CITY COUNCIL WORKSHOP

MEETING TO BE HELD REMOTELY

DATE: March 8, 2021

TIME: 5:00 PM

ZOOM:

The Portland City Council will hold a meeting on Monday, March 8, 2021 at 5:00 PM. This meeting will take place remotely using Zoom. Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403A, that authorizes cities and towns to conduct meetings online.
Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be uploaded to portlandmaine.gov/livestream the next day. For public comment, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public.
Please click the link below to join the webinar:
https://us02web.zoom.us/j/84374537860?pwd=ZVFsTTRJV3d0VzJDUVZnaU9tajh5dz09
Passcode: 671633
Or iPhone one-tap :
US: +19292056099,,84374537860#,,,,*671633# or +13017158592,,84374537860#,,,,*671633#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 929 205 6099 or +1 301 715 8592 or +1 312 626 6799 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799
Webinar ID: 843 7453 7860
Passcode: 671633
International numbers available: https://us02web.zoom.us/u/kAlCj7JI6

AGENDA ITEMS:

Property Revaluation

- **Staff Presentation**
- **Council Q&A**

The 2020 Portland Revaluation Project

Chris Huff
Tax Assessor
City of Portland

The 2021 Portland Revaluation Project

"The best laid plans of mice and men often go awry."

Chris Huff
Tax Assessor
City of Portland

City of Portland Assessor's Office

Mission Statement: Our mission is to serve the citizens of the City of Portland by efficiently and fairly valuing all real estate and business personal property for ad valorem tax purposes. We provide a full and fair opportunity for taxpayers to examine and question their assessments. Our office maintains the assessment rolls, tax maps, and real estate registry for all parcels within the City. We strive to provide useful information in a courteous and friendly manner to the public. We carry out this mission with impartiality, fairness, equity, transparency and in compliance with all State of Maine statutes and laws.

Motto: We *appraise* property, but we *value* people!

The Team

Combined total of over <u>120 years</u> of service to the City in this office!

Joe Montefusco

Tax Assessment Analyst

Handles all data and report requests. Appraises all condos and commercial properties in the City

Jim Merrill

Senior Appraiser

Appraises all residential properties within the City

Laurie Carlson

Personal Property Appraiser

Appraises personal property, administers BETE and BETR program

Suzanne Jennings

Assessment Support Services Specialist

Administers all deed registry and ownership changes, Homestead and Veteran Exemptions and mapping changes

Brad Saucier

Office Clerk

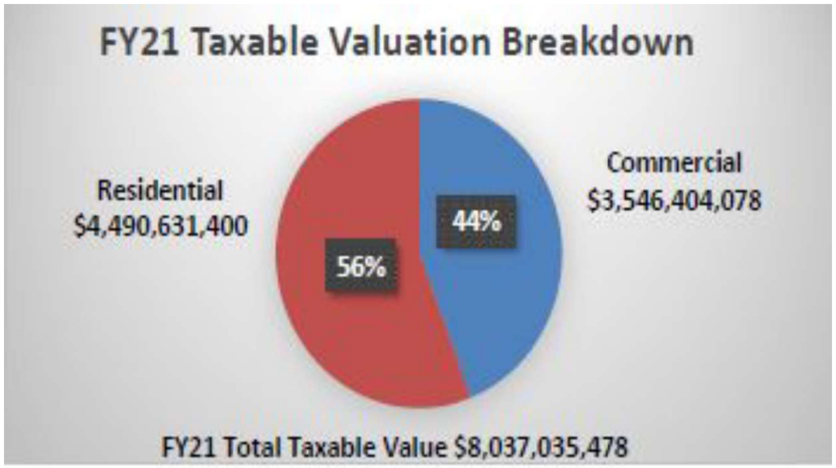
Provides outstanding customer service to callers and visitors; supports all office functions

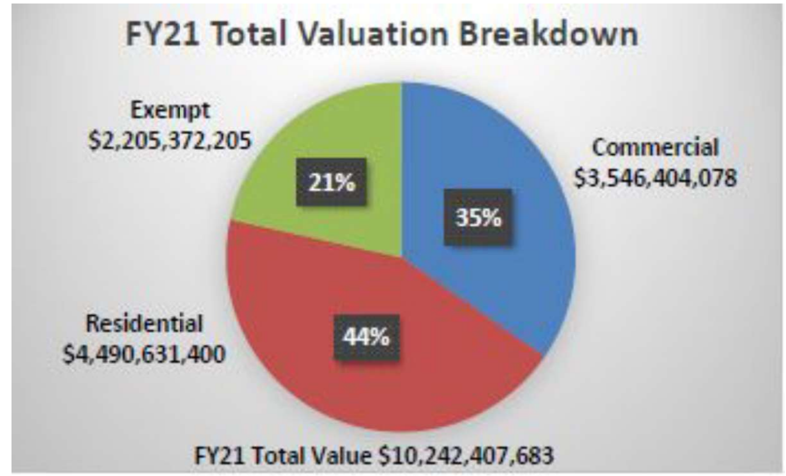
FY21 by the Numbers

- Total Taxable Assessed Value: $ 8,037,035,478
  - Generates $ 187,343,297 in tax revenue
    - Residential - 56% of tax base; 84% of parcel count
    - Commercial - 44% of tax base; 11% of parcel count

- Increase of 1.27% or $ 100,880,868 from FY20
  - Added $ 2,351,533 in new tax dollars
    - $ 1,171,063 to the City side of the budget

- Total Assessed Value: $ 10,242,407,683
  - Taxable - $ 8,037,035,478 or 79%; 95% of parcel count
  - Exempt - $ 2,205,372,205 or 21%; 5% of parcel count





	COMMERCIAL	RESIDENTIAL	EXEMPT	TOTALS
Real Estate	$ 3,286,889,108	$ 4,490,631,400	$ 1,952,046,915	$ 9,729,567,423
Personal Property	$ 259,514,970	$ -	$ 253,325,290	$ 512,840,260
Total	$ 3,546,404,078	$ 4,490,631,400	$ 2,205,372,205	$ 10,242,407,683
Parcels	2,701	20,390	1,270	24,361

What is a Revaluation?

A program undertaken by a municipality to appraise all property according to its full and fair just value.

The term “just value” has been interpreted by the Law Court to mean market value.

How is a Property Value Derived?

1. **Market approach**
   - Compare and adjust similar properties that have recently sold
   - Most often used method to value residential, vacant land
2. **Cost approach**
   - Calculate the cost to replace a structure with a similar one using today's labor and material prices
   - Subtract for depreciation and obsolescences
   - Add the value of the land
3. **Income approach**
   - Analysis of how much income a property would produce
   - Takes into account:
     - Income (PGI - EGI - NOI)
     - Operating expenses (Insurance, Maintenance, etc.)
     - Financing terms
     - Amount expected to be earned (Capitalization Rate)

Assessors use Computer Assisted Mass Appraisal (CAMA) techniques to analyze these approaches and estimate values for multiple properties simultaneously.

Mass Appraisal

- Process of valuing a group of properties as of a given date
  - Uses common data and standardized methods
  - Relies on valuation equations, tables, models and schedules and are developed through mathematical analysis
  - Models are measured against statistical standards
    - Sales Ratio Study
    - Cost Manuals
    - Income and Expense Data

Why a Revaluation?

The purpose of a revaluation is to ensure uniformity and equity in property values by eliminating the inequities that have developed since the last revaluation due to changing market conditions and time.

A revaluation is undertaken to:

- Secure a more equitable distribution of the tax burden
- To bring the assessment level up-to-date
- To modernize assessment tools and processes
- To comply with State of Maine statutes
- Ensure compliance with State and industry assessment standards

Why a Revaluation?

Maine Constitution

Section 7 - While the public expenses shall be assessed on estates, a general valuation shall be taken at least once in 10 years.

Section 8 - All taxes upon real estate shall be apportioned and assessed equally according to the just value thereof.

Maine Revised Statutes Title 36 ∫327 Minimum Assessing Standards

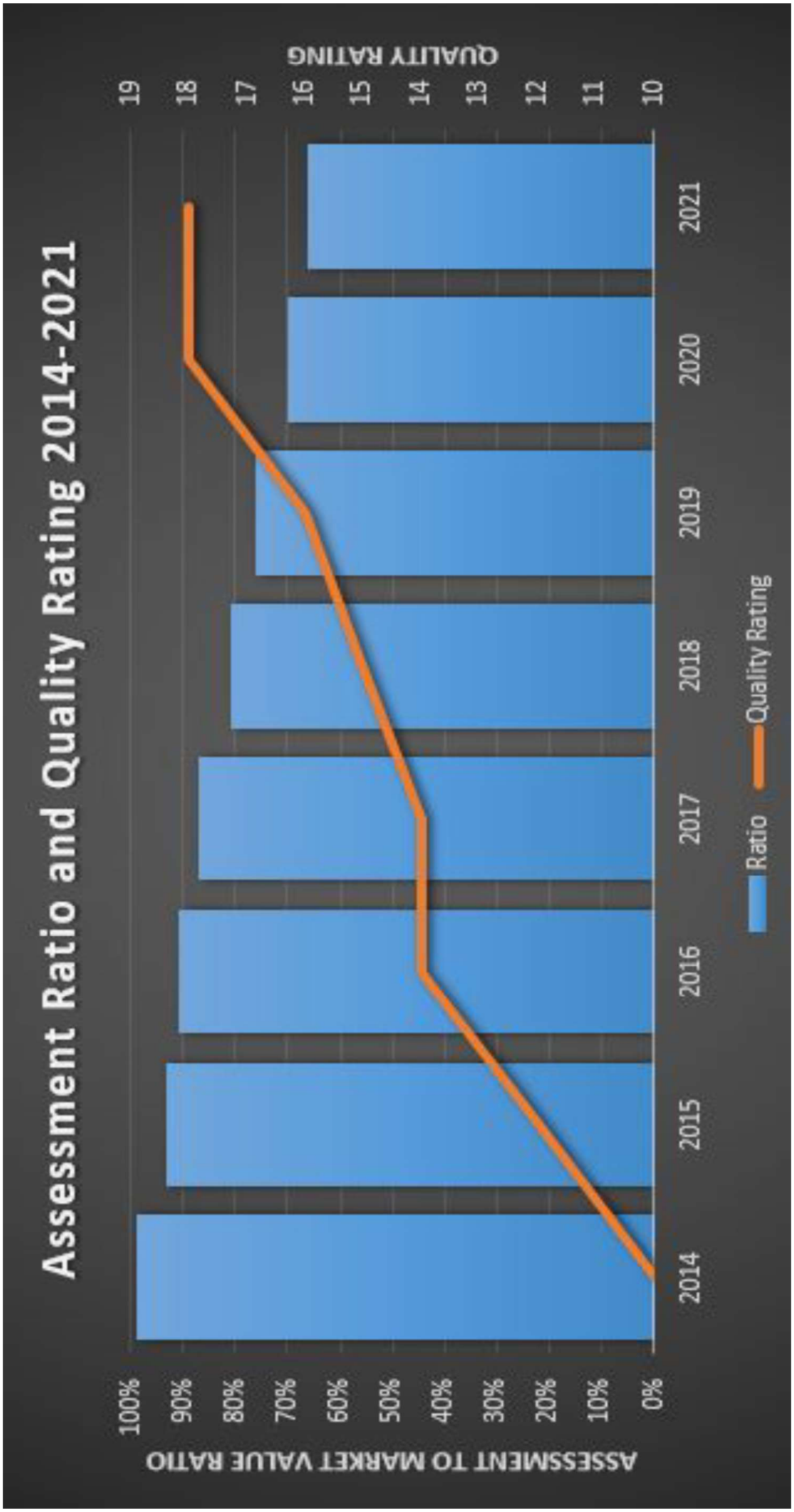
Assessment to Market Value Ratio

A municipality should have a minimum assessment ratio of 70% of its just value

Maine Revised Statutes Title 36 ∫327 Minimum Assessing Standards

Quality Rating

A municipality should have a maximum quality rating of 20



Assessment Ratio and Quality Rating 2014-2021
ASSESSMENT TO MARKET VALUE RATIO
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
QUALITY RATING
19
18
17
16
15
14
13
12
11
10
2014
2015
2016
2017
2018
2019
2020
2021
Ratio
Quality Rating

State Equalized Valuation (SEV)

The State Tax Assessor must adjust and equalize the assessment of each town to its just value as of April 1. State valuation represents a determination of the 100% valuation of all taxable property, <u>minus the captured assessed value in Tax Increment Financing Districts.</u>

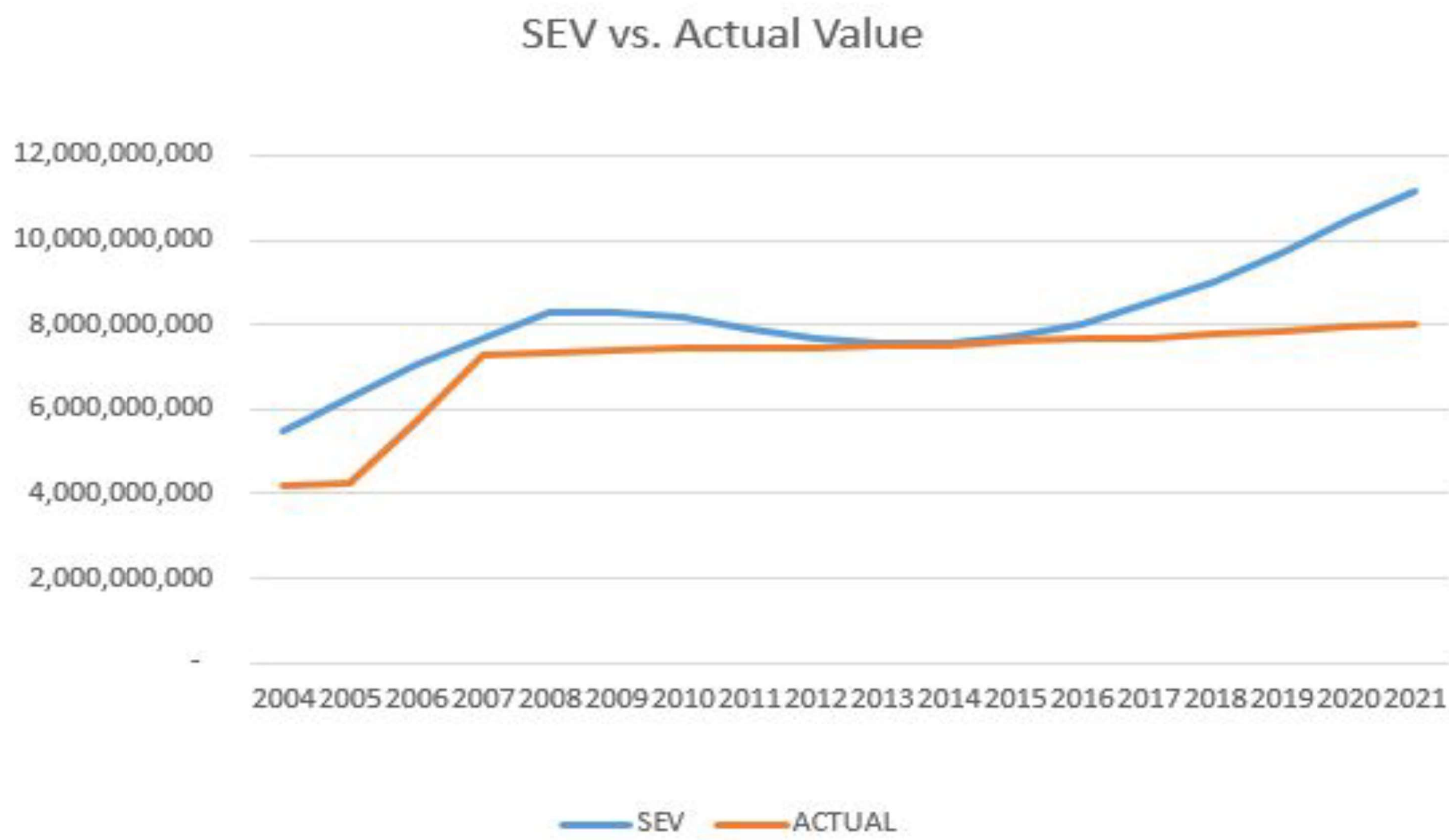
- School Subsidy / School Bond Debt
- County Taxes
- Revenue Sharing
- PWD Wastewater Assessment

State Equalized Valuation (SEV)

- 2021 State Equalized Valuation - $ 11,149,300,000
  - Increase of 6.1% or $ 642,300,000 from 2020
  - Assessment to Market Value ratio of 66%
  - Assessment Quality Rating 18

- Increase of $3,597,850,000 since 2014
  - 47% increase

- 2021 SEV represents the full equalized value of all taxable property as of 4/1/2019


SEV vs. Actual Value
12,000,000,000
10,000,000,000
8,000,000,000
6,000,000,000
4,000,000,000
2,000,000,000
-
2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
SEV
ACTUAL

Revaluation Goals

- Implement new values for all properties to reflect 100% of market value as of April 1, 2021
- Meet and exceed Maine assessment law and Maine Revenue Services standards and requirements for equity and uniformity in our assessed values
- Meet and exceed the Standards on Mass Appraisal - International Association of Assessing Officers (IAAO)
- Update internal software and processes to shorten the assessment cycle

Revaluation Project Guidance

Maine Revenue Services: Rule 208 - Revaluation Guidelines

- Firm providing services must have at least one CMA
- Prior to the project start, chosen firm and Assessor must meet with M.R.S.
- Copies, explanations and written descriptions of grading and pricing schedules, land pricing formulas, depreciation schedules, must be filed with the State Tax Assessor for review

International Association of Assessing Officers (IAAO)

