

IMPORTANT PLEASE READ ALL



WHY IS THE TOWN REASSESSING?

- A fully executed townwide revaluation has not been completed for Columbia Falls in many years.
- Property values have changed quite drastically over the past 4-5 years and as a result, inequities in taxation may be occurring.
- Some property owners may be paying more than their share of property tax and likely many others may be paying less.
- Based on market activity evidence compiled, some properties were found to be significantly undervalued. Some property sales are more than double (and sometimes more) than the current assessment on file.
- A revaluation is conducted to address these inequities and ensure that each property owner pays only their fair share of the tax burden; no more, no less.

CERTIFIED RATIO – WHAT IS IT?

- State property tax laws require the “certified ratio” of assessed value and market value to be between 70% and 110%.
- The lower the ratio, the greater the difference between assessed value and market value.
- The current ratio is 67% using residential home sales only. Private sales, vacant land or commercial sales are not considered.
- The State uses sales from two (2) years prior when calculating this ratio.
- With property values increasing over this time, the certified ratio figure will only keep going down, making the Town’s assessed valuations and certified ratio even more non-compliant.
- Adjustments in assessments are therefore required where needed, in order to reset the certified ratio to 100% and compliant with Maine Revenue Services guidelines

NOTE: Resetting the certified ratio to 100% will allow those who qualify for the Homestead (\$25,000) and Veterans (\$6,000) Exemptions to receive 100% of those exemption amounts. Currently, these are only \$17,500 & \$4,200 due to the 67% ratio and will continue to go down without a revaluation.

HOW IS THE MILLAGE (MIL RATE) OR TAX RATE CALCULATED?

- A “mil rate” is the numerical figure that results from the many factors and components that are part of a formula used to calculate the total amount of money to be raised for tax commitment, i.e., what’s needed to run the Town. This mil rate is multiplied by your total assessed value to create your annual tax bill.
- It is very important to understand that due to the many components involved with the mil rate calculation, no one component causes the mil rate to go up or go down. It is a collective effort. All amounts used in this calculation influence the final outcome differently from year to year. Meaning, property tax bill amounts can change, even when the assessed value has not.
- These components include: the total valuation of all (taxable) property, both real and personal property, the number of homestead and veterans exemptions, the amount of reimbursement funds from the State related to various approved programs, the municipal budget, the school budget, the annual County tax bill, monies received from State Revenue Sharing program(s) and any “other revenues” that are available or appropriated (by the Town) to pay down the amount of monies to be raised for tax commitment.
- Subsequently, comparing mil rates from year to year or even Town to Town does not correlate directly to tax bills being higher or lower from year to year. Not all Town municipal budgets are the same. Not all Town’s total assessed valuations are the same. Nor are school budgets, reimbursements or “other revenues” etc., the same. Example: A property owner in Bar Harbor with a mil rate of 8.0 does not necessarily mean they pay less taxes than a property owner in (any) Town with a mil rate of 12.00 or higher.

NOTE: The current mil rate for Columbia Falls is 19.80. This will be reduced as part of the townwide revaluation. The new tax rate will not be known until taxes are committed in July 2027.

HOW WILL THE REVALUATION AFFECT MY TAXES?

- By itself, a revaluation is revenue neutral, meaning it does not raise more revenue for the Town, but rather, distributes the tax burden more equitably (equally) among all property owners.
- An increase in the total taxable valuation of the Town will result in a decrease of the millage or tax rate, i.e. mil rate.
- Because of this, an increase in the assessed value of your property does not always mean that taxes will increase.
- The determining factor is how much your property increases in value in relation to the change in mil rate.
- Some owners will see increases while others will see decreases, and yet others may remain approximately the same.