

Assessor set to field valuation questions



HOW VALUES WERE REACHED -- Bob Konczal

of Atlantic Valuation Services, based in Scarborough, suggests that valuation questions be sent to him via the town's website.

(Photo by Daymond Steer)

By Dawn De Busk Staff Writer

FRYEBURG - Call Bob.

That's what Fryeburg residents are being asked to do when they see their property tax bill and/or receive a postcard from the town.

"One thing they usually do is call their selectman. When they do call you, tell them to collect their thoughts and send them in an e-mail to the assessor. It's right online on the town's website," Fryeburg Town Assessor Robert "Bob" Konczal said.

Last week, the assessor opened the lines of communication to his office for the public as he provided an update on the property values to the Fryeburg Select Board.

"We should have it rounded up at the end of the month, notifying taxpayers that we did go up, part of the way last year and we did go up this year," he said.

The Town of Fryeburg's property values have fallen to 60 percent of the value of homes and land being sold, according to Konczal.

According to the Maine.gov website section on property tax, specifically state valuation: State law requires that municipalities maintain a town-wide average assessment to sales ratio of no lower than 70 percent and no higher than 110 percent.

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Konczal, of Atlantic Valuation Services, is contracted by the town as the assessor.

"Every town has someone like me who establishes values of properties in the town," he said. "The job of local assessor is to change the rates being used to arrive at a number that is closest to the market value."

Konczal spoke to the select board during its regular meeting on July 10. He gave an overview of why assessing properties values is necessary. Later on, in the evening, the board supported sending out a letter to taxpayers for the second year in a row.

The assessor started with the basics: Taxing people based on land, and assigning values to that taxable land.

"The reason we do that is the budget that gets raised for the town and the county and the School has to get paid by everyone. How do we share the cost fairly? How much property you own is a measure of how much [money] you are capable of paying," he said.

He paused, saying that isn't always the case now-a-days. Some people are land rich but poor as far as finances, he said.

"It is the system we have now," Konczal stated. "When you have a system like this, you have to test it annually with a sales ratio study. We look at properties that have sold in the past 18 months. We compare the assessments to what the property sold for. Hopefully, it is near to what it is priced at."

Annual adjustments are always made, he said. "Over time, the market moves forward and upward mostly since 2008, and the assessments aren't up with the sales. The town falls behind," he said. "Our sales ratio is 60 percent of the market value," Konczal said.

Again, the state's legal parameter is between 70 and 110 percent. •

He listed some of the drawbacks (to being at 60 percent) such as the loss of financial reimbursements for the town and loss of tax exemptions for citizens.

He pointed out that one-third of Fryeburg's land is categorized as tree- growth. While that land supports the belief in preservation of green space, it is taxed at a much, much lower rate. "For Fryeburg, a fair percentage of the town is assessed for tree growth value rates. That means their land is committed to growing trees," he said, adding the tax rate is based on approximately \$300 an acre. "Almost 18 square miles is in tree growth designation. That is one-third of the town. The good news is the state reimburses us partially for the revenue that is lost" to tree growth, he said.

However, if the sales ratio is 60 percent, the town will not qualify for a full reimbursement.

"I gave the same talk in Denmark, where 17 percent of their land is in **tree grow**," **he said.**

Konczal touched upon the positive correspondence with citizen about a touchy subject: tax bills.

"We should be making minor adjustments every year. People will get climatized to it. People will get used to us sending out letters and raising the taxes," he said. "We try to direct them. Pay attention to the budget. Go to the school board meetings and look at that budget too."

Fryeburg Town Manager **Katie** Haley asked the board member if they favored sending out another letter/ postcard. The cost of the mailing was about \$2,000, she said.

"The letters from last year said it was a two-part process," Haley said.

The board's consensus was to follow through with the mailing. No vote was needed.

Board member Thomas "Tom" Kingsbury said the letter will be a good reminder of the changes. "I totally forgot it was a two-year project until you mentioned it. That shows how well most folks will prob- ably remember it. I forgot," Kingsbury laughed.

Some people don't remember reading it, Board member Jim Tyrrell said. "Some people had no idea. It was an enlightenment - After all, we sent the letter to the same mailing address we sent the tax bill to," Tyrrell said.

