



CHARTER COMMISSION

Tax Assessment 101

Mil Rate



What does 'Mil' mean?

Latin term Mille..... Meaning thousandths or per thousand.
New Gloucester's Mil Rate is \$13.80.

For each \$1000 in property value, you pay \$13.80

A typical house in New Gloucester is valued at
\$368,000 = \$5078.40 in taxes (*Zillow)



Types of Taxes Collected

- Property Taxes
 - On all land and buildings
 - (exempt are religious organizations, veteran organizations and some non-profits)
 - 8.9 Million ish
- Personal Property Taxes
 - Business equipment not used for personal use
- Excise Taxes
 - (Campers, ATV's, Boats, Vehicles)
 - 1.1 Million collected per year!



Where do the taxes go....

74% of the taxes goes to the School Unit	\$10.28
4 % of the taxes goes to the County	\$.62
21% of the taxes goes to New Gloucester	\$ 2.90

On that \$368,000 valued house \$5078 is divided (rounded) to:

- \$3783 School
- \$229 County
- \$1066 New Gloucester



Who Determines taxes?

- The Board of the Selectmen also serve as the Board of Assessors.
- The Board of Assessors appoint an Assessors Agent to determine property values.
- John O'donnell & Associates
www.jeodonnell.com



What is Abatement?

- Generally, It's a process of correcting an over assessment in taxes.
 - tax on property that does not belong to the property owner
 - tax on property that was sold
 - tax on business equipment that is not owned any more
 - tax at higher value then the property is worth
 - Hardship Abatement where the homeowner can not pay the taxes



What is Overlay?

- Is only used if there is a shortage in tax revenues. Other wise this account can not be used. At year end any balance is returned to the undesignated fund.

And/or

- Used for rounding purposes. If the tax rate is \$13.62 it is generally rounded to \$13.65 to make calculations easier.

Appeal Process

- Assessors Agent
- Board of Assessors
- County Commissioners
- Court



What is a TIF?



Tax Increment Financing

In general, a certain area of town is determined a TIF district. Taxes are partial exempted or frozen at a certain level. In New Gloucester's case it is Pineland.

The taxes from the TIF district are set aside and used for projects that directly effect that area of town. In Example, Morse Road Reconstruction, part of the Fire Station Bond, Public Works Bond

Property Valuation from the TIF district is sheltered



Positives and Negatives of TIF's

- Encourages business development in certain districts as they generally will get a tax break.
- In general terms it is a special savings account for the town
- When the TIF expires it will increase the tax value of the town. In turn affecting state aid.
- They are very complicated to administer and often require special attorneys



Tax Assistance Programs

- Veterans Exemptions
 - 62 years or older or
 - 100% disabled
 - \$6,000 exemption (\$83)
- Home Stead Exemptions
 - Must be primary residence
 - Must lived at if for full 12 months
 - \$25,000 exemption (\$345)
- BETE
 - Business Equipment Tax Exemption



Tax Assistance Cont.

- Municipal Tax Assistance Program

****Allowed by Law but not used here in New Gloucester****

Can be offered to those over 62 years old.

Amount of assistance set by town

Must be awarded on income basis

Renters are Included (15%)



Tax Bills and TANs

- Taxes are due twice a year.

October 7, 2021 and April 7, 2022

- What is a TAN?

Tax Anticipation Note

- Some municipalities have tax collection once a year

In order to pay their bills they need to take a loan to to cover until taxes are collected.



Town Wide revaluation/equalization

Mil Rate 2020 \$16.90 Mill Rate 2021 \$13.65

What Happened?

Fund Budget= Towns Evaluation x Mil Rate

Fund Budget= towns evaluation x HIGHER MIL RATE \$250k Homes

Fund Same Budget= TOWNS EVALUATION x lower mil rate \$368k Homes