

AN INTRODUCTION
TO THE 2022
MARKET
ADJUSTMENT
PROJECT & FAQs



MARKET ADJUSTMENT

A Market Adjustment is done to ensure property values accurately reflect their fair market value, as the law requires, so the property tax burden is spread equitably across all taxpayers.

Maine law requires all municipalities to conduct a revaluation or market adjustment every 10 years. Kennebunkport's last revaluation occurred in 2009. The State also requires that we maintain assessments within a certain range of what they deem to be 100% of market value, and that ratio can not fall below 70%, currently we are at 71%. Originally the Market Adjustment project was planned for 2020, however, due to the pandemic we postponed it and have fallen further behind in our ratios. Unfortunately, the Town cannot postpone it any longer.



WHAT IS MARKET VALUE AND WHO DETERMINES MY PROPERTY VALUE?

Market Value is the most probable price a property would bring in an open and competitive real estate market.

The Town Assessor does not create market value; rather, we analyze the patterns and trends of the local real estate market and use that information to estimate market values for all properties.



WHAT CAUSES PROPERTY VALUES TO CHANGE?

A property's value can change for many reasons. The most common cause of a change in value is a change in the real estate market. Other reasons are that the physical characteristics of the property changes: for example, a bedroom, garage, or swimming pool is added, or a structure is demolished or destroyed by fire.



WILL A MARKET ADJUSTMENT INCREASE MY TAXES?

Not necessarily. Some tax bills will go up, some will go down, and some will stay about the same.

Once the Town's budget amount has been approved by the voters, it will be divided by the total assessed value of the entire town to determine the new tax rate.

IS THE TOWN DOING THIS TO RAISE MONEY, HOW MUCH REVENUE DOES THE TOWN COLLECT FROM THIS?



The short answer is no, the town is not performing the Market Analysis to increase the budget or revenues. Regardless of the change in property values, the Town, School and County budgets determine the amount needed to be raised via taxation.

A common misconception is that the Town will get a “windfall” of funds by valuing homes higher. That is not how the system works. The Town cannot access additional funds through values, but only through the annual budget process.

SHOULDN'T MY VALUATION EQUAL MY PURCHASE PRICE?

No. For a variety of reasons, some people will pay more than fair market value for their property. Others may have bought their property for a bargain price, and others may have purchased the property years ago when prices and values were considerably different.

Assessments are established to reflect an approximation of market value.

WHY DID MY VALUE CHANGE SO MUCH?

The biggest reason for the change is because the last reevaluation completed was in 2009. The market was quite different in 2009 then the market of today.

The construction cost tables used to assess properties are out of date as they were last updated in 2009.

Other factors that could affect your value are:

- Perhaps you maintained your property much better than properties of similar age.
- A new addition was added.

Market values do change over time.

WHEN WILL I BE NOTIFIED OF MY NEW PROPERTY VALUE?

Notices of your new assessed valuation will be mailed to all property owners.

We expect the notices to be mailed in mid to late June 2022.

However, until the assessments are finalized, we will not know what the new tax rate will be. The new tax rate is established each year in late July, after the budget process is complete.



WHAT IF I DISAGREE WITH MY ASSESSED VALUE?

Once you receive your notice of new assessed value, you will have the opportunity to schedule an informal review with the appraisal staff from Vision Government Solutions, to discuss the value, and any questions you may have. As the Assessor, I am committed to working with all property owners to ensure every property is assessed at a reasonable estimate of its April 1, 2022, market value. When you look at the new value, ask yourself “could I sell my property for this amount, within 10%?” If the answer is yes, then you know that your property has been assessed fairly. If the answer is no, you have the right to appeal the value.