- Professional membership organization of government assessment officials
- Promote excellence in assessment administration and property tax policy through professional development, research, technical standards and guidance.
  - Standard on Mass Appraisal of Real Property
  - Standard on Valuation of Personal Property
  - Standard on Verification of Sales
  - Standard on Ratio Studies
  - Standard on Contracting for Assessment Services
  - Standard on Automated Valuation Models (AVM)

City selects Tyler Technologies - CLT Appraisal Services

- Country's oldest and only national mass appraisal services company
  - Over 80 years experience in municipal valuation projects
  - Appraised nearly 50 million properties in 46 states

- Dependable service and long relationship with the City
  - Assisted and managed past revaluation projects
  - Tyler/CLT systems in use since 1980's

- Tyler has a large local presence in the Greater Portland area

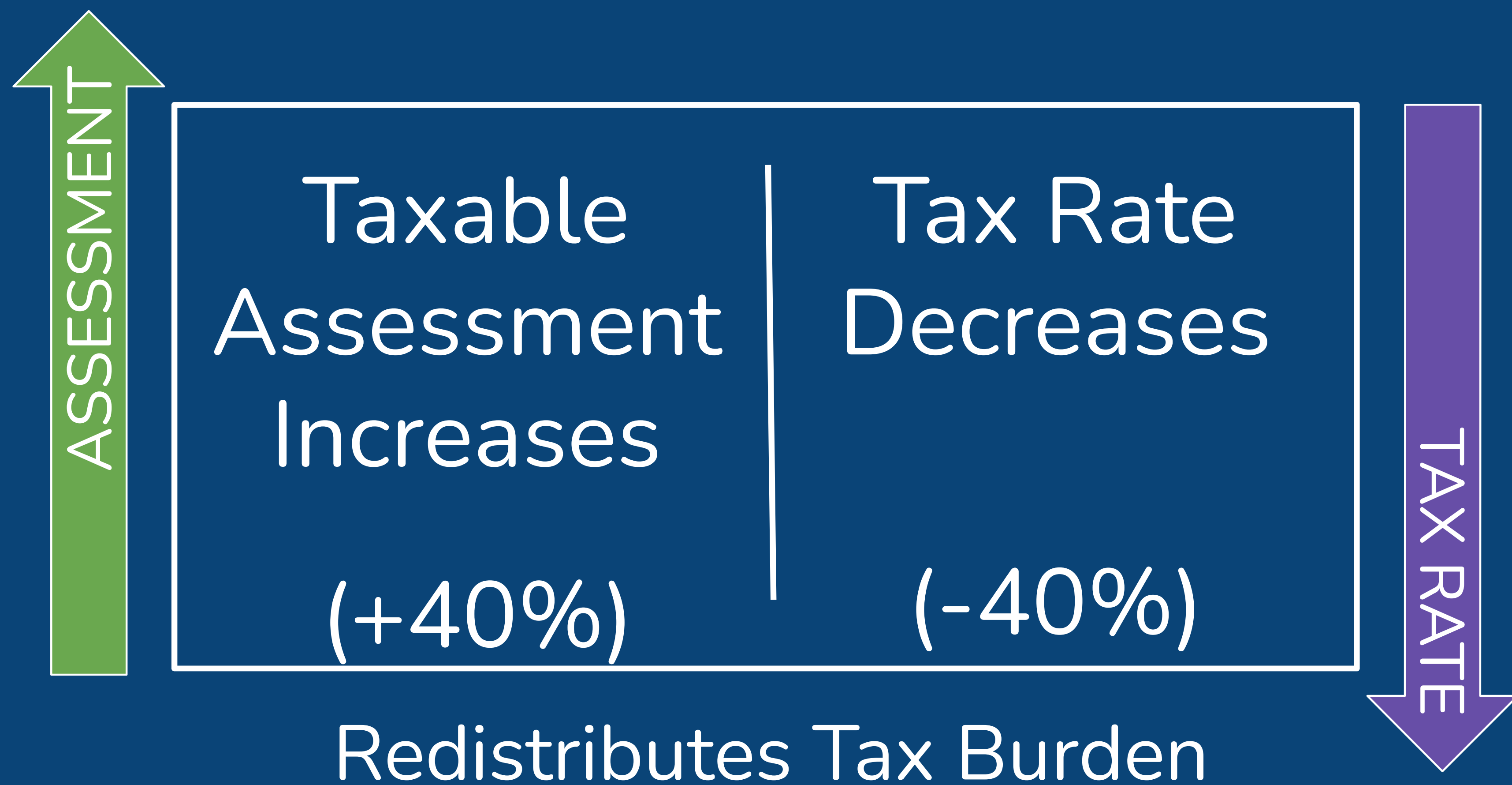
Revaluation Important Point

Revaluation DOES NOT raise new revenue for the City. The purpose is to value all properties by the same standard and equalize those values so that no one is paying more than their fair share.

FY21 budget called for raising $188,092,438 from property taxes.
$188,092,438 / $8,070,000,000 = .023307 or .02331 rounded or $23.31 per $1000 of assessed value

If that taxable value was $11,149,300,000, the tax rate would be .01687 or $16.87

Revenue Neutral



Tax Equalization

	Mrs. Smith	Mrs. Jones	Collected Taxes
Current Assessment	100,000	100,000	
Current Taxes	$2,331	$2,331	$4,662
Assessment after Reval	300,000	150,000	
Taxes following Reval	$3,108	$1,554	$4,662

Think of the total amount taxes collected as a pie. The assessor does not determine the size of the pie - that is a task of City Council.

The assessor's job is to ensure that the pie is cut up fairly - that taxes are fairly distributed based on uniform and equitable values.

#1 Revaluation Myth

A revaluation will cause everyone's taxes to increase!

Your taxes may increase, decrease or stay the same.

Property values and assessments WILL increase, but it does not mean that taxes automatically increase. If the increase in your assessment is less than the average increase, your taxes will decrease.

- The City's taxable value increases 40%
- Your property value increase is 38%
- Your taxes will decrease 2%

(Original) Project Timeline

2018 - City Council voted to fund project; aerial photography was flown; revaluation contract with Tyler was negotiated and signed

January / February 2019 - Project Kick-Off tasks

February 2019 - Sketch validation process started

March 2019 - Digital scanning project started

April 2019 - Street-level imagery started; Data Collectors / Field Reviewers started

May 2019 - Valuation/sales analysis started

August 2019 - Modeling process begins

December 2019 - Final Review & Q/A begins

April 1, 2020 - Assessment Date; new values to take effect

May 2020 - Final value notices to be sent

June 2020 - Informal appeals to begin

September 2020 - Tax commitment, tax rolls, tax bills generated

Delayed Implementation Due to COVID-19

- Potential market changes from COVID made it difficult to move forward with implementing new values as originally planned for 4/1/20 (FY21).

- <u>New values will be implemented for 4/1/21 (FY22)</u>
  - This allowed the time to analyze these changes and make adjustments

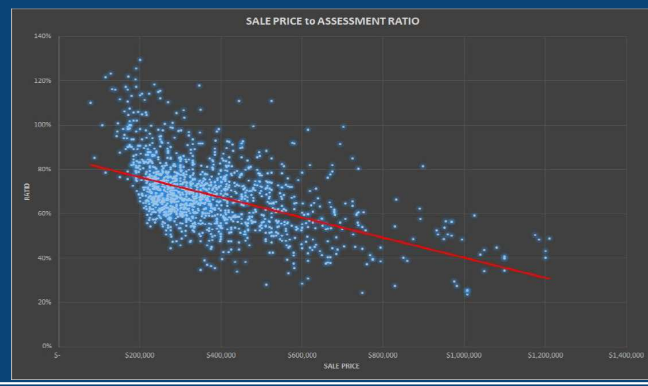
- None of the work from the project beginning is lost, in fact, it became the base for moving forward with a statistical adjustment to include 2020 sales

- Tyler remained on the project with a contract amendment updating the scope of work and additional costs.
  - Conducting statistical analysis of sales from 4/1/20 through 12/31/20, adjusting valuation models and system implementation
  - Will facilitate final value notices and conduct informal appeals, as contracted

Phases of Revaluation

Data Collection / GIS Sketch Validation

January 2019
to
February 2021



Data Analysis / Valuation Modeling / QA & Final Reviews

May 2019
to
April 2021

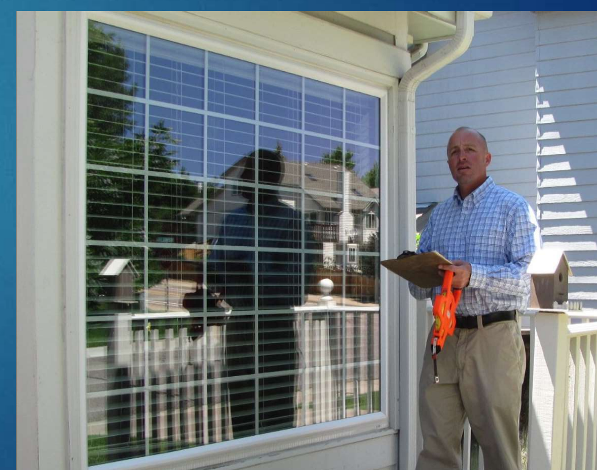
Notices and Informal Hearings

May 2021
to
August 2021

Phase 1: Data Collection

Portland’s Revaluation Project moved away from the “traditional” revaluation process in terms of data collection

- Traditional approach is labor intensive
- Take advantage of new technology
- IAAO Standard 3.3.5
- Saves time and expenses



IAAO Mass Appraisal Standard 3.3.5

Jurisdictions may employ a set of digital image technology tools to replace a routine cyclical field inspection with a computer assisted office review. This tool set should include:

- High-resolution street view images that enable quality, grade and physical condition to be verified
- Orthogonal images (minimum 6” per pixel)
- Oblique imagery (minimum 6” per pixel)
- Effective GIS tool sets that validate CAMA sketch data and compare building dimensions
- Data to verify changes to the interior characteristics
    - Permits / Plans
    - Data Mailers
    - Sales Data (MLS, Realtor.com, Redfin, etc.)
    - Field visits to verify data and observe changes in neighborhood condition and trends

A physical review shall be conducted when significant changes are detected.

Key Processes with 2021 Revaluation Program

- Street Level Imagery
- Sketch Geo-referencing and GIS Verification
- Appraisal Data Verification
- Digital Document Scanning

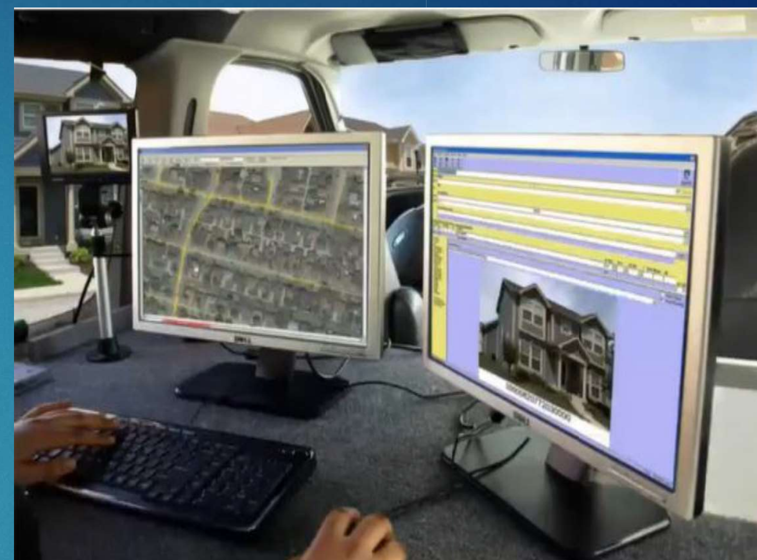
These functions greatly reduce labor needs, which reduce costs significantly. This also frees the assessment team to focus on **Property Valuation** rather than data collection to provide fair and accurate results to our property owners.

Street Level Imagery

- IAAO Standard: a high-resolution street view image that enables quality, grade and physical condition to be verified

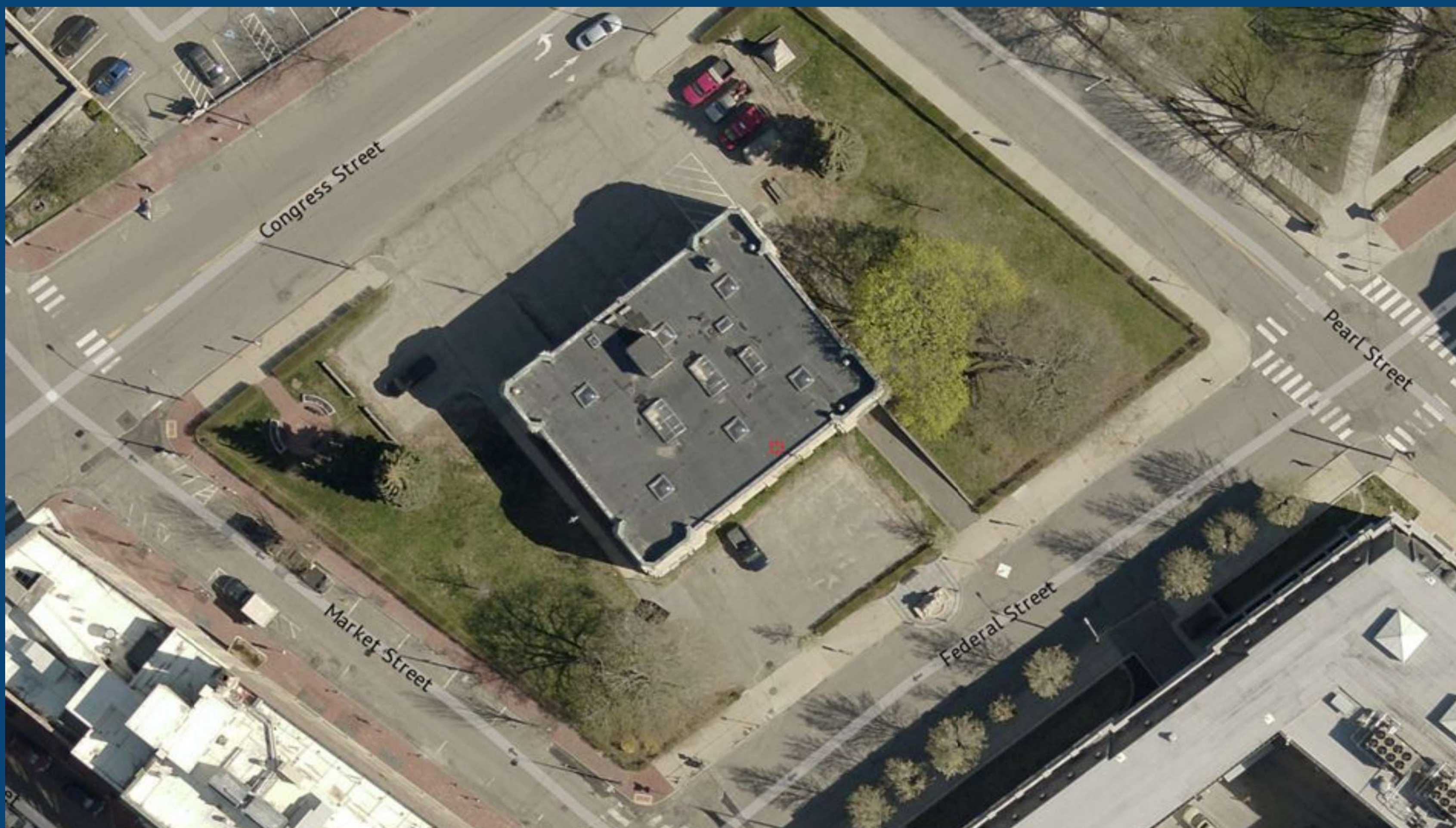
- Resolution: Professional DSLR – 12+ mp Digital Image
- Coverage: Structure is 75% of image; 2 sides minimum where possible

