

## **FY24 Budget Review - Assessing (141)**

Discussion with Brad Hinote on February 27<sup>th</sup> 2023

For Fin Comm: Tim Counihan and Chris Kanaga

### **Assessing (141)**

Expenses	Adopted	Expended	Exp vs Adopted
FY24	232,852		
FY23	224,068		
FY22	213,887	213,732	-0.1%
FY21	210,765	207,031	-1.2%
FY20	231,711	223,299	-3.7%
FY19	231,614	192,425	-17%

Assessing's budget has dropped over the past years as Brad has taken over most of the assessor's field work, previously done externally by an appraisal company.

Assessing is responsible for determining most of the Town's income. It sets the valuations for all Town real estate, personal property, motor vehicles and vessels. Most of the Town's revenues come from real estate taxes, 93% of which are residential. A 3-year reappraisal cycle assuring full and fair valuations was completed in 2022. The median increase in valuations was 10.5%. Based on FY22 sales, median valuations for FY23 were increase by 28% and indications from sales year-to-date in FY23 are that residential valuations may increase by another 10%. Brad will be reviewing last year's 94 house sales in detail over the next several months. For FY23 average assessed value is \$1,023,000.

Importantly, Assessing is responsible for determining the growth in taxable new property, whether it comes from building permits, identification of building improvements through reappraisal, increased business valuations, or new vehicles or vessels. These set the allowance for how much above the statutory 2.5% the Town can raise its taxes. Preliminary indications are that this may add another 1% this year. One hundred twenty-four properties were newly constructed or had additions last year for a value of \$30.5M. Brad assesses how much of the construction has been completed as of 1/1/23.

Assessing also manages appeals and exemptions.

Assessing also takes in income for copies and abutters list fees as well as passport acceptance fees which have doubled in the past year as Orleans residents have started traveling again. Seven months into FY23, passport fees are already at \$9,500 up from \$6,000 for all last year.

We again discussed whether sewerage would increase values in the downtown. Brad said that it would need to be determined by increases in sale prices, which will not be well understood until the Town has new sales in the rezoned downtown sewerage district.

We also discussed whether short-term rentals might require the use of income-based valuation. While Brad has received a list of over 700 properties used for short-term rentals from the state (which he has pared down to 660 based on duplicates, etc.), and has entered those into the property cards, he will continue to use a sales-based approach to residential valuations.

The Assessor's office has begun transferring its paper records over to Laserfiche. Since Thanksgiving, information from one out of the ten file cabinets has been scanned.

Looking forward, Brad might acquire mobile assessing software in the future.