



# Town of Newcastle

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## Property Revaluation Frequently Asked Questions

### ***Why did my value go up?***

This revaluation is not based on this year versus last year's values. Assessments are set on baseline valuation years. The baseline land valuation was last set in 2007 and the baseline building valuation was last set in 2004-2005. Markets have changed several times since then and this update is from those last reset baselines.

And then there is the 'Covid' market. In Newcastle the 'Covid market' started in July 2020. The pre-covid market started its increase 18 months before that. That is the data being used. That market increased 20 plus percent because reduced interest rate caused a 20% plus increase in buying power. Regardless as to the "bubble" potential, these sale prices are impacting the market in a real way now. The town's yearly state assessing audit will not ignore it. Those who are buying, selling, or, most likely, refinancing their mortgages will be impacted by the very real costs paid at present. History suggests average prices never go back to pre-market price levels in situations like this.

### ***Aren't all of those buyers from out of state?***

Newcastle has had an influx of out of state buyers. This is great!! Out of state buyers were 25% of the buyers in 2019, in 2020 they were 48% of the buyers. However, in 2020 the overall average assessed value as compared to the overall sale price was about 73% for all buyers regardless of where they lived prior to Newcastle. Conclusion? In Newcastle average market values are not being pushed up by out of state buyers.

### ***What if I don't agree with the new valuation?***

Your value is based on what we know and what we think we know. You were sent your property card some months ago. Is it right? I still want to know. Many errors in valuation are best adjusted by improving the accuracy of your property card. However, if we are unable to find a reasonable agreement on the value of the property, State Law (Title 36 section 706-A) is quite clear in that it requires that you send in affirmative evidence by showing that the valuation is not in keeping with state law and decided case law. I will be honest; this is a tough standard. You must show that the valuation for taxation purposes is an 'illegality, error or irregularity'.

If you have any information about the valuation of your property please send it to me, I will review anything you might have. Things like an appraisal for your refinance, a flood zone letter, a real estate brokers comparative market analysis, anything. Not all will be applicable, but I will see if the information might be useful. I will be fair. I need this evidence by June 30, 2021, to adjust the value in advance of the tax commitment and inclusion in your tax bill this summer.

### ***What if I still disagree with the town's valuation or I am unable to provide information by June 30<sup>th</sup>?***

Maine Title 36 section 841 now controls. An abatement appeal can be made within 185 days of the actual tax commitment date, tentatively planned for late July. The Board of Assessors (who also serve as the Board of Selectmen) would hear your request for a revised value.

Let's start with what would NOT be considered evidence supporting an abatement request:

- My taxes went up a lot.
- The valuation went up 40% and my neighbors went up 20%.
- The assessor did not measure my house correctly. (Was the error manifestly wrong?)
- I do not like the way the land value was put together (As long as the total is not manifestly wrong)

Maine Case Law guides assessors when abatements are requested. You can read a lot of abatement cases at: <https://www.maine.gov/revenue/taxes/property-tax/assessor/recent-supreme-court-cases>

You must show that the valuation for taxation purposes is an 'illegality, error or irregularity'. But you need to provide data by June 30, 2021. A couple of points on this.

- An irregularity has never been decided by the Maine Law Court. An illegal assessment would include a situation where, let's say, an assessor was not sworn in when they signed the commitment. Which leads us to an error.
- In the case of the State Law Court decisions, an error does not refer to things like 'the square foot of the garage is wrong'. The only values committed are the final values of the land and buildings in the commitment book. As long as the commitment book totals are reasonable, regardless of any errors in the math, then the valuation stands. I know, this sounds wrong, but it's not.
- There are certain State law standards where assessments must be reasonable to other property types. Waterfront land and buildings cannot be assessed at 50% average assessment to average sale price if non-waterfronts area at 100%. That is discriminatory assessing practice. Not allowed. If property valuation for taxation practices is largely consistent between property classes, then the assessments are valid.
- State law court decision stated that as long as assessments that are within +/-10 percent the valuation is not manifestly wrong. The Newcastle assessments between property classes are within 2%. (The very limited number of one of a kind commercial sale did limit those conclusions).

A final discussion:

A common question is how I come up with the valuations and how is assessing done. In short, the sales transferred in Newcastle over the last three years provide an ample level of support to explain where and how property values should be adjusted. While I have spent over 25 years teaching the State Review Course to other assessors' agents, it is a tremendous undertaking to explain all the tools used to develop an individual assessment. If you wish to learn more about how assessing works, You can also watch me on the YouTube link teaching the Review Course. Truthfully, I'm not that entertaining, but the videos are beneficial about learning more about assessing. The link is: [https://www.youtube.com/playlist?list=PL2vmdJe4xNwMTvVE\\_oezMGNeh3R0LpQou](https://www.youtube.com/playlist?list=PL2vmdJe4xNwMTvVE_oezMGNeh3R0LpQou). State of Maine provides training courses PT 101-104. You will find print copies of the training at the following web site: <https://www.maine.gov/revenue/taxes/property-tax/training-certification/introductory-courses>

I would expect a number of values will change due to the continuous updating of valuations from new building permits, corrections, new owners and other unknown errors.

Due to the building permit work schedule for the next 2 months, I will not be able to respond as promptly as I did over the winter. **Please do not call the town office staff, they cannot assist in this revaluation. ALL CORRESPONDENCE MUST BE WRITTEN, WITH AFFIRMATIVE EVIDENCE, AND RECEIVED BY JUNE 30, 2021.**