Street Level Imagery

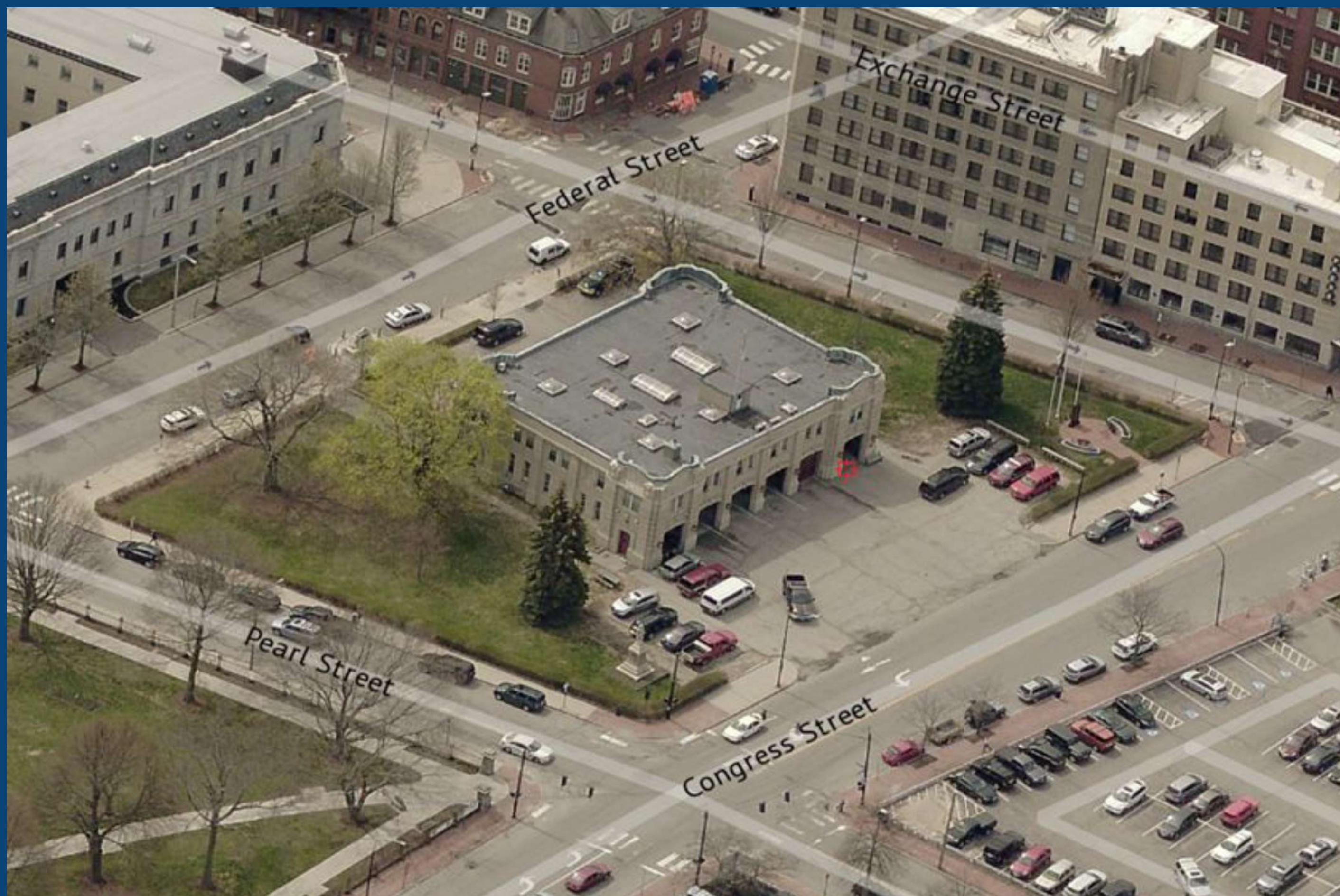


- 21,567 images taken in 5 weeks
- 98% of all parcels
- .06% error rate

Ortho Imagery



Oblique Imagery

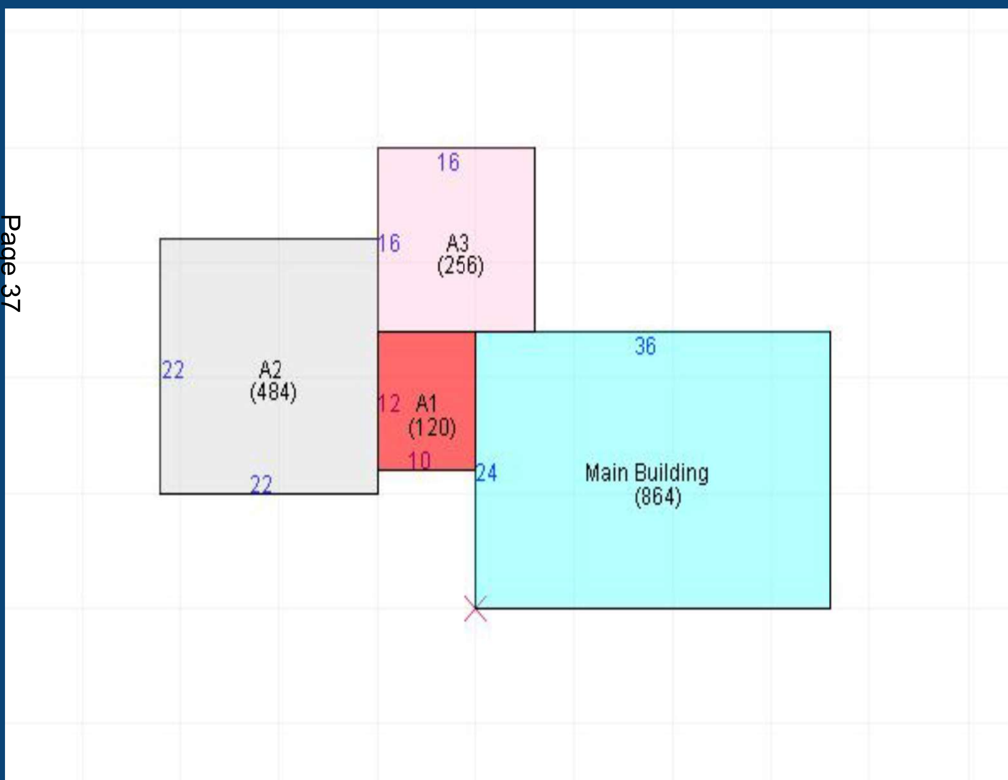


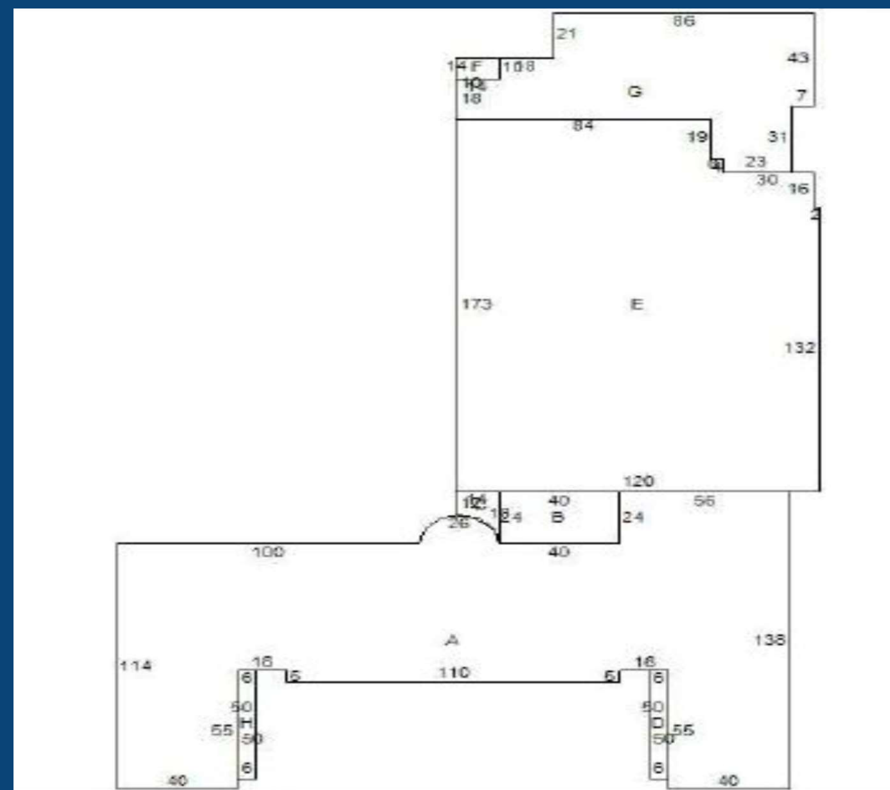
Oblique Imagery

Oblique Imagery

Sketch Geo-referencing and Verification

CAMA Sketch Vectors



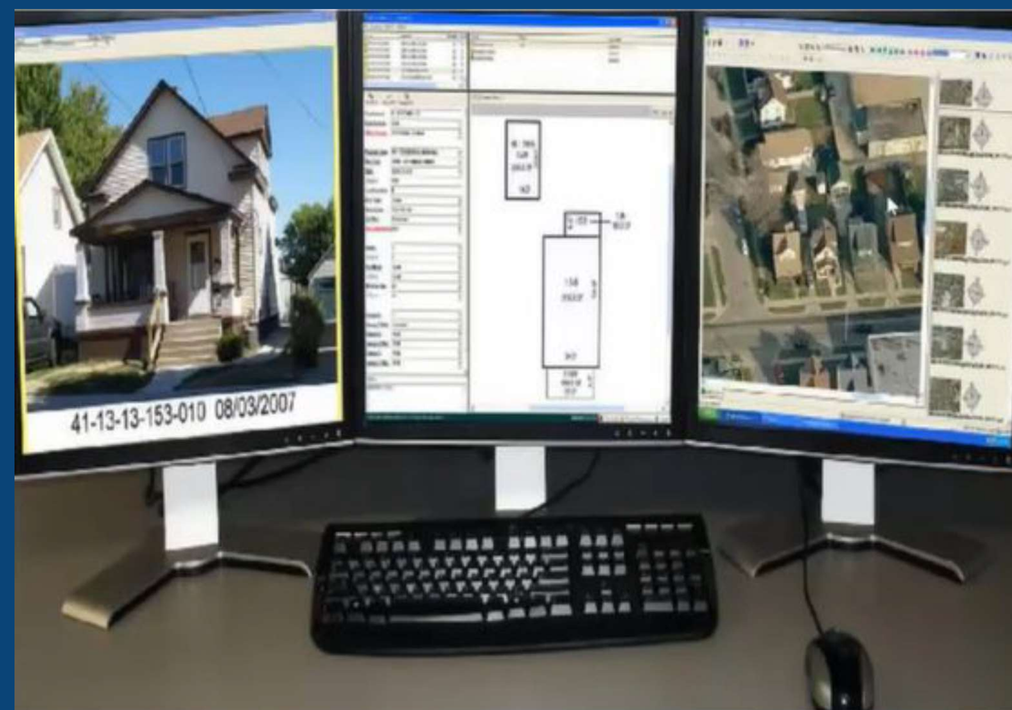


Sketch Geo-referencing and Verification

- Extract CAMA Sketch Vectors
- Rotate, Scale and Locate to Aerial Image
- Flag Exceptions
  - < 50 Sq. Ft. - OK
  - 50 - 250 Sq. Ft. - REVIEW
  - > 250 Sq. Ft. - VISIT

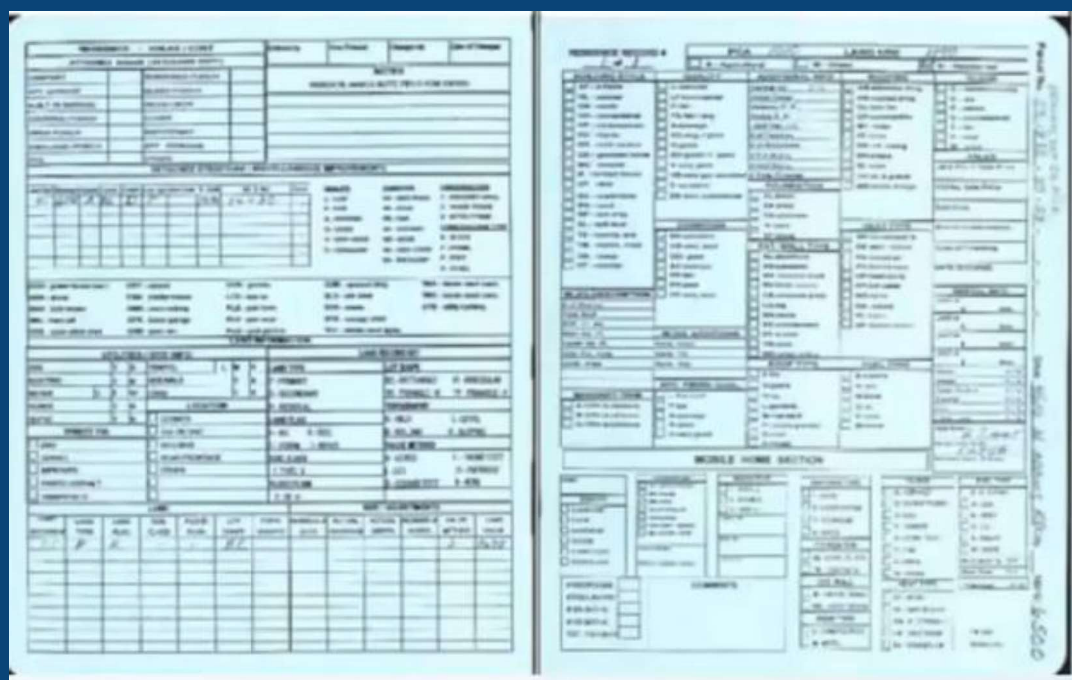
Data Verification

- Complete Desktop Review
- Review Multiple Datasets
- Verify Property Characteristics
- Verify Sketch
- Confirming Features & Outbuildings



Digital Document Scanning

Historical Property Records Cards from previous revaluations were scanned and will be indexed in CAMA allowing easier search and review of historical data.



Statistics to Date

- Street Level Imagery
  - 21,567 images taken

- Sketch Validation
  - Residential
    - 14,049 parcels reviewed
    - 2,049 or 15% flagged and field visited
  - Commercial / Exempt
    - 3,483 parcels reviewed
    - 202 or 6% flagged and field visited

Statistics to Date

- Data Mailers
  - Residential
    - 18,744 mailed
    - 13,181 returned or 70%
  - Commercial I&E Statements
    - 2,440 mailed
    - 810 returned or 33%
- Total Rate of Return - 66%

Statistics to Date

- Total Sales from Phase 1
  - 6,410 sales reviewed from 4/1/2017 through 12/31/2019
    - 5,380 Residential
      - 1,542 Condos
    - 688 Commercial
    - 342 Vacant

- Verified/Valid Sales for Sales Ratio Study
  - 2,624 valid sales
    - 41% of total sales

Statistics to Date

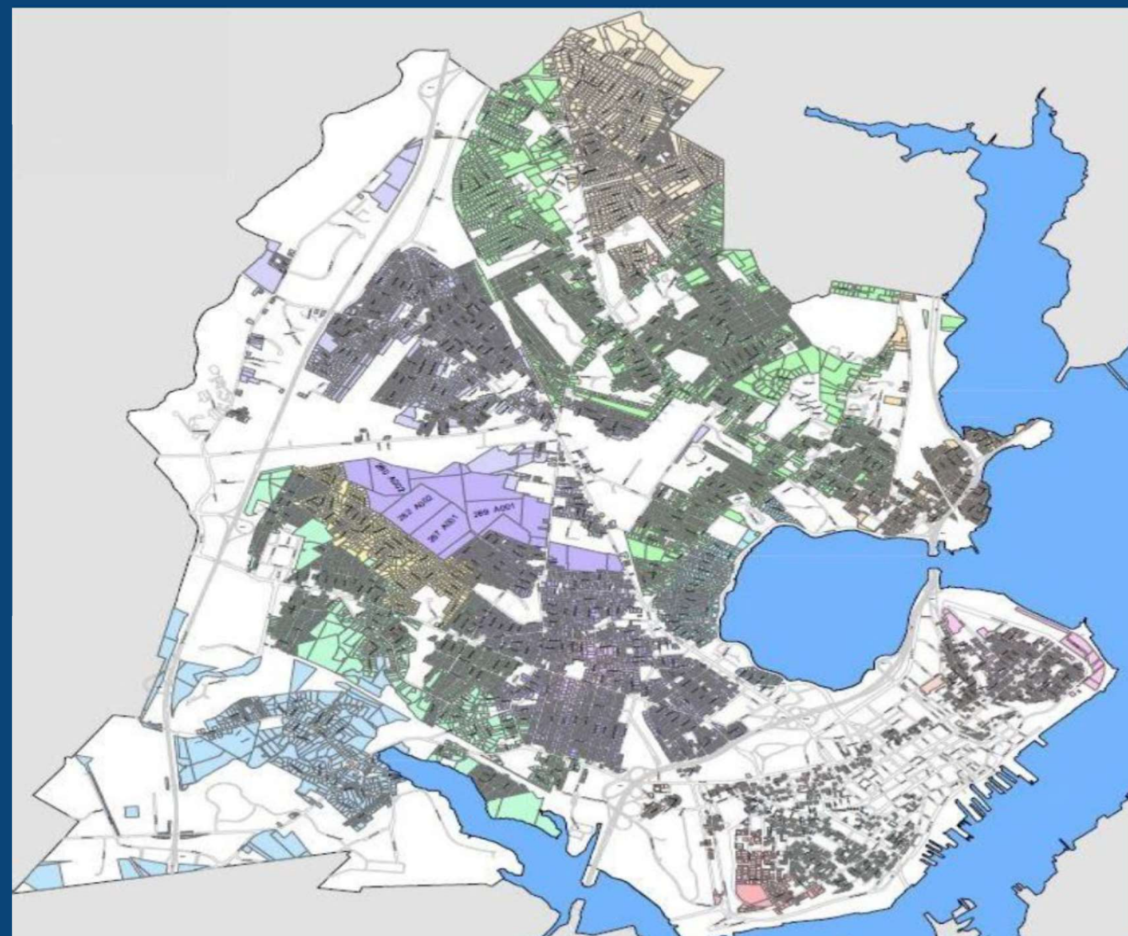
- Total Sales from Phase 2
  - 1,675 sales reviewed from 4/1/20 through 12/31/2020
    - 1,430 Residential
      - 390 Condos
    - 133 Commercial
    - 112 Vacant

- Verified/Valid Sales for Sales Ratio Study
  - 881 valid sales
    - 53% of total sales

