

FENWICK ISLAND RE-VALUATION



PROPERTY TAXES – 34%

\$728,267

- Residential Property Assessments – \$31,361,376
- Commercial Property Assessments – \$ 5,083,095
 - Total Assessment – \$36,444,471

HISTORY

- Last Property Revaluation completed in 1976 (42 years ago)
- Current Tax Rate – \$1.92 per \$100 of Assessed Value
- Last tax increase – 2005 (13 years ago)
- Assessed Value equals half of the appraised value

CALCULATING TAXES ON A PROPERTY

- Three components to the calculation
 - **Assessed Value (half of appraised value) – *to be re-valued***
 - Per dollar charge – \$100
 - Tax Rate – \$1.92
- Formula
 - Assessed value divided by \$100 multiplied by Tax Rate
 - $\$44,549/\$100 \times \$1.92 = \855.34

TAXES BY THE NUMBERS

	Residential	Commercial
Assessment		
Lowest	\$ 1,453	\$ 7,875
Highest	\$ 216,112	\$ 772,900
Average	\$ 44,549	\$ 112,958
Billing		
Lowest	\$ 28	\$ 151
Highest	\$ 4,149	\$ 14,840
Average	\$ 855	\$ 2,169

WHAT IS REASSESSMENT/REVALUATION?

- A reassessment/revaluation is when a municipality establishes an official value of real property within the corporate limits of the municipality.

WHY DO A REASSESSMENT?

- The purpose of a reassessment is to fairly distribute the tax burden among all property owners based on the current value of their property.
- Real estate is appraised so that all property owners fairly share the cost of Town services, such as police protection, street maintenance, plowing snow, clean up, maintenance of Town parks and many other services.

FENWICK'S CURRENT DISTRIBUTION SUMMARY

# Residential Properties	# Residential Percent	Taxes Paid <
318	41.46%	\$500
264	34.42%	\$1,000
98	12.78%	\$1,500
42	5.48%	\$2,000
26	3.39%	\$2,500
9	1.17%	\$3,000
4	0.52%	\$4,000
6	0.78%	\$4,200
767	100.00%	

HOW IS THE MARKET VALUE OF MY PROPERTY DETERMINED?

- Licensed assessors review information from inspection of the property, and analyze and compare all recent property sales in the neighborhood.
- Those comparable sales are used to formulate the valuations in that specific neighborhood.
- Variables such as age, size, quality, condition, location and amenities are important factors given consideration.

DELAWARE LAW – THE ROLLED - BACK RATE

- Title 22 Municipalities, Chapter 11. Assessments for Municipal Taxation § 1105
- **Tax rate upon reassessment; notice.**
- (a) When any total reassessment of taxable properties within a municipal corporation of this State (hereinafter "municipality") shall have become effective, a tax rate shall be computed so as to provide the same tax revenue as was levied during the prior fiscal year. That rate shall be known as the "rolled-back rate." Any initial assessment made on new construction shall not be taken into account in determining such limitation.
- (b) The ordinance establishing a property tax rate upon total reassessment shall state the percent, if any, by which the tax rate to be levied exceeds the rolled-back rate computed pursuant to subsection (a) of this section, which shall be characterized as the percentage increase in property taxes adopted by the governing body. Within 15 days of the meeting at which the ordinance shall be considered by the governing body, the municipality shall advertise, in a newspaper of general circulation in the municipality, said percentage increase in the tax rate.
- 64 Del.Laws, c.363, §1.

WHAT HAPPENS NEXT?

- With Council approval the RFP will be issued.
- Proposals will be received through November 30, 2018

WHAT HAPPENS NEXT? (CONTINUED)

- Proposals will be evaluated on the basis of:
 - Qualifications of the Proposer
 - Technical Proposal Content
 - Quality of Service
 - Price

WHAT HAPPENS NEXT? (CONTINUED)

- The Mayor and Council will appoint a selection Committee
- The selected firm will be approved by Council.
- A firm will be selected and a proposed schedule for re-valuation will be developed.