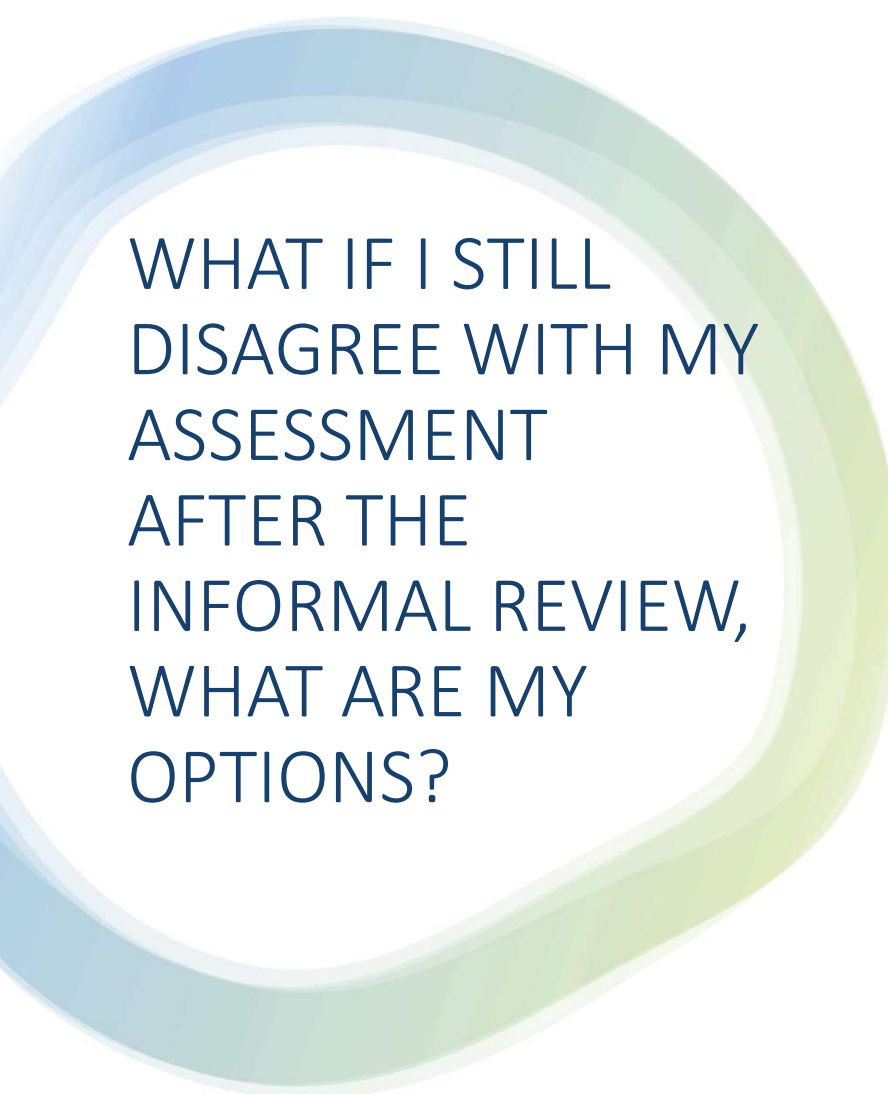
While we understand some taxpayers may have concerns about affordability and changes in property tax amounts, these alone are not grounds for an appeal. An appeal is based on the estimated market value of the property, not the amount of taxes. According to Maine taxation law (36 MRSA §848-A), your property’s assessment is considered reasonable if it falls within 10% of its most probable selling price.



WHAT IS AN INFORMAL REVIEW?

An informal review is an opportunity for property owners to ask questions or voice concerns about the proposed valuation. If you would like to schedule an informal hearing, you can call Vision Government Solutions and schedule a date and time to discuss the valuation process. These appointments will be conducted over the phone. Your notice of new value will have all the information on how to schedule an informal review.

Property owners are asked to come prepared with questions, appraisals or comparisons to other properties in their neighborhood. The appraisal staff and the Assessor will determine if an adjustment of the property is necessary and will make any appropriate changes before setting final values.



WHAT IF I STILL DISAGREE WITH MY ASSESSMENT AFTER THE INFORMAL REVIEW, WHAT ARE MY OPTIONS?

By State law, if a property owner believes the final assessment on their property is in excess of its fair market value, you will need to contact the Assessor's Office within 185 days of the date of commitment to request an abatement application. Commitment date occurs in late July every year. You can also wait until you receive your tax bill to begin the abatement process.

The Assessor will make a decision based on the information provided, whether or not an abatement is warranted. If you are not satisfied with the Assessor's decision, the property owner has 60 days in which to appeal the decision to the Town of Kennebunkport Board of Assessment Review. The Board will review the case and make a determination as to the disposition of the appeal.

THANK YOU!

PLEASE FEEL FREE TO CONTACT ME SHOULD YOU HAVE ADDITIONAL QUESTIONS.

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