NBHD Assessment Ratios

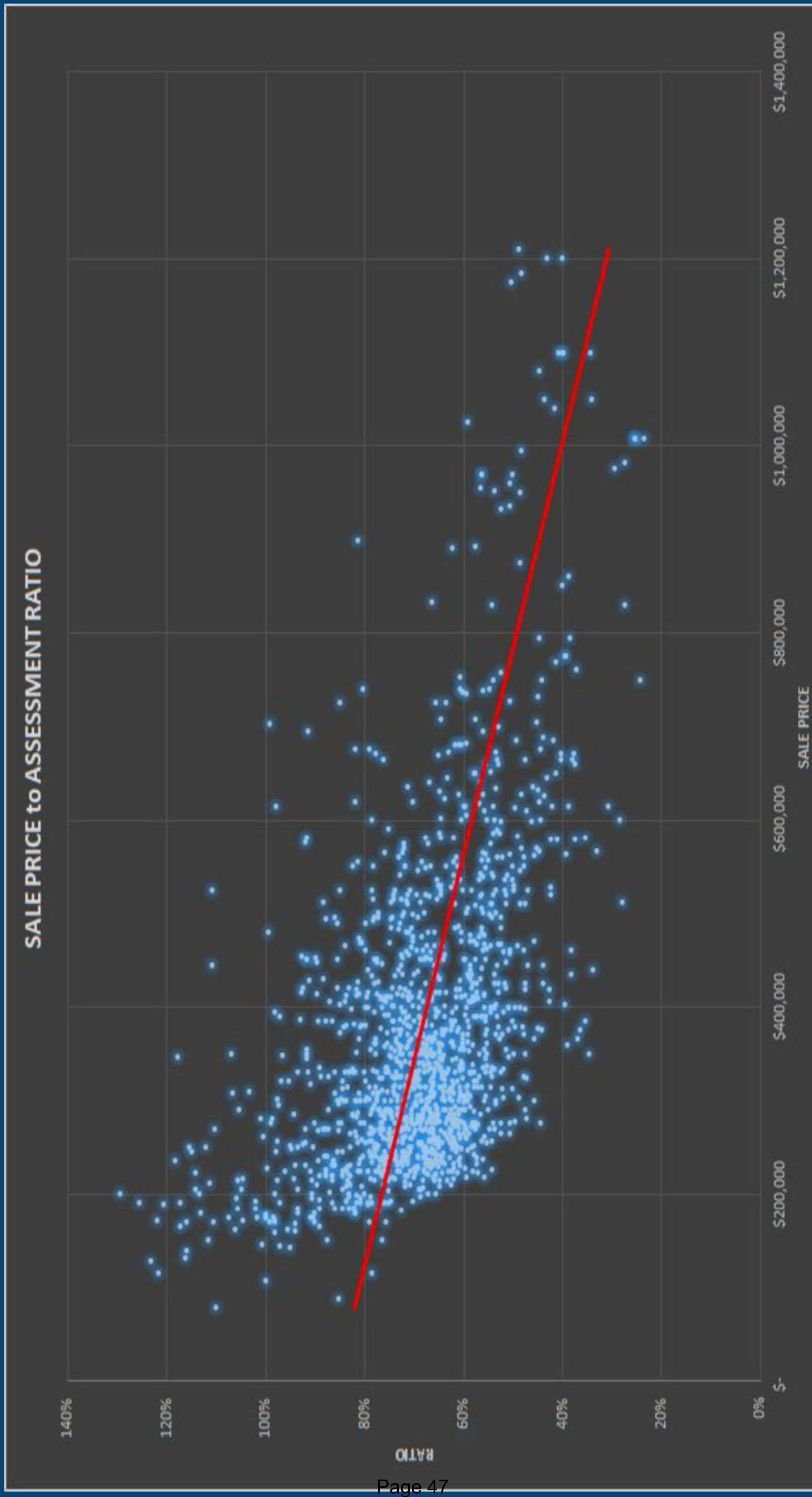
2020 Citywide

Ratio - 70%
Quality Rating - 18



Ratio Study Testing Results

	Median Ratio (ASR)	Coefficient of Dispersion or Quality Rating	Price Related Differential (PRD)	Price Related Bias (PRB)
IAAO Standards	90% to 110%	15.0 or less	0.98 - 1.03	-.05 to +.05
State of Maine	Minimum 70%	Maximum 20.0	N/A	N/A
CoP Residential for 2021	66%	18	1.07	-.08
Result	FAILED	FAILED	FAILED	FAILED


SALE PRICE to ASSESSMENT RATIO
RATIO
140%
120%
100%
80%
60%
40%
20%
0%
SALE PRICE
$-
$200,000
$400,000
$600,000
$800,000
$1,000,000
$1,200,000
$1,400,000

Peninsula Neighborhoods

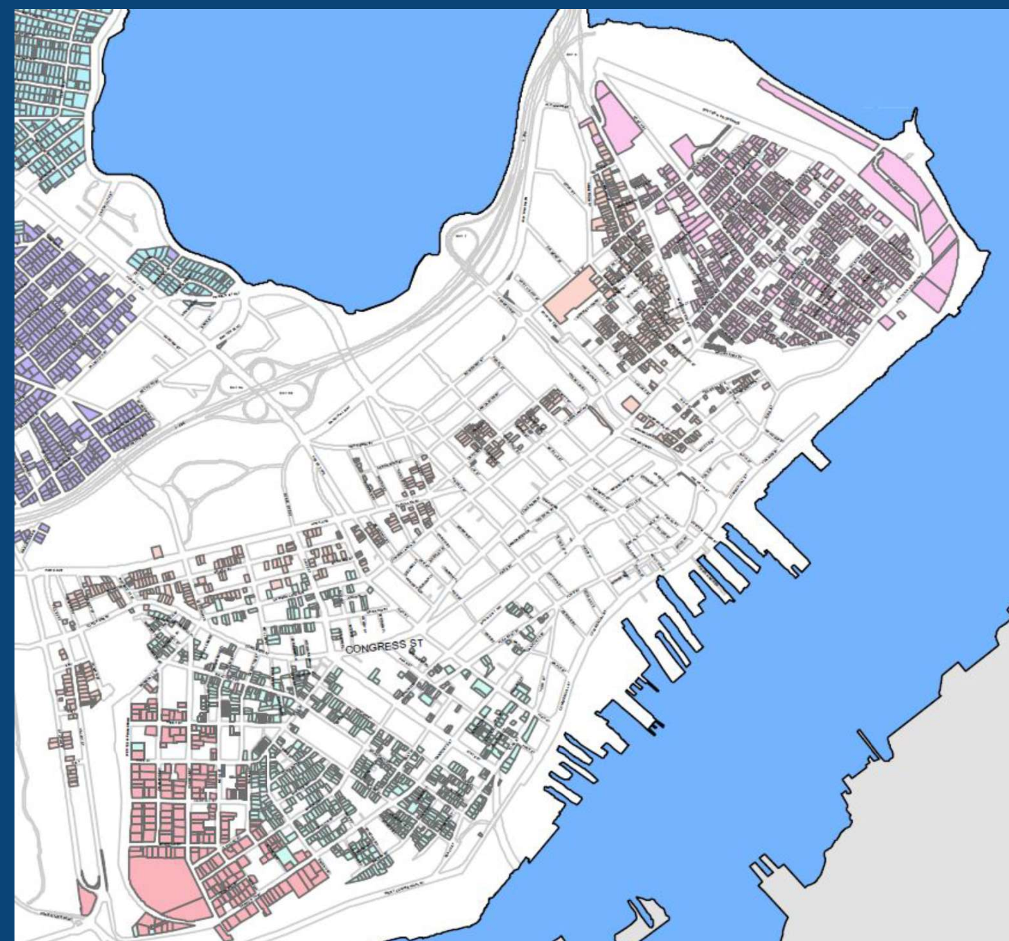
NBHD 100 - Islands
Avg. Ratio - 84%　　Quality Rating - 17

NBHD 101 - East End
Avg. Ratio - 48%　　Quality Rating - 19

NBHD 102 - West End
Avg. Ratio - 62%　　Quality Rating - 26

NBHD 1021 - W. Bayside / Parkside
Avg. Ratio - 55%　　Quality Rating - 25

NBHD 103 - Western Promenade
Avg. Ratio - 65%　　Quality Rating - 21



Off Peninsula Neighborhoods

NBHD 104 - Deering Junction
Avg. Ratio - 74% Quality Rating - 17

NBHD 105 - East Deering
Avg. Ratio - 71% Quality Rating - 15

NBHD 106 - North Deering
Avg. Ratio - 77% Quality Rating - 14

NBHD 107 - Riverton
Avg. Ratio - 75% Quality Rating - 17

NBHD 108 - Rosemont
Avg. Ratio - 68% Quality Rating - 16

NBHD 109 - Sagamore Village
Avg. Ratio - 71% Quality Rating - 12

NBHD 110 - Stroudwater
Avg. Ratio - 79% Quality Rating - 13

NBHD 111 - Oakdale
Avg. Ratio - 70% Quality Rating - 17

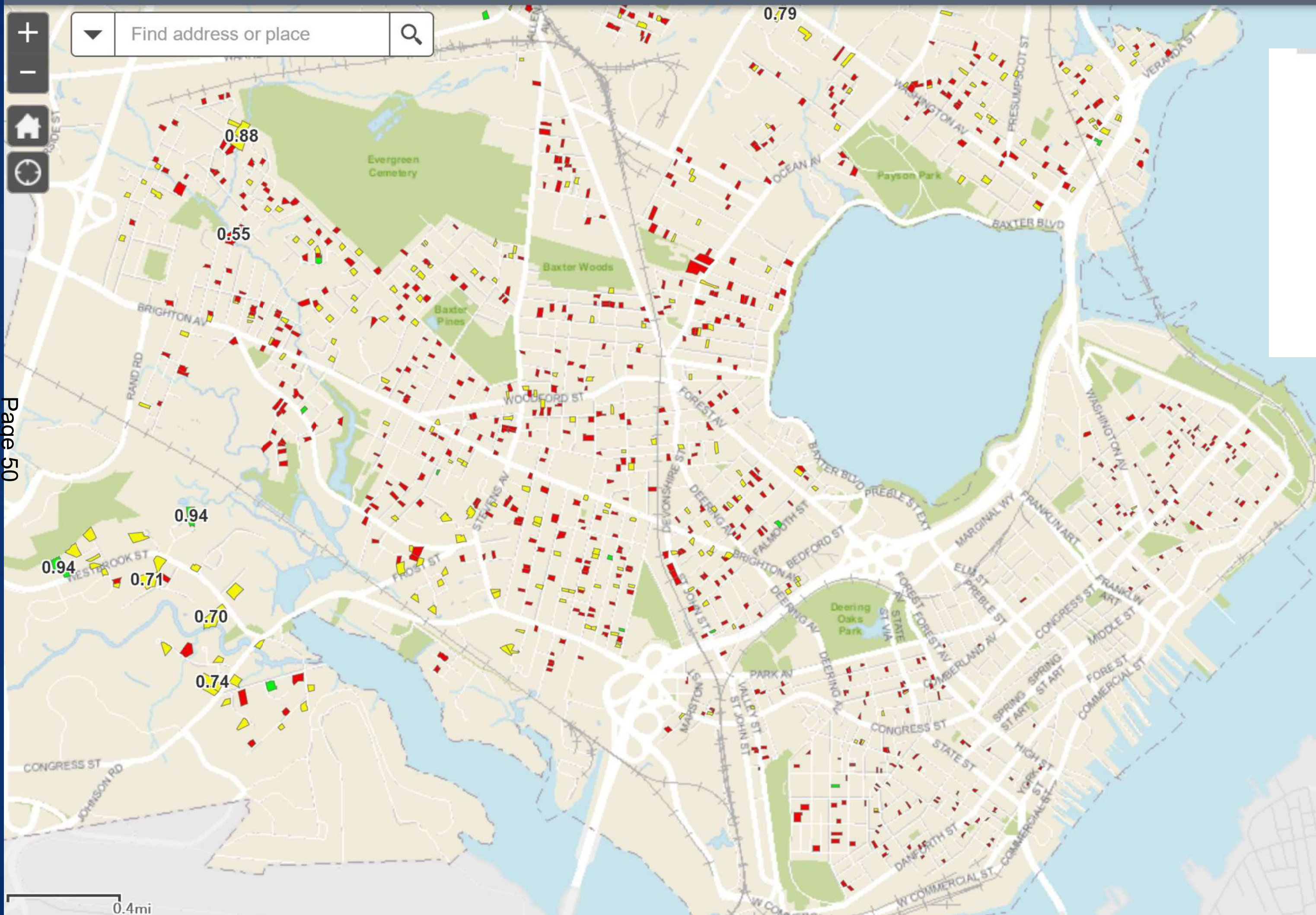
NBHD 1111 - Highlands
Avg. Ratio - 79% Quality Rating - 16

NBHD 112 - Back Cove
Avg. Ratio - 68% Quality Rating - 15

Residential Valid Sales Ratio

with Web AppBuilder for ArcGIS

Find address or place



RATIO

- 92% to 107%
- 70% to 91%
- 27% to 69%

What's Ahead

April 1, 2021 - Assessment Date

Late May 2021 - Notices of New Values Mailed

- Will provide old value, new value, instructions for appeals

June - August 2021 - Informal Appeal Hearings w/ Tyler Staff

- Anticipating 4,000+ appeals
- Virtual - by phone and/or video chat

September 2021 - Tax rolls committed, FY22 tax bills mailed

March 2022 - 185 day appeal deadline to Assessor's Office for formal appeals

March 2022 and beyond - Board of Assessment Review appeals, State Board of Property Tax Review appeals, Court appeals

Communications / PR Efforts

- Revaluation Webpage - www.revalueportland.me
- Revaluation Helpline set-up - dedicated phone number - 207-874-8763
- Mailed a general info brochure to all parcels at 2019 project start
    - Second brochure beginning 2020 - Let's Talk Revaluation
- Meetings, meetings, meetings......handouts, brochures, etc.
    - MRS: Revaluations - Understanding the Process and the Myths
    - IAAO: Understanding Your Assessment
    - Citizen's Guide
    - Revaluation FAQ's
- Set-up info table at various city supermarkets on several weekends
- News Flashes / Press Releases / Social Media at certain project benchmarks
- 4-part video series on the process of revaluation
- Op-Ed in local newspaper
- Interviews with local TV news stations, PMC, radio, newspaper, podcasts
- 30-second animated digital ad, audio serves as a radio ad
- 2 minute Portland project specific animated video

Project Budget as of 2/26/2021

Description	Original Budget	FY21 Extension	Actual Expenses to Date	Available Budget	Percent Used
Admin / Postage	$ 61,850	$ 27,500	$ 41,310	$ 48,040	46%
Computers / Tech	$ 53,000	$ 0	$ 11,153	$ 41,847	21%
Contractual Obligations	$ 928,150	$ 217,500	$ 795,228	$ 350,422	69%
Temp. Labor / Staffing	$ 12,000	$ 0	$ 6,158	$ 5,842	51%
TOTALS	$ 1,055,000	$ 245,000	$ 853,849	$ 446,151	66%

Thank You!


RESURGAM.
CITY OF PORTLAND, MAINE
City of Portland
www.portlandmaine.gov

CITY OF PORTLAND

Assessor's Office
Christopher A. Huff, CMA

2021 Revaluation Schedule

April 1, 2021 – Annual assessment date in Maine. New values will reflect 100% of fair market value as of this date.

May 31, 2021 – Notices of new assessed values mailed to all property owners; new values available on-line; informal appeal hearing appointments open for property owners – instructions for scheduling will be included in mailed notices and posted on-line
- Please note that all informal appeal hearings will be held virtually via phone and/or video call

June 7, 2021 – Virtual informal appeal hearings with Tyler staff begin

July 16, 2021 – Last day to make an appointment for a virtual informal appeal hearing with Tyler staff

August 13, 2021 – Last day of virtual informal appeal hearings

September 1, 2021 – Final tax rate for Fiscal Year 2022 will be known
September 10, 2021 – Fiscal Year 2022 tax commitment finalized; tax rolls and tax bills generated, tax bills out in the mail
September 13, 2021 – Formal appeal process starts – appeal applications accepted in Assessor's Office

September/October 2021 – Fiscal Year 2022 1st half tax payments due – exact date TBD

March 18, 2022 – Fiscal Year 2022 2nd half tax payments due
March 24, 2022 – Deadline to file formal appeal application with the Assessor's Office

*Schedule subject to change. Check website for updates.

389 Congress Street • Portland, Maine 04101 • 207-874-8486
assessors@portlandmaine.gov • www.portlandmaine.gov

FY21 City of Portland Valuation

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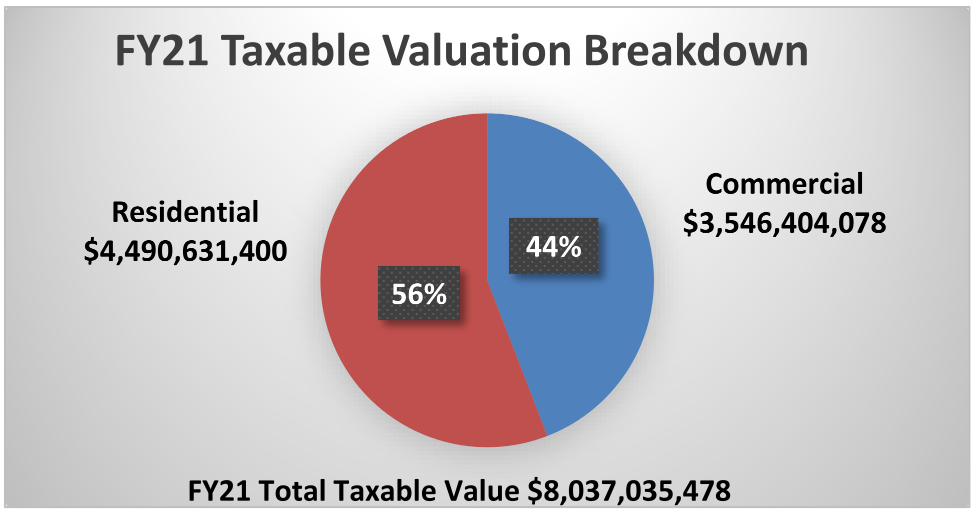
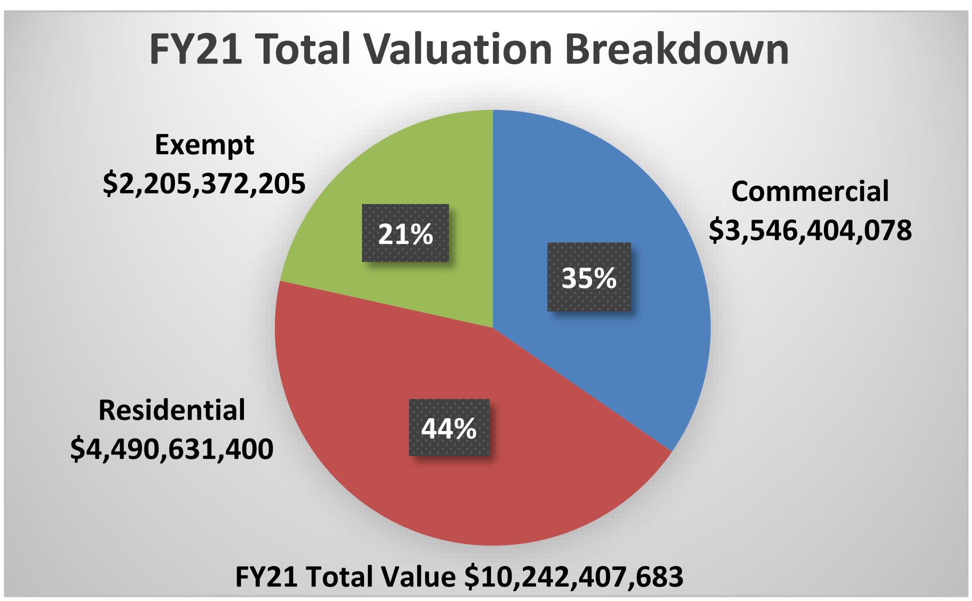
Total	**$ 3,546,404,078**	**$ 4,490,631,400**	**$ 2,205,372,205**	**$ 10,242,407,683**
Parcels	2,701	20,390	1,270	**24,361**





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July 13, 2020

Danielle West-Chuhta, Corporation Counsel
City of Portland
389 Congress Street
Portland, ME 04041

RE: Opinion Regarding Proposed Phase-in of 2020 Revaluation

Dear Danielle:

You have asked our firm to provide the City-with an opinion on two questions. The first is whether the City Council and/or the City Manager have authority to require the 2020 Revaluation to be phased-in over a two-year period, or, whether this authority resides solely with the Assessor. The second question is whether a phased-in revaluation is legally permissible.

