. At that time anyone with questions concerning the revaluation process or the value established for their property will have an opportunity to meet with a member of KRT's staff.

After all five phases are completed, all data, files, records, etc. used in the revaluation will be turned over to the Assessor's Office for retention.