

Memo:

To: Board of Selectmen

From: Jeff Earls, Contract Assessor

A reassessment such as the one we just had can be tough on everyone. Taxpayers are ill prepared for the impact of values increasing in the way they have in the current market. Unfortunately, it is what it is. Values have skyrocketed to a point where we cannot keep up. A property last week sold for \$150000, more than we assessed it for on Northwood Lake. This is a trend I have experienced in all the towns I work in. There are few properties on the market and those that are get swept up quickly many times for more than the asking price.

We have to determine our values on past sales, therefore, depending on the sales that we have to analyze there may not be enough information which would lead to some value conclusions that may in the end turn out to be short of the mark, The best way to rectify these discrepancies is to up date values on a yearly basis. I believe your current Administrator would agree. This would require that more money be expended on assessing but would alleviate the upheaval that happens every 5-years when values are updated.

We started this process back in 2018 when we measured and listed 1/3<sup>rd</sup> of the properties in Town correcting many of the cards with missing data and incorrect measurements. This process was repeated for 2019 and 2020 so all the data was up to date for the 2020 revaluation. This year we reviewed sales for a two-year period between 4/1/2018 and 4/1/2020 to determine benchmarks that would be used in certain areas of Town. We did a review of all properties map by map and parcel by parcel to insure consistency.

Due to the delay caused by Covid-19 it was decided, in order to get a tax rate and send out bills timely, not to hold taxpayer hearings and to notify taxpayers of their new value through the tax bill. We are now seeing the effects of this decision with people calling looking for answers why, in some cases their taxes increased dramatically.

I will be holding hearings on Tuesday December 1<sup>st</sup>, Wednesday December 9<sup>th</sup> and probably schedule more days for those who want appointments. At this point the law requires that taxpayers file an abatement application because it is required once tax bills have been issued.

The following is a breakdown of percentage increases by neighborhood and category.

<b>LAND ONLY</b>	<b>ALL IMPROVED PROPERTY</b>	<b>ALL PROPERTY</b>	<b>RURAL IMPROVED</b>	<b>LUCAS POND</b>	<b>HARVEY LAKE</b>	<b>PLEASANT LAKE</b>
44%	45%	44%	40%	38%	54%	52%

  

<b>NORTHWOOD LAKE</b>	<b>BOW LAKE</b>	<b>JENNESS POND</b>	<b>LONG POND</b>	<b>SINGLE WIDE MH</b>	<b>DOUBLE WIDE MH</b>	<b>COMM-ERCIAL</b>
42%	56%	52%	55%	50%	51%	39%

As you can see by the statistics, not all properties appreciate at the same rate. Also playing a role is that some properties may have been assessed higher or lower than other categories of property during the last update. For example, why did Northwood Lake only increase 42% when Bow Lake went up 56%? Northwood Lake may have been over-assessed last time and Bow Lake under-assessed. Although statistics are helpful, they do not tell the entire story. Future sales compared to assessed value and comparing category of property to other categories of property will determine assessment equity. More and more towns are achieving this by doing more frequent updates.

I hope you find this helpful. If you need anything else do not hesitate to call.