For the reasons that follow, we believe that the decision whether to adopt a phased-in revaluation rests exclusively with the Assessor. With respect to the second question, I have found no case law in Maine directly on point and decisions from around the country that address this issue are conflicting. However, when the governing law is considered in light of the practical and administrative considerations associated with a phased-in revaluation, we recommend against implementing a phased-in approach.

1. The Assessor Has Sole Authority to Determine Whether to Pursue a Phased-In Revaluation.

We have reviewed the applicable provisions of the Maine Constitution, state statue, and the City's Charter regarding the respective roles and responsibilities of the Assessor, the Council, and the City Manager relating to the assessment and administration of property taxes. In our view, when read together, these authorities make clear that it is the Assessor (and no other official or body) who is responsible for the valuation of all property within the City of Portland. As the term implies, a "re-*valuation*" is, fundamentally, a determination of value. Accordingly, as explained below, the authority to determine whether to implement a phase-in resides with the Assessor.

Maine's Constitution requires that "[a]ll taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof." Me. Const. art. IX, § 8. Similarly, Maine statue provides that "all property shall be assessed at the just value thereof in compliance with the laws of the State." 36 M.R.S. § 201. The Legislature has assigned the task of determining "just value" to the local assessor(s). *See* 36 M.R.S. § 701-A ("[I]n the assessment of property, ***assessors** in determining just value* are to define this term in a manner that recognizes only that value arising from presently possible land use alternatives…. *In determining just value*, ***assessors*** must consider all relevant factors….") (emphasis added); *See also* 36 M.R.S. § 708 ("the ***assessors***…*shall ascertain* as nearly as may be the nature, amount and ***value***…of the real estate and personal property subject to be taxed….") (emphasis added); 36 M.R.S. § 709 ("[t]he ***assessors*** shall assess upon the estates in their municipality all municipal taxes….make perfect lists thereof and commit same…..to the tax collector…") (emphasis added)

When considered as a whole, these statutory and constitutional provisions lead to the conclusion that it is the assessor who is responsible for all decisions regarding *valuation* of real property. While a municipality's legislative body has certain powers with respect to property taxation pursuant to 36 M.R.S. § 505 (such as raising and appropriating taxes and making administrative decisions about when to commit taxes, when they will be due and payable, and what interest rate will be applied when they become delinquent), the initial valuation of property is entirely within the purview of the assessor.

We found nothing in the City's Charter that would lead to a different conclusion. The Council has authority over the "administration" of all fiscal matters (Section 2) and must adopt the annual appropriation resolve (Section 7). The City Manager is responsible for budget preparation, which must address "proposed tax levies" (Section 5(e)) and the preparation of a capital improvement plan (Section 6). However, the Charter does not authorize either the City Manager or the Council to get involved in *valuation* determinations. The Charter is silent on this point. It is our view, therefore, that State statute dictates. As discussed above, the Legislature has expressly vested the authority to make valuation determinations in the assessor.

Although local tax assessors are chosen by the municipality, the Maine Supreme Judicial Court has held repeatedly that an assessor acts as an agent of the State in performing his or her assessment duties. *See Inhabitants of Town of Frankfort v. Waldo Lumber Co*., 128 Me. 1, 145 A. 241 (1929); *City of Rockland v. Farnsworth*, 93 Me. 178, 44 A. 681 (1899); *McKay Radio and Telegraph Co. v. Inhabitants of Town of Cushing*, 131 Me. 333, 162 A. 783 (1932); *Inhabitants of Town of Milo v. Milo Water Co.*, 131 Me. 372, 163 A. 163 (1932); *Thorndike v. Inhabitants of Camden*, 82 Me. 39, 19 A. 95 (1889); *see also* 36 M.R.S. § 201. According to the Maine Municipal Association ("MMA"), "[t]hose duties are imposed by State law and cannot be altered by a vote of the local legislative body or municipal officers." *See* MMA's Municipal Assessment Manual at p. 19.

This conclusion is supported by the Law Court's holding in *Maine Consol. Power Co. v. Inhabitants of Town of Farmington*, 219 A.2d 748, 751 (Me. 1966) ("The Constitution of Maine requires of the assessors that they shall apportion and assess equally all taxes according to the just value of the real and personal estate. *They are accountable to no one as long as they perform their duties in accordance with constitutional mandate and statutory direction*." (emphasis added); *See also Sears, Roebuck v. Inhabitants of City of Presque Isle, et al*, 150 Me. 181, 189, 107 A.2d 475, 479 ("*It is [the assessors'] opinion and their judgment that controls*, unless so unreasonable in the light of the circumstances that the property is substantially overvalued and an injustice results, or that there is an unjust discrimination, or that the assessment was in some way fraudulent, dishonest or illegal."); *City of Rockland v. Farnsworth*, 44 A. 681, 682, 93 Me. 178 (1899) ("[Assessors'] duties are imposed by law, and clearly defined by statute. *In the discharge of those duties they are not subject to the direction or control of the municipality*. They must determine the persons and property, and its value, subject to taxation, under the provisions of law.") (emphasis added)

At its core, a revaluation involves determinations of value. Decisions regarding what value to assign properties in the first year of the phase-in necessarily involve determinations of value. Because valuation decisions, for all the reasons discussed above, are within the exclusive authority of the Assessor, it is our opinion that the decision whether to phase-in the revaluation is his alone.

2. Governing Law, Coupled With Administrative Considerations, Weighs Against a Phased-In Revaluation.

A. A Phased-in Revaluation May Contravene the City's Duty to Assess All Property According to its "Just Value."

As discussed above, assessors are bound by a constitutional duty to "apportion and assess" property according to its "just value." Me. Const. art. IX, § 8; 36 M.R.S. § 701-A. It is well-established under Maine law that "just value" is synonymous with fair market value. *See Weekley v. Town of Scarborough,* 676 A.2d 932 (Me. 1996) citing *Alfred J. Sweet, Inc. v. City of Auburn,* 134 Me. 28, 31 (1935); *Town of Southwest Harbor v. Harwood,* 2000 ME 213, 763 A.2d 115 citing *McCullough v. Town of Sanford*, 687 A.2d 629, 631 (Me. 1996)*; Terfloth v. Town of Scarborough,* 2014 ME 57, 90 A.3d 1131.

Pursuant to its constitutional duty to conduct a general valuation at least once every ten years, and it is statutory duty to ensure that certain minimum assessed value to sales ratios are met, the City engaged the services of Tyler Technologies CLT Appraisal Services to assist the Assessor in determining the just value of all real property within its boundaries. Me. Const. art. IX, § 7; 36 M.R.S. § 327. Once a property's just value has been determined, the assessor has a legal duty to assess all property in a manner consistent with that value. *See* 36 M.R.S. §§ 201, 701-A.

The practical upshot of a two-year phase-in of the revaluation is that a substantial portion of property within the City would *not* be assessed in accordance with its just value in year one. By definition, a phase-in would require a temporary intentional disregard of many properties' fair market value. Although this specific issue has not been addressed directly by Maine courts, we believe that there is a strong likelihood that a Court would find, despite the good intentions underlying it, that a phase-in contravenes the City's constitutional and statutory duty to assess property in accordance with its "just value."

B. A Phase-in May Contravene the City's Duty to Apportion and Assess All Property Equally.

To provide some context for the legal analysis regarding equality in assessment, a review of the practical ramifications of a revaluation is in order. Generally speaking, revaluations result in approximately one third of taxpayers' tax bills increasing, one third remaining the same, and one third decreasing. If a phased-in revaluation were implemented in Portland, it would lessen the impact of what could be substantial tax increases for a third of the City's taxpayers by spreading that increase over a two-year period. However, the phase-in would have little or no impact on the roughly one third of the City's taxpayers who would see a negligible change in their taxes. Moreover, a phase-in would operate as a detriment to the one third of taxpayers who would see a decrease in their taxes because they would have to wait two years to enjoy the full benefit of that decrease.

(i) Maine Law Requires That Property Taxes be "Apportioned and Assessed Equally" and That Similarly Situated Properties Receive Equal Tax Treatment.

Article IX, § 8 of Maine's Constitution not only requires that real property be assessed according to its just value, it also requires that it be "apportioned and assessed equally." Assessors must ensure that the tax burden is apportioned and assessed equally in order to prevent unjust discrimination between or among taxpayers. In order "to achieve an equitable distribution of the overall tax burden, assessors must apply a relatively uniform rate to all comparable properties in the district." *Petrin v. Town of Scarborough*, 2016 ME 136, 147 A.3d 842. In other words, all property in the same class must be valued in a like manner. *City of Biddeford v. Adams*, 1999 ME 49, 727 A. 2d 346. However, "only similarly situated properties must receive approximately equivalent tax treatment…. unjust discrimination does not exist where properties are treated differently from properties… that are not similar to their own." *Roque Island Gardner Homestead Corp. v. Town of Jonesport*, 2017 ME 152, 167 A.3d 564, citing *Town of Bristol Taxpayers' Ass'n v. Board of Selectmen/Assessors for Bristol*, 2008 ME 159, 957 A.2d 977 and *Angell Family 2012 Prouts Neck Trust v. Town of Scarborough*, 2016 ME 152, 149 A.3d 271.

Based on the authorities cited above, the relevant question becomes whether, by phasing in a revaluation, this results in unequal apportionment of the tax burden by treating similarly situated properties differently. As discussed below, this question has not yet been considered by Maine courts; however, it has been addressed by courts across the country, with inconsistent results.[1]

(ii) Extra Jurisdictional Cases Regarding the Legality of Phased-in Revaluations Have Both Upheld and Invalidated Them.

Because there is no decided case law in Maine on the issue of whether phased-in assessments are legally permissible, a review of extra jurisdictional cases provides some insight as to how Maine courts might decide this issue.[2]

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[1] *See, i.e., United Illuminating Company v. City of New Haven,* 427 A.2d 830 (Ct. 1980) (phase-in upheld); *Stafford Higgins Industries v. City of Norwalk,* 715 A.2d 46 (Ct. 1998) (phase-in upheld); *Claremont School District v. Governor,* 744 A.2d 1107 (N.H. 1999) (phase-in struck down); *Roosevelt v. Montana Dept. of Revenue,* 975 P.2d 295, 293 Mont. 240 (1999) (phase-in struck down).

[2] The cases discussed below are not intended to be an exhaustive account of all extra jurisdictional authorities on point. However, they offer a representative sampling of holdings both for and against phased-in assessments and the reasoning upon which those holdings were based.

(a) Cases That Upheld Phased-In Valuations

United Illuminating Company v. City of New Haven involved a state statute that allowed municipalities with assessments that increased by at least 30% after a revaluation to adopt local ordinances to phase-in those increases over a five year period. *United Illuminating Company v. City of New Haven,* 427 A.2d 830 (Ct. 1980). The City of New Haven adopted such an ordinance, which was challenged by the Plaintiff. As a result of the revaluation, Plaintiff's tax burden went down. Yet, because of the phased-in approach, it had to pay more taxes in the early years of the phase-in than it would have otherwise paid had the revaluation been implemented immediately. This is analogous to what some Portland taxpayers would experience in year one of a two year phase-in.

In overturning the Superior Court, which found New Haven's phase-in ordinance unconstitutional on equal protection grounds, Connecticut's Supreme Court upheld it finding: "[t]his Court has repeatedly held that inequalities which result from a singling out of one particular class for taxation or exemption, infringe no constitutional limitation." *United Illuminating Co.,* 179 Conn. at 640 citing *Carmichael v. Southern Coal & Coke Co*., 301 U.S. 495, 509, 57 S.Ct. 868, 872. The Court concluded:

The broad discretion as to classification possessed by a legislature in the field of taxation has long been recognized....the presumption of constitutionality can be overcome only by the most explicit demonstration that a classification is a hostile and oppressive discrimination against particular persons and classes….

United Illuminating Co., 179 Conn. at 641, citing *Madden v. Kentucky*, 309 U.S. 83, 87-88, 60 S.Ct. 406, 408 (1940).

In *Stafford Higgins Industries, Inc. v. City of Norwalk,* Connecticut's Supreme Court once again upheld a city's decision to delay implementation of a revaluation. While Norwalk's phase-in postponed tax increases for many residential property owners, it operated to deny Plaintiff (a commercial property owner) what would have been a 39% decrease in its tax bill had the revaluation been implemented immediately. The Court relied on its prior holding in the *United Illuminating Co.* case that a classification must be "hostile and oppressive discrimination" before it can be found to be unconstitutional. *Stafford Higgins Indus., Inc.,* 245 Conn. at 569, 715 A.2d at 56. The Court went on to state:

> …when a court determines whether a legislative classification is a hostile and oppressive discrimination against a particular class, the challenger must establish that the legislature "selected or reaffirmed a particular course of action at least in part 'because of,' not merely 'in spite of,' its adverse effects upon an identifiable group." *Id.* citing *Personnel Administrator of Massachusetts v. Feeney,* 442 U.S. 256, 279, 99 S.Ct. 2282, 60 L.Ed.2d 870 (1979). The court reasoned that the City chose the classification "not to burden commercial property owners, but to alleviate the burden on single-family homeowners,

> that is 'in spite of,' not 'because of' the burden which would be assumed by [others]." *Stafford Higgins Indus., Inc.,* 245 Conn. at 571, 715 A.2d at 56.

The Court also cited its prior analysis in the *United Illuminating Co.* case for the proposition that "the goal of protecting residential property owners from a sudden increase in taxation due to revaluation was a legitimate basis for legislation that authorized delay in the implementation of the new tax scheme, despite that the delay temporarily thrust an unequal burden of taxation on other categories of real property owners. *Stafford Higgins Indus., Inc.,* 245 Conn. at 572, 715 A.2d at 57.

There was a very strong dissent in the *Stafford Higgins* case. The minority argued that giving a tax break to residential property owners at the expense of commercial properties ran afoul of constitutional principles, which require that all property be: (a) treated as one class, whether residential or commercial; and (b) assessed (as in Maine)[3] at at least 70% of its "actual and true" value. In concluding that the phase-in violated equal protection guarantees, the minority pointed out that the "equal protection clause…protects the individual from state action which selects him out for discriminatory treatment by subjecting him to taxes not imposed on others of the same class"); *Stafford Higgins,* 245 Conn. at 585, 715 A.2d at 63 (1998) citing *Hillsborough v. Cromwell,* 326 U.S. 630, 623, 66 S. Ct. 445, 90; *Charleston Federal Savings & Loan Assn. v. Alderson,* 324 U.S. 182, 190, 65 S.Ct. 624, 89 L.Ed. 857 (1945) (equal protection clause "applies ... to taxation which in fact bears unequally on persons or property of the same class"). In response to the majority's insistence that a challenger must establish some hostile and oppressive discrimination against a particular class, the minority responded as follows:

> …the United States Supreme Court has held that purposeful discrimination in tax cases "may be evidenced ... by a systematic under-valuation of the property of some taxpayers and a systematic over-valuation of the property of others….*Snowden v. Hughes*, 321 U.S. 1, 9, 64 S.Ct. 397, 401(1944); *Allegheny Pittsburgh Coal Co. v. County Commission of Webster County, West Virginia,* 488 U.S. 336, 346, 109 S.Ct. 633, 102 L.Ed.2d 688 (1989) ("[t]he relative undervaluation of comparable property... over time therefore denies petitioners the equal protection of the law"); see also *Long Island Lighting Co. v. Brookhaven,* 889 F.2d 428, 432 (2d Cir.1989) ("requisite unlawful intent [to discriminate] follows from proof of a systematic overassessment over time of certain properties as compared to other similarly situated properties within the taxing district").
>
> *Stafford Higgins,* 245 Conn. at 592, 715 A.2d at 66.

(b) Cases That Struck Down Phased-in Valuations

In *Roosevelt v. Montana Dept. of Revenue,* Montana's Supreme Court, relying on similar reasoning to that applied by the minority of Connecticut's Supreme Court in the *Stafford Higgins* case, struck down a Montana statute that allowed a phase-in. *Roosevelt v. Montana Dept. of*

[3] *See* 36 M.R.S. § 327.

