

**Commitment**

**Assessment**

**Budget**

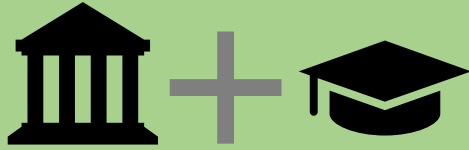
# **Three Primary Stages of Establishing Annual Property Tax**

- 1. Budget Development**
- 2. Assessment & Tax Roll Development**
- 3. Commitment & Tax Billing**

# Budget Development

Commitment

## Municipal & School:



### **January 2023: Budget development begins.**

- Individual departments begin assessing their departmental needs to provide services required for fiscal year 2024.
- The School Board begins the same process for the Brunswick education system.

### **April 3, 2023: Town Manager presents a proposed budget.**

- The Town Manager refines department requests and establishes a budget to present to the Town Council for consideration.

### **May 22, 2023: Town Council adopts a budget.**

- After multiple public hearings, dozens of presentations, and continued refinement, the Town Council formally adopts a budget.

### **June 20, 2023: School budget referendum.**

- The school budget is approved (or rejected) by the residents of Brunswick through referendum.
- On June 20, 2023 residents approved the school budget with a 1,280 to 862 vote.

## County:



### **December 12, 2022: Cumberland County adopts a budget.**

- The county budget is prepared by the county budget committee and controlled by the County Commissioners. Each municipality within Cumberland County is allocated a percentage of the total county budget.

Assessment

Budget

# Budget Development

## Frequently Asked Questions

### **Who controls the budget and spending?**

Brunswick residents do - through the officials they elect. The municipal and school budgets are approved by the Town Council and the county budget is approved by the County Commissioners. The budget process is an open process and residents do have a say in the matter.

### **What do my property taxes pay for?**

The following are just a few of the many services funded through your annual tax bill: schools, police & fire, road repair and maintenance, parks and recreation, city hall services, library, & county services.

### **I don't have a child in the school system. Why do I have to pay for education?**

Property tax is not an à la carte tax. Property taxes are in place to support every citizen regardless of how much or little they use the service provided. For example, most citizens do not traverse every public road or may never encounter an event that requires assistance from the fire department.

### **How can I be involved in the process?**

Attend budget meetings. They are open to the public and publicly noticed on the Town's webpage. You can also sign up to receive text or email notifications of important meetings using the Town's 'notify me' feature on the webpage. The budget process spans over 5+ months and in 2023 there were 16 different presentations.

# Assessment & Tax Roll Development

The Town Assessor has a statutory requirement to assign value to all property within the municipality for property tax purposes. The assessor is charged with the following major duties:

1. Discover and value all taxable and exempt real and personal property.
2. Administer taxpayer benefit programs.
3. Maintain accurate tax maps of the land.
4. Create and maintain property records.

Property in Maine is to be assessed according to rules embedded in the State Constitution, Maine Statutes (primarily Title 36), and case law. Local ordinances play no part in the process. These laws direct the Assessor to estimate an approximate market value of each property. The Assessor adjusts values in light of current market or physical changes to properties. Maine Revenue Service's Property Tax Division annually audits the work of the Assessor to ensure compliance with legal practices.

The Basics:

- All taxes shall be assessed and apportioned equally according to just value.
- All property shall be assessed at a minimum of 70% of just value.

The assessment process is an ongoing, overlapping, cyclical process that generally resets in April of each year.

# Assessment & Tax Roll Development

## Frequently Asked Questions

### When is Property Assessed?

According to the Maine Constitution and State Law, property is assessed as of one day each year; that day is April 1.

### Why April 1?

The April 1 assessment date is used for 3 reasons:

1. Sets the owner of record.
2. Sets the property valuation date.
3. Sets the taxable status for all properties.

### What does 'just value' mean?

Over the years, Maine's Courts have determined the term just value is to be used synonymously with market value.

### How is market value determined?

There are 3 methods:

1. Compare the selling price of similar properties. (Market Approach)
2. Determine the cost to replace the property minus depreciation. (Cost Approach)
3. Evaluate the income potential for income-producing properties. (Income Approach)

# Commitment & Tax Billing

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## **Tax Commitment:**

The date set each year when the Town Assessor commits the Town's assessment roll to the Tax Collector to allow for the receipt of property tax payment. The tax commitment process does 3 things:

1. Finalizes property valuations.
2. Sets a tax rate.
3. Commences the billing process in order to fund resident approved services.

## **The Tax Commitment Process:**

- Budgets are certified to the Town Assessor to be used in calculating the annual tax rate.
- The Assessor finalizes valuations.
- The tax levy is divided by the taxable valuation to determine a tax rate.
- The Assessor certifies the assessed tax to the Tax Collector.
- The Tax Collector prints and distributes tax bills and collects payment.

# Commitment & Tax Billing

## Frequently Asked Questions

### What is the property tax rate?

The property tax rate (also known as a mil rate) is the amount per \$1,000 of property value which is used to calculate your tax bill. Brunswick's 2023 tax rate is \$23.29.

**Example:** If the tax rate is \$23.29 divided by \$1,000 and a property's assessed value is \$200,000 then the tax bill would be \$4,658. ( $\$23.29/\$1,000 \times \$200,000 = \$4,658$ )

### How is the tax rate calculated?

The tax rate is calculated by taking the tax levy (municipal, school, and county budgets combined less all revenues) and dividing it by the taxable valuation (all the Town's taxable real estate and personal property value combined). Tax Levy/Taxable Value = Tax Rate

### When are taxes due?

The first half of real estate payments are due October 31, 2023. Personal property payments are due in full October 31, 2023.

Second half of real estate payments are due April 16, 2024.

# The Property Tax Cycle

## Fiscal Year 2024