**Mil drops from
\$17.05 to \$8.25 Mil rate drops
By Wayne E. Rivet
Staff Writer**

When property owners received their new values, they likely grumbled anticipating a steep jump in this year's tax bill.

Bridgton had to revalue. State law requires that municipalities maintain a town-wide average assessment to sales ratio of no lower than 70 percent and no higher than 110 percent. Bridgton had dipped significantly below the 70 percent threshold - the town was in the 45% range of market value.

In turn, a town's overall valuation increases.

Ultimately, the town's mil rate - if municipal spending is held in check - should then decrease. The Select Board last Tuesday completed the tax puzzle by approving a mil rate of \$8.25 per Thousand valuation - a major drop down from the previous rate of \$17.05.

The first Select Board meeting in July is traditionally tax commitment time. Town Assessor Denis Berube of O'Donnell Associates gave a rundown on the revaluation, county tax and presented mil rate options.

"This year's tax commitment is not without significant change," Berube said.

The town's new real estate assessment is \$2,535,061,777, which is an increase in value of \$1,431,752,467. Personal property went up \$7,994,096, "which is to be expected given the growth rate," Berube noted. "So, the total taxable value in real estate and personal property is up \$1.4 billion." Homestead exemption, at full value, sits at \$28,372,000. which is an increase of about \$10 million.

"But when the individual property owners get their tax bills, the valuation of that exemption will now say \$25,000. Rather than I think it was \$17,750 last year or something like that. So, it will show up much different," he pointed out.

County tax is \$1,143.125, which is up \$108,000 from last year.

Local school budget is \$12,394,000, up \$1.1 million.

Municipal appropriations are \$1,253,641, up \$67,000.

State revenue sharing is up \$7,6268.

"The revenues, which are revenues that the town has on their own, that they put back in to reduce the tax rate are \$4,013,681, which is up \$40,000 from what they were last year," Berube reported.

The Select Board weighed two tax rate options.

One option being the original rate that was done for the purpose of the evaluation notices that we just recently sent out. When we sent out the proposed value notices to property owners, it included an estimated tax." he added. "So, a lot of people were using that as an estimate of what their taxes might be moving forward."

That figure would result in a "relatively large over- lay." The second option, \$8.25, is a lower tax rate, and while it reduces the overlay, that figure remains "an acceptable value," Select Board Chairman Paul Tworog pointed out.

At a \$8.35 mil rate, the overlay would be \$360,716.18. At \$8.25 the figure dips to \$115,000- plus, which is more in line with what your traditional overlays have been," Berube said.

"The \$360 (000) would definitely be a record high overlay." Tworog said. "The \$117 and \$115 is very much in line with where we have been historically."

Tworog explained that town's carry an overlay "to take care of anything that we have as far as reimbursement. The overlay essentially is intended to be a couple of things. It serves as a buffer against uncollectible taxes; 700 people that you have to lien. They don't pay their taxes. You still need the money to operate the town. So, by rulemaking by law, you're allowed to collect up to 5% above your tax levy."

With a revaluation complete, officials anticipate an increase in abatement requests (Maine offers six-month window to discuss new property valued, and decide whether to seek an adjustment). Add that notices will be sent to 700 property owners who have yet to pay their taxes, the overlay becomes an important financial piece. The state requires municipalities to carry an overlay - a figure municipal officials decide upon, not town meeting vote. Select Board member Carmen Lone pointed out.

Selectman Bob McHatton proposed the \$8.35 figure (which was used in the new valuation calculation letter sent to property owners), saying, "I'd rather play on the side of caution and have enough money than to not."

The motion failed due to a lack of a second.

Tworog suggested \$8.25, which was approved by a 5-0 vote.

Town Manager Don Kasprzak asked Berube what the state might have done if Bridgton declined to do a revaluation?

"So, the way they compel a town to update their assessments is through revenue sharing. The town gets reimbursement money for certain things. When your ratio declines below 70, they withhold certain reimbursement. So, when it comes to like tree growth, for every percent that you're below 70, they withhold 10% of your funding back. And so very quickly you lose all your tree growth reimbursement," Berube said. "As an assessing company, we wish the state would have stricter standards, but if I'm being honest with you, that's about their biggest teeth right there, is the withholding of funding that they would give to the town as part of revenue sharing."