Revenue, 975 P.2d 295, 293 Mont. 240 (1999). The Court found that as applied to the Plaintiff, (who would have seen a reduction in his taxes but for the phase-in), the challenged statute violated his equal protection rights. As in Portland, the intention of the phased-in revaluation in Montana was to ease the burden on taxpayers whose properties had substantially appreciated in value. However, as would also be the case in Portland if it implements a phase-in, those individuals who would see reductions in property taxes as a result of the revaluation would not fully realize the benefit of that reduction until the phase-in was complete. According to Montana's Supreme Court, such a disproportionate burden, (which results in some individuals being taxed at less than true market value of their properties, while others are taxed at more than market value) violates constitutional equal protection guarantees. *Roosevelt,* 975 P.2d at 301, 293 Mont. at 249.

In *Claremont School District v. Governor*, 144 N.H. 210, 744 A.2d 1107 (1999), the Supreme Court of New Hampshire held that a phase-in of a state-wide uniform education property tax (that effectively granted a temporary exemption to taxpayers in "property rich" towns across the state, while taxpayers in remaining towns paid the full rate immediately), violated constitutional requirements of uniformity and equality. The court also found that this disparate treatment was not justified by the Legislature's stated purpose of ameliorating potential adverse economic consequences on towns with higher property values due to sharp increases in property taxes. While the *Claremont* case involves municipalities rather than individual taxpayers, the concepts at play are analogous.

In coming to its conclusion, New Hampshire's Supreme Court stated, "[j]ustices of this court have consistently interpreted the New Hampshire Constitution as requiring that all property within a given class be taxed at a uniform rate." *Claremont*, 144 N.H. at 215, 744 A.2d at 1110 citing *Opinion of the Justices*, 123 N.H. 296, 301, 460 A.2d 93, 97 (1983); *Opinion of the Justices*, 131 N.H. 640, 642, 557 A.2d 273, 275 (1989) (legislature may not create systems of taxation which would result in two classes of taxpayers paying differing rates of tax on essentially the same class of property); *Opinion of the Justice*s, 99 N.H. 525, 527, 113 A.2d 547, 548 (1955) ("All taxes on like property and for like purposes must be equal.") The court also struck down the uniform education property tax because the means employed "to effect [the differential treatment] failed to comport with the articulated justification." *Claremont*, 144 N.H. at 215, 744 A.2d at 1111. According to the court, "[b]y awarding tax relief to the many who are not in jeopardy of economic hardship… to assist those who are, the legislature has cast too wide a net at the problem it intended to solve. Consequently, because its remedy far exceeds the underlying rationale for the phase-in and assists a large class of taxpayers to whom disparate tax treatment cannot be justified, the selection of taxpayers is so arbitrary as to serve no useful purpose of a public nature." *Id.*

(c) **Likely Result Under Maine Law if Phase-In Were Challenged**

Because there is no case law directly on point, it is uncertain how Maine courts would address the issue of whether a phased-in revaluation violates the Maine Constitution's requirement that taxes on real property must be "apportioned and assessed equally." Me. Const. art. IX, § 8.

However, based on existing Maine case law as well as jurisprudence from the U.S. Supreme Court, we believe that a phased-in approach would more likely than not be struck down if challenged.

As a threshold matter, a Maine court presented with this issue might not even reach the substantive merits of the equality argument. This is because it might consider a phased-in revaluation tantamount to an "abatement" given that the full amount of taxes owing (based on the property's "just value") could be substantially reduced for approximately a third of all taxpayers during the first year of the phase-in. Any such reduction might well be considered unlawful given the Law Court's holding that there is no home rule authority to grant property tax relief in the form of an abatement absent clear statutory authority from the Legislature. *See generally Delogu v. City of Portland*, 2004 ME 18. No such legislative authority to implement phased-in assessments exists in Maine.[4]

At issue in *Delogu* was a property tax relief program adopted by the City of Portland that was limited to owner-occupied residential homes with assessed values of less than $400,000. The Plaintiffs were homeowners and business property owners who were not eligible for the tax relief program. The question presented to the Law Court was "whether, consistent with the Maine Constitution, Article IX, Sections 8 and 9, the City may unilaterally adopt what may be viewed as an exemption, abatement, or tax repayment program absent explicit legislative authority." *Delogu*, 2004 ME 18, ¶ 11, 843 A.2d 33, 36. Ultimately, the Court struck down the program holding that, "legislative authorization is a prerequisite for a municipal property tax rebate or repayment program targeting selected properties." *Delogu*, 2004 ME 18, ¶ 15, 843 A.2d at 37.

The second reason why the Law Court's struck down Portland's property tax relief program in *Delogu* was because it violated the constitutional mandate of equality in assessing. *Delogu*, 2004 ME 18, ¶ 12, 843 A.2d at 36 citing *Ram's Head Partners, LLC v. Town of Cape Elizabeth*, 2003 ME 131, ¶ 9, 834 A.2d 916, 919. A finding of discrimination is indicated when the municipal assessment system "necessarily results in unequal apportionment." *Id.* (quoting *City of Biddeford v. Adams*, 1999 ME 49, ¶ 14, 727 A.2d 346, 349). The underassessment or overassessment of one set of similarly situated properties supports a finding of unjust discrimination. *Id. citing Ram's Head Partners*, 2003 ME 131, ¶ 11, 834 A.2d at 919; *Adams*, 1999 ME 49, ¶¶ 15, 17, 19, 727 A.2d at 350. The Law Court in *Delogu* found that the burden of Portland's real estate tax was apportioned unequally because qualified homeowners were effectively being taxed upon $15,000 less in property value than other similarly valued, or even identical, nonqualifying properties). *Delogu*, 2004 ME 18, ¶¶ 12-13, 843 A.2d at 36–37.

Based on the foregoing, we believe that if Portland adopted a phase-in a revaluation, and it were challenged based on an inequality claim, there is a good possibility that it could be struck down for at least one of the following reasons.

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[4] It is noteworthy that unlike in Maine, all of the cases cited above that considered the legality of phased-in revaluations (*regardless* of whether they were upheld or invalidated) involved enabling state statutes that specifically authorized the phase-in.

First, it arguably treats "similarly situated" properties differently. For example, in year one, roughly one third of *residential* properties will be receiving tax relief to protect from a substantial increase in property taxes, while approximately one third of *residential* properties will be denied the full benefit of the tax decrease in year one. This could be held to result in unequal apportionment of the tax burden contrary to constitutional mandate.[5]

Second, a court could find that in year one, a phase-in systematically overvalues some properties (i.e., those that will not enjoy the full benefit of reduced taxes resulting from the revaluation) and undervalues others (i.e., the just value of which is temporarily suppressed to cushion against substantial tax increases). It is our belief that the fact that this under/over-valuation was motivated by benevolent intentions would be irrelevant because under governing case law (from both Maine and the U.S. Supreme Court), if the assessment method *necessarily* results in unequal apportionment, then it is unlawful. *See City of Biddeford v. Adams,* 1999 ME 49, ¶ 14, 727 A.2d 346, 349; *Snowden v. Hughes,* 321 U.S. 1, 9, 64 S.Ct. 397, 401(1944); *Allegheny Pittsburgh Coal Co. v. County Commission of Webster County, West Virginia,* 488 U.S. 336, 346, 109 S.Ct. 633, 102 L.Ed.2d 688 (1989). Because a phased-in revaluation would systematically give tax breaks to those taxpayers whose taxes increased, while at the same denying the benefit of tax reductions to others, such a system arguably results in the unequal apportionment of the tax burden.

C. Administrative Factors Tip in Favor of Avoiding a Phased-In Approach.

When determining whether a phase-in of the revaluation is advisable, consideration must be given not only to the associated legal issues but also to the practical and logistical ones. Based on information received from the assessor's office, a phased-in revaluation will require the expenditure of substantial resources and staff time.

First, a phase-in presents challenges for assessing new construction, of which there has been a substantial amount in Portland. New construction is valued based on percentage of completion and relationship to market value. Accordingly, if the value of new construction had to be phased-in over two years, this would significantly increase the amount of work required for field visits and progress reviews.

Second, the City's assessing software has no ability to calculate phased-in values automatically. According to the assessor's office, there is no mechanism that allows the software to set the assessed value of each property at 50% in year one and to add the remaining 50% in year two.

[5]We acknowledge that arguments can be made that the residential properties that would be subject to different tax treatment during a phase-in are not "similarly situated" because, for example, they are located in different neighborhoods, they are on-peninsula vs. off-peninsula, or have similar distinguishing factors. However, based on governing law, we do not believe that these differences would ultimately be determined to justify giving some residential property owners the benefit of a tax break (by suppressing the true market value of their properties in year one) while at the same time prolonging the full benefit of the tax relief many others would see immediately if not for the phase-in.

The system is only equipped to input values at 100% of market value for each property. In order to accomplish a phase-in, values for every single parcel would need to be manually overridden for year 1. Given that there are more than 24,000 parcels in the City's database, this would require a significant amount of staff time or hiring additional staff to do the necessary data entry.[6] The assessor's office reports that the substantial additional administrative burden that would result from a phase-in would likely result in having to push out the commitment date, with resulting delays in tax bills being sent out.

Third, by phasing-in valuations over a two-year period, the City may be facing two-rounds of abatement requests and valuation appeals rather than just one if the new assessed values were implemented all at once. The costs associated with addressing such requests for abatements and appeals can also be significant.

Summary and Conclusion

There are many relevant factors to consider when determining whether to phase-in the 2020 revaluation. The legitimate desire to soften the impact on taxpayers who may see a significant increase on their tax bills must be weighed against both the likelihood of success if the phase-in were subject to a legal challenge and the resulting administrative and logistical challenges a phase-in presents.

For the reasons stated above, it is our belief that on balance, the best approach would be to avoid the phase-in and to implement the revaluation all at once. In addition to the substantial administrative burden and strain on City resources a phase-in would present, there are a number of reasons why we believe that a legal challenge to the phase-in could be successful. As discussed, Maine courts could find that a phase-in: (1) constitutes an unauthorized "abatement" not contemplated by the Legislature; (2) is inconsistent with the City's constitutional and statutory duty to assess property at its "just value," (which is synonymous with fair market value); and (3) runs afoul of constitutional equal protection guarantees because it results in some property owners being taxed (in year one) at less than fair market value while others are being taxed at more than market value. While all three of these arguments may not ultimately prevail, the law of averages suggests that at least one of them is likely to do so.

Based on the foregoing, it is our recommendation to implement the revaluation all at once rather than instituting a two-year phase in.

[6] It is my understanding that while a phase-in was implemented during the 2006-2007 revaluation, this occurred concurrently with a change in the City's software so that the phase-in could be accommodated more readily from an administrative and technological standpoint than it could based on current circumstances.

We hope the foregoing has been responsive to your request. We would welcome the opportunity to discuss these issues further with you if that would be helpful.

Sincerely,

Leah B. Rachin

cc: Christopher Huff, Assessor

City of Portland, Maine

City of Portland, Maine
Assessor's Office – Room 115
389 Congress St.
Portland, ME 04101

NOTICE OF ASSESSMENT CHANGE

[OWN1]
[OWN2]
[ADDR 1]
[ADDR 2]
[CITY] [STATE] [ZIP]

RE: 2021 City of Portland Property Revaluation
Property Location: [Location] **Parcel ID: [CBL]**

Dear Portland Property Owner:

In accordance with Maine law, the City of Portland has completed a revaluation of all real property for the Fiscal Year 2022 tax roll. You are hereby notified of your property's April 1, 2021 assessment which is shown at the bottom of this notice. Your assessment was established by Tyler Technologies and the Assessor. Your assessment represents 100% of market value as of April 1, 2021.

Do not apply the current tax (millage) rate to your new assessment, the result will be inaccurate. The new millage rate will be determined later this year from the passing of the FY22 budget and after all informal appeal hearings with Tyler are heard and decided.

You may review your new assessment on the City's website: **http://www.portlandmaine.gov/2021Reval**
This site will allow inquiry access to the Assessor's database, including value summary and property data. Property owners wishing to have their new assessments reviewed by way of an informal appeal with a representative of Tyler Technologies may do so by scheduling an appointment online or by phone. Remember, you are appealing your assessed value, not your taxes. Tyler staff will not be able to provide tax information during these hearings.

All informal appeal hearings will be held remotely by appointment only, June 7th through August 13th.

To schedule an appointment, you may go to: **www.tylertech.com/schedule** or call Tyler Technologies toll free at **1-877-895-9675** between the hours of 9:00 AM and 4:00 PM Monday-Friday. **The phone lines will be closed May 28th and July 4th. You will need the Parcel ID at the top of this letter in order to book your appointment.** If you have more than two parcels you wish to discuss, please call for an appointment and do not schedule online.

Please schedule your appointment by July 16th, 2021. The last day of hearings will be August 13th, 2021.

If you wish to further appeal your assessment **after** the informal hearing process is complete, you must file a written appeal to the Assessor's Office by March 24th, 2022. Assessment appeal applications are available in the Assessor's Office or on-line at www.portlandmaine.gov/178/Applications-and-Forms. No formal appeal applications will be accepted by the Assessor's Office until the informal appeal process with Tyler has concluded.

Sincerely,

Office of the Assessor

New Assessment**	Old Assessment	% Change
$223,600(NEWASMT]	$157,100[OLDASMT]	42%[%]

****The New Assessment** shown above reflects 100% of market value as of April 1, 2021

Calculating any changes in your taxes

The City's annual tax rate (also known as millage or mill rate) is computed by taking the Tax Levy from the annual budget and dividing it by the total taxable valuation of the City. For example, the Fiscal Year 2021 tax rate of $23.31 was computed by:

FY21 Property Tax Levy as called for in the FY21 budget: $ 188,093,438
City's total taxable valuation as of 4/1/2020 used for FY21 budget: $ 8,070,000,000

188,093,438 / 8,070,000,000 = .02331 or $23.31 per $1000 of assessed value

An exact millage rate for FY22 will be known once the FY22 budget is approved and after the total taxable valuation of the City is finalized. The preliminary total valuation of the City is showing a ____% increase at this time. This will change slightly as informal appeals are heard and changes and corrections are made.

To calculate what type of change you can expect in taxes, compare the City's overall increase of ____% to your individual parcels percentage of increase. If your percentage increase in assessed value is lower than the City's, your taxes will decrease from the previous year. If your percentage increase in assessed value is the same as the City's, you will see the same amount of taxes as last year. If your percentage increase in assessed value is more than the City's, you will see a higher tax bill than last year.

Why did the City conduct a property revaluation?

The City's last revaluation placed new values on every property effective as of 4/1/2006, some 15 years ago. The Maine Constitution says each municipality must conduct a revaluation at least every 10 years. Additionally, Maine assessment law dictates that each municipality shall conform to two standards of measure.

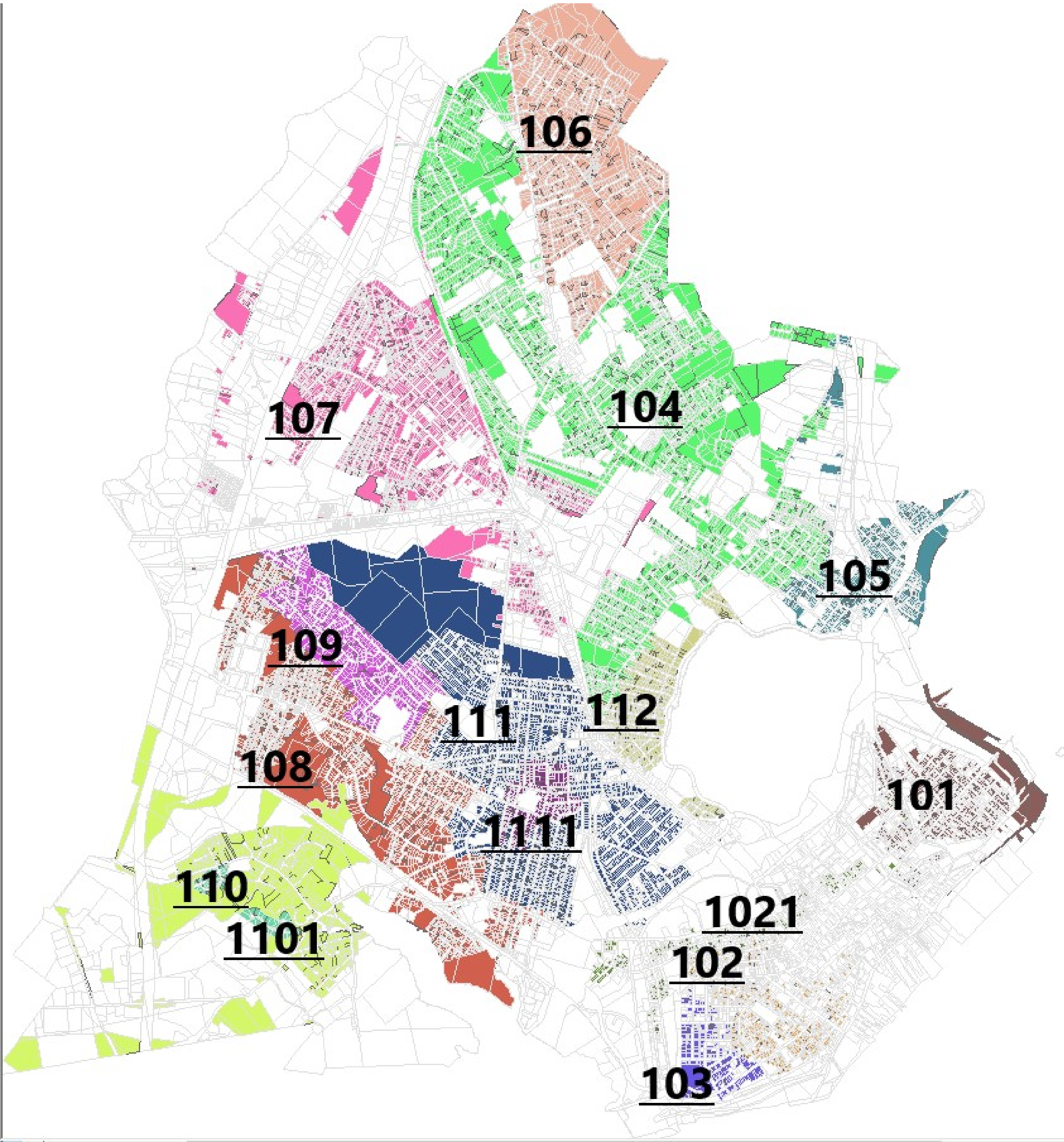
First, the State measures how close assessed values are to 100% of a property's fair market value. The State standard says a municipality's assessed value to fair market value ratio shall be at a minimum of 70%. Portland's ratio has been steadily declining over the last several years and the State has advised that Portland has reached the 70% minimum threshold in 2021. A revaluation will put the City back to 100%.

