

SUPER BASICS OF THE ASSESSING PROCESS

- 1- The State Constitution mandates property taxes to pay for municipal bills. They are regulated by Statutes (chiefly Title 36), case law and the Property Tax Division of Maine Revenue Services.
- 2- Property is to be valued as of April 1st every year (36 MRSA 502) according to market value. What happened in other years does not matter.
- 3- Bills are relative to spending levels set by the School, County and Town budgets.
- 4- Annually, every assessing office submits their work to the Property Tax Division of Maine Revenue Services for review.

SOME DETAILS...

The Assessor's task is to make sure that all real and personal property in Hiram is valued near its market value so that each property owner can pay their share of property taxes. This is done by annually gathering physical data on properties, processing map and ownership changes, and analyzing recent sales to make sure the information we have in the system is accurate. The Selectmen/Assessors are authorized for this work, and the Town contracts with a professional Assessor's Agent (licensed by the State) to assist them in this task.

It's important to note the Assessing Office does not determine the amount of tax levy each year. That amount is based on the *municipal, school and county budgets* (net of other revenues). The Assessor then divides that amount by the total assessed valuation of the Town to get the local tax rate. The resulting tax rate is then applied to your property's assessed value to apportion the total levy.

ASSESSING UPDATE 2026-2028

WHAT ARE ASSESSMENT UPDATES?

By state law, property valuations should closely resemble market value and be reviewed a *maximum* of every 10 years. However, if the market changes a lot, valuations must too. This process will adjust valuations to get closer to market value. This includes if the market flattens or drops. Over 50 Maine communities in 2025 had valuation updates because of the changing market and it's been a while since this was done in Hiram.

HOW IS IT "DONE"?

The system is called “mass appraisal” (valuations by assessors are NOT done by individual comps to individual properties). Data is collected on the many components for every lot and building (36 MRSA 701A). The quantities are multiplied by \$ value rates then added up to get a total. The results are tested against recent sales. Maine Revenue Services then audits that sales study every year (36 MRSA 328 & 848-A). The rates are applied to all properties. It is not an exact process, only an ESTIMATE of value. All Assessors state-wide, indeed nationally, follow the same method.

WHY DO THIS?

There are several reasons. Some include:

- To restore some reimbursements from the State that can be lost because of our low valuations
- To increase accuracy of valuations- this work has not been done in Hiram for a long time.
- To increase owners’ exemptions
- To lower the tax rate

WILL THIS INCREASE MY TAXES?

Not unless part of your property has been mis-assessed according to its market value. And not all properties go up equally in value over time. Any other general increase in taxes is a result of the annual budget process. The process will be 'revenue neutral', so that total taxes collected will go up somewhat IF the town meeting votes to increase spending.

WHAT IS THE PROCESS?

- In 2026 the towns tax tables used for building calculation of valuations have been increased and new land tax table neighborhood designations have been assigned to properties to get them closer to market value;
- In 2027 A field review of all properties will begin to ensure accuracy of the Town’s property data.
- In 2028, the field review will be completed; the real estate market will be studied to calibrate final total valuations to the conditions observed.

HOW ARE PEOPLE NOTIFIED?

- The issue has been discussed and voted on at Selectmen’s meetings

- A letter of explanation will be mailed to all property owners in 2027 before we start visiting properties for field review
- Information will be posted and updated as needed on the Town's website

HOW IS IT PAID FOR?

The Town annually sets aside money in a fund for this purpose, avoiding any big one-time expenditure.

WHO DO I CONTACT IF I HAVE FURTHER QUESTIONS?

Email the assessor at assessor@townofhiram.org