



Homeowner's Guide to Property Tax Bills

What is a property tax bill and why do I receive one?

A property tax bill is a bill based on the total assessed value of your property (land and or buildings less any exemptions). Your total assessed value is then multiplied by the tax rate which creates your tax bill. Per the State of Maine Constitution all real estate and personal property located within the State of Maine is subject to taxation unless specifically exempted by a state statute. Every year, all tax bills are mailed to the last known owner of record as of April 1st.

Currently Saco's tax bills are due in August (1st half) and February (2nd half).

What does my tax bill pay for?

The following are just some of the many services funded through your yearly tax bill:

Schools/Education	Police, Fire & Rescue	Road Repair	Public Works
Parks & Recreation	City Hall Services	Library	County Services

How is property assessed?

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

The April 1st assessment date is used for 3 reasons:

1. Sets **Owner of record**.
2. Sets **Property Valuation Date**.
3. Sets **Taxable Status** for all properties.

Assessments are based on fair market value by the following 3 methods:

1. Comparison of sales prices of similar properties within your neighborhood (less foreclosures).
2. Property replacement value minus depreciation.
3. Income potential for income producing properties.

What is the property tax rate?

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

*Example: If the tax rate is \$18.62 per \$1,000 and your property's value is \$200,000 then your tax bill would be **\$3,724**.*

How is the tax rate calculated?

$$\text{Tax Levy} / \text{Taxable Valuation} = \text{Tax Rate}$$

The tax rate is calculated every year by taking the total **Tax Levy** (Combined municipal, school and county budgets minus all revenues) and dividing it by the total **Taxable Valuation** (all the City's taxable real estate and personal property combined)= **Tax Rate**.

Who controls the budget and spending?

1. The **municipal budget** is approved and controlled by your elected City Council members.
2. The **school budget** is prepared by the RSU 23 school board and approved by the citizens.
3. The **county budget** is prepared by the county budget committee and controlled by the York County Commissioners. *Each municipality within York County is allocated a percentage of the total county budget.*

Once all three budgets have been certified to the Assessor, the tax rate is then calculated.

The Assessor is expected to:

1. Assess property no less than 70% and no more than 110% of fair market value.
 2. Assess all property fairly & equitably (ensure similar properties are treated the same way).
 3. Make every attempt to send the tax bill to the last known owner as of April 1st of each year.
- If you **purchased property before April 1st**, the City of Saco will assess you for the property as you are the owner of record as of April 1st.
 - If you **sold property after April 1st**, please forward the tax bill to the new owner.
 - If you **purchased the property after April 1st**, the City of Saco will make every effort to send you the 2nd half tax bill.

The State of Maine provides property tax relief programs:

1. **Revenue Sharing** (sent to the City to help lower the *tax levy*)
2. **Homestead Exemption**
3. **Veterans Exemptions**
4. **Property Tax Fairness Credit** that can be claimed on the Maine Individual Income Tax Form.

Saco has a Tax Bill Payment Plan Option:

The City of Saco started a payment plan option called "EZ Pay Tax" for citizens." This is for citizens that are paying their real estate taxes directly to the City – this option is for taxpayers who do not have their taxes escrowed by a bank. EZ Pay Tax would allow residential taxpayers to pay real estate taxes in eight installments, starting in Sept and ending in April, with no interest. Citizens who agree to participate must be paying the current year taxes and have no outstanding real estate tax bills. If you are interested in this program, please contact the Finance Dept. at 282-1032.

Senior Tax Relief Work Program Info:

The City of Saco has implemented a tax relief work program for Senior Citizens. This work program allows for qualified seniors to receive a tax bill abatement of up to \$750.00 in exchange for volunteering up to 100 hours of service. For more information please contact the Assessing Department at 282-1611.