Second, the State measures the equity of assessed values, or how fair and equitable the current values are, by way of a Quality Rating. The State standard sets this at a maximum of 20% for each municipality. This is often referred to as Coefficient of Dispersion (COD) and in plain terms means that two similar properties in a neighborhood should not have assessed values that differ greater than 20%. Portland's COD has been steadily increasing over the years as more inequity is introduced. The State has advised that our COD is at 18% for 2021, very close to the maximum allowed. The revaluation will bring the COD down to approximately 6%.

For these three reasons, The City is implementing a revaluation for Fiscal Year 2022. This had been planned to take effect last April, however the COVID pandemic caused it be delayed so that any resulting market changes could be accounted for and factored into the new values now being implemented.

Should I appeal my assessment?

If you feel your new assessed value is not representative of 100% of its fair market value, you have the right to an informal appeal hearing with staff from Tyler Technologies. Please have any documentation that supports your opinion of your property value ready for review. This can include a recent (no older than 1 year) appraisal or other study of market comparables. Remember, you are appealing your assessment, not your taxes. These informal appeals will be heard through August 13, 2021. After this informal appeal period, a property owner can file an application for a formal appeal directly to the Assessor's Office. The deadline for a formal appeal is 185 days after the tax roll is committed and tax bills generated.



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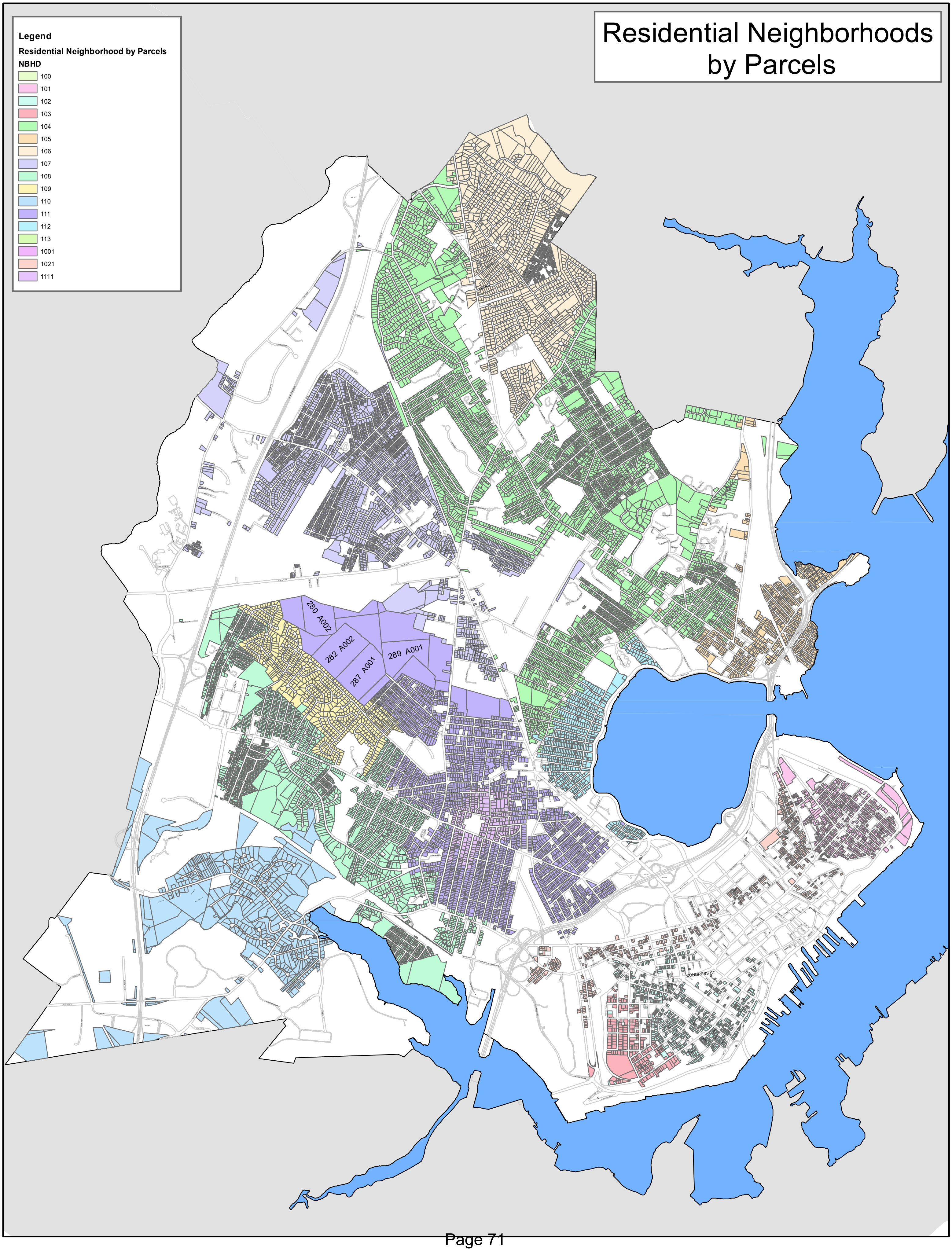
Residential Neighborhoods by Parcels



LAND VALUATION

The base lot size valuation method was used for the basis of all land values in each neighborhood. Land adjustment and influence factors were used in areas and streets to adjust values as necessary. Land adjustment and influence factors applied were a direct result of analyzing validated sales to determine these neighborhood factors.

NEIGHBORHOOD 101

Situated on the peninsula in Portland's East End, Neighborhood 101 is bounded by Washington St. and Mountfort St. to the west, Fore St. into Eastern Promenade to the east, Eastern Promenade to Washington Ave. to the north.

NEIGHBORHOOD CHARACTERISTICS
There are 862 improved residential parcels in NBHD 101
Single Family – 338
Two Family – 206
Three Family – 264
Four Family – 54

SALE PRICES IN NBHD 101:

101	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 102

Located on the peninsula in Portland's West End and downtown, neighborhood 102 is bounded by Commercial St. to the south, Franklin St. to the east, Congress and Cumberland St. to the north and runs along the boundary of neighborhood 103 to the west along Vaughn, West, Neal, Pine, Thomas and Emery.

NEIGHBORHOOD CHARACTERISTICS
There are 702 improved residential parcels in NBHD 102
Single Family – 252
Two Family – 188
Three Family – 171
Four Family – 91

SALE PRICES IN NBHD 102:

102	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 103

Neighborhood 103 is bordered by the Western Promenade to the west. West Commercial St. and Danforth St. to the south, runs along the boundary of neighborhood 102 to the east along Vaughn, West, Neal, Pine, Thomas and Emery streets and is bounded to the north by Bramhall and West St.

NEIGHBORHOOD CHARACTERISTICS

There are 203 improved residential parcels in NBHD 103

Single Family – 170

Two Family – 26

Three Family – 7

Four Family – 0

SALE PRICES IN NBHD 103:

103	SINGLE FAM	TWO FAM	THREE FAM
AVG			
MEDIAN			
HIGH			
LOW			
# SALES			

NEIGHBORHOOD 104

Situated in Portland's Deering Junction and North Deering areas, neighborhood 104 is bounded by the Portland Terminal Co. railway to the west and the Falmouth border to the north. The boundary continues south along Auburn St. and then northeast up Allen Ave. again to the Falmouth border. The eastern border runs long Ocean Ave., cuts east along Grafton St. and continues south just inside Presumpscot St. The southern boundary runs parallel with Washington St. including Front St., Fernald St., W. Kidder St., and Fallbrook St. among others.

NEIGHBORHOOD CHARACTERISTICS

There are 2878 improved residential parcels in NBHD 104

Single Family – 2612

Two Family – 204

Three Family – 50

Four Family – 12

SALE PRICES IN NBHD 104:

104	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 105

Located in Portland's East Deering area, neighborhood 105 is bounded by Casco Bay to the east and the Falmouth border to the north. I-295 / Baxter Blvd. forms the southern boundary. The western boundary runs up Johansen St. and then along Presumpscot St. via Washington Ave. and includes the northern tip between Presumpscot St. and Ocean Ave.

NEIGHBORHOOD CHARACTERISTICS

There are 479 improved residential parcels in NBHD 105

Single Family – 335

Two Family – 107

Three Family – 32

Four Family – 5

SALE PRICES IN NBHD 105:

105	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 106

Neighborhood 106 is sited in the North Deering area. It is bounded by the Falmouth border to the north, Auburn St. to the west, and Allen Ave. to the east. The intersection of Auburn St. and Allen Ave. forms the southern boundary.

NEIGHBORHOOD CHARACTERISTICS

There are 1055 improved residential parcels in NBHD 106

Single Family – 1047

Two Family – 8

Three Family – 0

Four Family – 0

SALE PRICES IN NBHD 106:

106	SINGLE FAM	TWO FAM
AVG		
MEDIAN		
HIGH		
LOW		
# SALES		

NEIGHBORHOOD 107

Located in Portland's Riverton area, neighborhood 107 is bounded by the Presumpscot River to the west, the Falmouth border to the north, and the Portland Terminal Co. railroad to the east. The southern border is Warren Ave. to Morrill's Corner including the area encompassed in the triangle between Stevens Ave., Walton Ave., and Forest Ave. The neighborhood also includes the area around Morrill's Corner and Allen Ave., including Woodlawn Ave., Princeton St., Magnolia St., Cornell St., University St. and Cambridge St.

NEIGHBORHOOD CHARACTERISTICS
There are 1529 improved residential parcels in NBHD 107
Single Family – 1337
Two Family – 149
Three Family – 35
Four Family – 8

SALE PRICES IN NBHD 107:

107	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 108

The southern border of the neighborhood 108 runs along the Portland Terminal Co. railroad and then towards Thompson's Point via the Fore River. It is westerly bounded by the Westbrook border. The eastern border runs on a line north of Sewall St., west on Congress St. and then north up Stevens Ave., but not all inclusive of Stevens Ave. The intersection of Stevens and Brighton form the beginning of the northern boundary which continues west on Brighton Ave., inclusive of side streets including Westminster Ave. and Edgeworth Ave. The boundary continues along Brighton and follows a diagonal line between the northern tip of Harmon Rd. to the northern tip of Holm Ave. including. Taft Ave., Warwick St., Devon St. and Riggs St., among others.

NEIGHBORHOOD CHARACTERISTICS
There are 1395 improved residential parcels in NBHD 108
Single Family – 1267
Two Family – 95
Three Family – 30
Four Family – 3

SALE PRICES IN NBHD 108:

108	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 109

Neighborhood 109 is in Portland's Sagamore Village area. Its eastern boundary runs along Jeanne St. and Fuller St. The southern and western boundaries run approximately along a diagonal line from the intersection of Brighton Ave. and Wayside Rd. to the western end of Birchwood Dr. Included in this area are streets such as Birchvale Dr., Pinecrest Rd., Cedarhurst Ln., and northern Dennett St. The northern boundary runs along a diagonal line between northern Pinecrest

Rd. to Ludlow St., and continues along Ludlow back to the intersection with Jeanne St. Bartlett St., Hale St., Fuller St. and parts of Hamblet Ave. are also included.

NEIGHBORHOOD CHARACTERISTICS
There are 633 improved residential parcels in NBHD 109
Single Family – 633
Two Family – 0
Three Family – 0
Four Family – 0

SALE PRICES IN NBHD 109:

109	SINGLE FAM
AVG	
MEDIAN	
HIGH	
LOW	
# SALES	

NEIGHBORHOOD 110

Neighborhood 110 is set in the heart of Portland's Stroudwater region. It's boundaries are the Portland Terminal Co. railroad to the north, the Westbrook border to the west and the South Portland border to the south. Its eastern boundary runs along Westbrook St. and the Fore River to Congress St.

NEIGHBORHOOD CHARACTERISTICS
There are 318 improved residential parcels in NBHD 110
Single Family – 311
Two Family – 7
Three Family – 0
Four Family – 0

SALE PRICES IN NBHD 110:

110	SINGLE FAM	TWO FAM
AVG		
MEDIAN		
HIGH		
LOW		
# SALES		

NEIGHBOHOOD 111

Neighborhood 111 lies in the Highlands and into the Oakdale section of Portland. Its southerly border is Congress St. connecting with I-295 to Forest Ave. The eastern border runs along Forest Ave. The northern border runs across a parallel line with, but not inclusive of, Washington Ave., south along Canco Rd. and then along a parallel line with, but not inclusive of, Walton St. Brentwood St., Newman St., Bedell St., Best St., and Madeline St. are some of the streets located in this area. The western border runs along Hamblet Ave. and then to Leland St. via Madeline St. It continues along Leland St. and Columbia Rd. where it turns east at the intersection of Brighton Ave. It then heads south on Caroline St. and continues south along Stevens Ave. to Congress St. but is not inclusive of some parts of southern

Stevens Ave. and Dirigo St. In the middle of neighborhood 111 lies neighborhood 1111, which has been separated out because of factors such as lot size and building characteristics.

NEIGHBORHOOD CHARACTERISTICS
There are 2366 improved residential parcels in NBHD 111
Single Family – 1574
Two Family – 521
Three Family – 217
Four Family – 54

SALE PRICES IN NBHD 111:

111	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 112

The eastern boundary of neighborhood 112 runs along Baxter Blvd. and the Back Cove. Its southern boundary starts from the intersection of Baxter Blvd. and Forest Ave. and runs along Forest Ave. Its west/northwest boundary runs, but is not inclusive of, Ocean Ave. and connects with the north/northeast boundary which basically cuts across Payson Park.

NEIGHBORHOOD CHARACTERISTICS
There are 473 improved residential parcels in NBHD 112
Single Family – 404
Two Family – 52
Three Family – 14
Four Family – 3

SALE PRICES IN NBHD 112:

112	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 1021

Neighborhood 1021 sits in downtown Portland and primarily covers much of the Bayside and Parkside sections. It is bounded by I-295 to the west and north until it connects with Washington Ave. which forms its boundary to the east. The southern boundary runs along Congress St., including side streets such as India St., Newbury St., Hampshire St. and Federal St. Cutting back across Cumberland Ave., the boundary runs to the intersection of Deering St. and Congress St., then along Congress St. back to I-295. This area includes streets such as Valley St., St. John's St., A, C and D Sts., Lowell St. and Huntress St., among others.

NEIGHBORHOOD CHARACTERISTICS
There are 339 improved residential parcels in NBHD 1021
Single Family – 107
Two Family – 88
Three Family – 100
Four Family – 44

SALE PRICES IN NBHD 1021:

1021	SINGLE FAM	TWO FAM	THREE FAM	FOUR FAM
AVG				
MEDIAN				
HIGH				
LOW				
# SALES				

NEIGHBORHOOD 1111

Situated in the heart of neighborhood 111, neighborhood 1111 is bordered by Bradley St. and Glenwood Ave. to the west and Rackleff St. to Fairmount St. to the north. Beacon St. including west Longfellow St. and Orland St. form the boundary to the east. Brighton Ave. forms the border to the south including Caleb St., northern Bradley St. and Edwards.

NEIGHBORHOOD CHARACTERISTICS
There are 225 improved residential parcels in NBHD 1111
Single Family – 193
Two Family – 28
Three Family – 4
Four Family – 0

SALE PRICES IN NBHD 1111:

1111	SINGLE FAM	TWO FAM	THREE FAM
AVG			
MEDIAN			
HIGH			
LOW			
# SALES			

2021 Revaluation Project General FAQs

City of Portland
Assessor's Office

Q: WHY IS PORTLAND REASSESSING PROPERTY VALUES?

A: Maine requires all municipalities to conduct a general revaluation every 10 years. Portland's last revaluation set values as of April 1, 2006. Portland's real estate market has changed considerably since then. The goal of a revaluation is to help ensure the city's property tax burden is distributed fairly and equitably based on current property values.

Q: WHEN WILL THE REVALUATION OCCUR? WHEN WILL IT TAKE EFFECT?

A: **The effective date for new values is April 1, 2021**. A notice of value change will be mailed to taxpayers in **mid to late May 2021**, at which point starts the informal appeal process. New values will be used to calculate tax bills for Fiscal Year 2022 which will be mailed in the fall of 2021.

Q: WHAT IS A REVALUATION? HOW DOES IT WORK?

A: Revaluation is a process that resets the taxable value of all real property to its current market value and eliminates inequities that have developed in assessed values since the last revaluation.

We have hired a professional reassessment firm, Tyler Technologies CLT Appraisal Services, the national leader in municipal revaluations, to conduct this project with assistance from the Portland Assessor's Office staff. To ensure our assessments are accurate, every recorded sale of property in Portland is evaluated through a combination of computer-based reviews and field reviews. This ensures the characteristics of each property are accurately reflected in city tax records. As part of this review, all parcels have been digitally photographed in high resolution to ensure that all improvements can be compared uniformly.

Q: WHAT IS MARKET VALUE?

A: Market value is the most probable price a property would bring in an open and competitive market. The City of Portland Assessor's Office does not create market value; rather, we analyze the patterns and trends of the local real estate market and use that information to estimate market values for all properties.

Q: WHY IS THE REVALUATION CYCLE BEING SHORTENED FROM TEN YEARS?

A: The Assessor's Office will be working to shorten the revaluation cycle from 10 years moving forward. A ten-year cycle, for a growing city like Portland, creates more opportunity for inequities to grow and usually leads to much larger and unpredictable changes to property values. A shorter cycle reduces the chances of this happening and helps make property taxes more equitable, predictable and manageable.

Q: ARE THERE ANY CIRCUMSTANCES IN WHICH VALUES WOULD CHANGE BEFORE THE NEXT REVALUATION?

A: There are a few important circumstances in which an assessed value would change before the next revaluation. These include new construction, demolition, addition or other improvement to a property that would affect value. When any of these changes occur to an individual property, its market value is adjusted using the rates developed for the most recent revaluation year.

Q: HOW DOES REVALUATION BENEFIT HOMEOWNERS?

A: Property taxes are based on property values. Without periodic revaluations, some property owners would pay relatively more while other would pay relatively less. Revaluation resets property values to their current market value so that the property tax burden is equitable for all taxpayers.

Q: WHAT ARE THE QUALIFICATIONS OF STAFF? HOW ARE THEY TRAINED?

A: All City of Portland Assessor's Office staff who conduct valuation work are certified to do so by Maine Revenue Services. Assessor's Office staff are both well trained and professional, with decades of combined experience. Appraisers must pass a series of educational courses and a comprehensive examination to meet certification requirements. They also have ongoing educational and training requirements to maintain certifications. In addition, state law requires that if a revaluation company or consultant is used, they must hold a Maine certification. Our project meets this requirement as Tyler's on-site project manager holds the required certification.

Q: HOW CAN I VIEW THE INFORMATION YOU HAVE ON FILE FOR MY PROPERTY?

A: Visit **portlandmaine.gov/propertysearch** and type in your Parcel ID (CBL) or address and click on "Search Now." Here you can view the property characteristics we have on file for your property, including a sketch and photo. You can request any changes by emailing **assessors@portlandmaine.gov** or calling 207-874-8486 to have one of our staff members take your information.

2021 Revaluation Project General FAQs

City of Portland
Assessor's Office

Q: HOW DO I KNOW IF I SHOULD APPEAL?

A: The City of Portland Assessor's Office is committed to working with all property owners to ensure every property is appraised at a reasonable estimate of its April 1, 2021 market value. If you believe the 2021 assessed value of your property is not a reasonable estimate of what it could sell for on April 1, you have the right to appeal the value.

While we understand some taxpayers may have concerns about affordability and changes in property tax amounts, these alone are not grounds for an appeal. An appeal is based on the estimated market value of the property, not the amount of taxes. According to Maine taxation law (36 MRSA §848-A), your property's assessment is considered reasonable if it falls within 10% of its most probable selling price.

Q: HOW CAN I APPEAL?

A: Once you receive your Notice of New Value, every property owner has the right to an informal appeal hearing. These provide an opportunity to meet with a member of Tyler's staff to discuss their property value and correct any errors found in the data collection or property valuation process. These informal hearings will occur **virtually by phone or video chat** in the summer of 2021. Specific instructions on how to schedule an appointment will be included with the Notice of New Value.

Once all informal appeals are heard by Tyler and data and value changes are made, the FY2022 tax rolls and tax commitment will be set. FY22 tax bills will then be printed and mailed in September/October 2021.

Once FY22 taxes are committed, taxpayers have 185 days to file for a formal appeal. This appeal requires an application submitted to the Assessor's Office. The Assessor's Office has 60 days to respond. If you disagree with the Assessor's Office determination, you have 60 days to appeal to the City of Portland Board of Assessment Review for a formal hearing. If you disagree with the Board's decision, you can further appeal to the State Board of Property Tax Review. Further appeals beyond this Board's decision go into the state court system.

Q: HOW ARE APPRAISAL AND TAXATION RELATED?

A: Appraisal and taxation are separate issues. The Assessor's Office determines the market value of all property and sets an assessed value. The tax rate is calculated by taking the City Council's approved budget and dividing the amount needed from property taxes by the total taxable assessed value of the City.

Q: WILL MY TAX BILL CHANGE?

A: Not necessarily. The annual tax bill for each property is calculated by multiplying the assessed value by the tax rate. Some tax bills will go up, some will go down and some will stay about the same. To determine any tax bill change for your individual property, compare the increase of the City's total taxable value by the change in your individual assessment. As an example, if the City increases in total value by 40%, but your individual property assessment increase is 38%, you would see a 2% tax decrease.

Q: HOW MUCH ADDITIONAL TAX DOLLARS OR REVENUE DOES THE CITY COLLECT FROM THIS?

A: You may be surprised to learn the answer is zero. The annual approved City budget calls for the amount needed to be raised by property taxes. The tax rate is set by dividing this number by the total taxable valuation of the City. The increase in taxable value results in the tax rate decreasing to raise this same amount. The City does not generate any additional tax dollars from a revaluation.

Q: HOW DO I KNOW IF I QUALIFY FOR PROPERTY TAX EXEMPTIONS OR TAX RELIEF?

A: There are various tax relief programs available all with a range of eligibility requirements. To see the available programs, their eligibility requirements, and applications, visit www.portlandmaine.gov, navigate to the Assessor's Office page and click on **Tax Relief**. If you have any questions regarding exemptions, please contact us at 207-874-8486.

*For more information, visit the Revaluation Project website at **revalueportland.me**. If you still have questions or concerns regarding revaluation, please call **207-874-8763** or send us an email at **assessors@portlandmaine.gov**.*

Citizens' Guide to Revaluation

City of Portland Property Reassessment Program – 2021

389 Congress St., Room 115
Portland, Maine 04101

Phone: 207-874-8763
Fax: 207-874-8765

Assessors@portlandmaine.gov
www.revalueportland.me

Table of Contents

City Manager’s Message

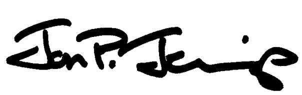
A citywide revaluation of all properties located in the City of Portland is underway and in-progress. The City last implemented a reassessment in 2006.

Properties will fluctuate in value with general market conditions, such as supply and demand, home sale prices and the state of the economy constantly changing. A revaluation ensures that property taxes are paid on current and fair market values across the City.

Tyler Technologies – CLT Appraisal Services in conjunction with the city Assessor’s Office will be conducting the project, which will appraise all property values at fair market value as of **April 1, 2021** and will affect property tax bills issued in the fall of 2021 for the Fiscal Year 2022 tax cycle.

This guide has been designed to strengthen your understanding of the City’s 2021 revaluation program and to provide pertinent information which may be useful to you. Thank you in advance for your cooperation as we work to ensure fairness and equity in our local taxation.

Sincerely,



Jon P. Jennings
Portland City Manager

Maine State Constitution and Assessment Law

The Maine Constitution stipulates two important pieces of valuation policy:

Section 7, Valuation: *While the public expenses shall be assessed on estates, a general valuation shall be taken at least once in 10 years.*

- Portland's last reassessment date of value was 4/1/2006, which will be 15 years from the expected 2022 project completion date.

Section 8, Taxation: *All taxes upon real and personal estate shall be apportioned and assessed equally according to the just value thereof.*

- Case law has interpreted "just value" to mean full and fair market value. A property's assessed value should reflect what the property could sell for on the open market. Currently, assessed values in Portland are averaging about 66% of market value.

Maine Revised Statutes, Title 36, §327 Minimum Assessing Standards: A municipality shall achieve an assessment ratio not less than 70% and an assessment quality rating not higher than 20.

- Maine Revenue Services determined Portland's assessment ratio for 2021 to be 66% and a quality rating of 18. Each year these numbers move closer to the minimum standards and for 2021, we are out of compliance with the ratio standard and close to the same for the quality rating.

For all of these reasons, the City needs to conduct a revaluation program. A revaluation is a program undertaken by a municipality to appraise all property according to its full and fair just value and spread the tax burden equitably. Real property must be assessed at the same standard of value to ensure that every property owner is paying his or her fair share of the property tax.

City of Portland Assessor's Office

The Team

Combined total of over 120 years of service to the City in this office!

Chris Huff

City Tax Assessor

Administers, manages and evaluates all aspects of the assessment function

Joe Montefusco

Tax Assessment Analyst

Handles all data and report requests. Appraises all condos and commercial properties in the City

Jim Merrill

Senior Appraiser

Appraises all residential properties within the City

The Team

Combined total of over 120 years of service to the City in this office!

Laurie Carlson

Personal Property Appraiser

Appraises personal property, administers BETE and BETR programs

Suzanne Jennings

Assessment Support Services Specialist

Administers all deed registry and ownership changes, Homestead and Veteran Exemptions and mapping changes

Brad Saucier

Office Clerk

Provides outstanding customer service to callers and visitors; supports all office functions

Appraiser

Appraises personal property, administers BETE and BETR programs

-------- -----------

Administers all deed registry and ownership changes, Homestead and Veteran Exemptions and mapping changes

Provides outstanding customer service to callers and visitors; supports all office functions

Mission Statement

Our mission is to serve the citizens of the City of Portland by efficiently and fairly valuing all real estate and business personal property for ad valorem (at value) tax purposes. We provide a full and fair opportunity for taxpayers to examine and question their assessments. Our office maintains the assessment rolls, tax maps, and real estate registry for all parcels within the City. We strive to provide useful information in a courteous and friendly manner to the public. We carry out this mission with impartiality, fairness, equity, transparency and in compliance with all State of Maine statutes and laws.

Motto

We *appraise* property, but we *value* people!

Role and Responsibility

An important role of the City of Portland Assessor's Office is to determine fair market value for all real property in Portland, which helps to ensure that the property tax burden is shared fairly and equally. To this end, the Assessor's Office is responsible for conducting periodic citywide reassessments of all real property in Portland as prescribed by State law. The primary goals of the office are:

First, to achieve **accuracy** in property tax assessments. The Assessor's Office strives to maintain accurate property characteristics.

Second, to achieve **equity** in the property valuation process. The Assessor's Office ensures that all properties are assessed in a similar manner.

Third, to achieve **fairness** in property tax distribution. To achieve fairness, the Assessor's Office ensures that property owners' share of the total property tax is the same as their share of the total value of all taxable property in the City.

Finally, to bring **transparency** to the assessment function. We achieve this by providing a full and fair opportunity for all taxpayers to examine and question their assessed value.

Key Services of the Assessor's Office

- Appraises and revalues all real property in the City of Portland once every ten years, when the quality ratio exceeds 20% or the assessment to market value ratio falls below 70%.
- Keeps records for all real property in the City of Portland to include descriptions, ownership, sales, and location data.
- Provides information, education, and assistance to City of Portland real property owners.
- Provides public computer access to assessment data, which is also available online at the City's website.
- Annually certifies the taxable assessed valuations to the City of Portland tax collector.
- Administers and provides information for Current Use Assessments (Tree Growth, Open Space, & Farmland) as well as exemptions such as Homestead, Veterans, Blind Persons, Parsonages, etc.
- Updates and maintains tax maps.

Transparency in government is essential for building public trust and is one of the City of Portland's top priorities. Information regarding the City's tax rolls and budget financials can be found online at **www.portlandmaine.gov** under the Assessor and Finance department links.

Please visit the Revaluation Program webpage at **www.revalueportland.me** for the latest news, updates and information regarding the current revaluation. You can also call the Revaluation Help Line at 207-874-8763.

Reassessment 101

Maine law requires that all real property (land and buildings) will be reappraised and adjusted to current fair market value as of April 1st of the year prior to implementing the reassessment. Only real property is appraised during a reassessment. Values of personal property (business equipment and furnishings) are adjusted on an annual basis and kept current through the Assessor's Office under the direction of Maine Revenue Services. The purpose of a reassessment is to equalize the valuations of all real property in a municipality.

The fair market value of real property is constantly changing due to factors such as location, market demand, the age and physical condition of a neighborhood, and the state of the economy. As a result, non-uniformity in values occur over time within tax jurisdictions whether or not property values increase or decrease. For example, comparable houses are now selling for a greater amount than at the time of Portland's last reassessment in 2006 when market value was last determined. The reassessment process ensures that all houses which have similar characteristics are valued consistently; the property values are equalized allowing property tax to be redistributed on a more equitable basis.

Property owners should pay no more or no less than their fair share of the property tax burden.

Schedule of Activity

April 18, 2018 - Portland City Council approves funding for a citywide revaluation

December 18, 2018 – Revaluation contract signed with Tyler Technologies CLT Appraisal Services

February 12, 2019 – Project kick-off meeting with Tyler staff and Assessor's Office

March 25, 2019 - Digital document scanning phase of project gets underway

April 5, 2019 – First general informational brochure mailed to all City residences

April 8, 2019 – Street-level imagery phase of project started

April 29, 2019 – Data collection phase gets underway with field visits of properties

July 12, 2019 – Income and expense request mailers sent to all commercial property owners

July 22, 2019 – Residential and Commercial market analysis and valuation modeling process begins

October 10, 2019 – Data mailers sent to all residential property owners

December 30, 2019 – Final valuation reviews begin

April, 2020 – It's announced that the revaluation program will be delayed by 1-year, in light of the COVID-19 pandemic and the market unknowns. New values will reflect 100% of market value for the April 1, 2021 annual assessment date. Work continues monitoring and analyzing market sales for the next year.

May 2021 - Notices of proposed values for each parcel mailed to property owners

June 2021 – Informal hearings begin allowing owners to appeal new property values

August / September 2021 – FY22 tax rate set based on final total citywide taxable valuation and the FY22 budget passed by City Council

September / October 2021 – Tax bills mailed based on new assessments

The Reassessment Process

The Assessor's Office maintains a database of the physical characteristics for over 24,000 parcels within the City of Portland. The data includes information such as square footage, garages, decks, pools, type and quality of construction, land/lot area, water features, and several other attributes required for the mass appraisal process. Properties are then grouped into one of approximately 500 appraisal models based on similar market characteristics.

Licensed staff appraisers determine land values for each of the appraisal models based on analysis of vacant and improved property sales. Structural improvements to the land are valued using a market sales modified Marshall & Swift cost service. Residential structures are generally valued based on the reproduction cost new less depreciation for age and condition. The valuations produced for each appraisal model are then tested for accuracy using actual market sales. After testing, the result of the mass appraisal model for the City of Portland is then measured against statistical standards of the International Association of Assessing Officers (IAAO).

If a model fails the required standards, further review and refinements are necessary before acceptance.

Commercial properties may be evaluated on a cost basis or rental income streams, operating expenses, and what kind of investment return (cap rate) can be reasonably expected.

Property Tax

Real property should be assessed and taxed at 100% of fair market value according to Maine Law. In Maine, property tax is the primary source of revenue for local government entities. For example, in fiscal year 2020, property taxes represented approximately 50% of all City of Portland operating revenues. Other sources such as grants, state revenue sharing, state aid for education, sewer fees, excise tax on vehicles, and permit fees make up the remaining 50%. Once the taxes are collected, the City disperses the money for the city, schools, and Cumberland County government. By simplifying the process this way, property owners receive only one property tax bill instead of several. The taxing authorities determine how much is needed to pay for key government services through their annual budgeting processes. Once the budgets have been adopted and a resolution is passed by Council, the amount of taxes to be collected is certified by the City Treasurer's Office. All property owners pay a fair share of property taxes based on the taxable value of property they own. The City and other taxing entities utilize property tax revenue to provide important services that help to sustain the quality of life in the City of Portland.

Forecast Changes in Market and Assessed Values

Most, if not all, real property in the City of Portland has gained value since the last reassessment was fully implemented, based on market values as of 4/1/2006. For this revaluation, market values will be determined as of April 1, 2021. As a result of this fifteen-year interval, the State Equalized Valuation (SEV), as conducted annually by Maine Revenue Services, shows a gain of 58% in market value from $7.039 billion in 2006 to $11.149 billion in 2021.* **This market value increase in the City of Portland is not uniform as some areas have increased in market value more than other areas.** These changes also impact the assessed values that will be used for property tax calculations in 2021. <u>An overall increase in values will result in an off-setting reduction in the tax rate</u>. As a result, some taxpayers in the City may pay a greater share of the tax burden while other areas may pay less. This occurs in every reassessment. The general rule of thumb in a revaluation is one-third of properties will see a higher tax levy, one-third will stay the same and one-third will see a decrease.

* The State Equalized Valuation (SEV) was $7,039,000,000 in 2006 and $11,149,300,000 in 2021

Three Key Points

An increase or decrease in the assessed value of a property resulting from the revaluation does not predict whether the tax bill for that property will increase, decrease, or remain the same. Here are three key points:

1. The overall budget, and the tax levy, for the city is not related to the revaluation. The tax levy is the amount of property taxes needed to fund the budget. Real Estate taxes for each property are determined by multiplying the taxable assessed value for each property times the tax rate (mil rate). The proportion of your taxable value to the total taxable value of the community affects your tax bill. The approved City budget each year determines how much needs to be raised in property taxes to fund appropriations. A revaluation will not raise any more or any less than this amount. The Assessor and Finance Director divide that amount among all owners in proportion to the value of property they own. This is the concept of uniformity and the basis for Maine property tax law.

2. A neighboring foreclosure or distressed sale is not an indicator that an assessed value should be lowered. One sale does not make a market. Foreclosed properties are marketed under duress and frequently sell at discount prices. While there has been more of a focus on foreclosure-related sales in recent years, foreclosure sales have always been part of the market. Just as foreclosure-related sales are frequently not an indicator of market value when values are rising, they are not necessarily an indicator of value in a declining market and are not normally considered by the Assessor's Office when determining the market value of property in a community. In fact, State law, appraisal standards, and the Maine courts require very specific criteria for a sale to be considered as a reliable indicator of market value (a.k.a a Qualified Sale). Two of the most important of these criteria are whether the sale occurred under duress (such as a forced sale) and whether the property had adequate market exposure. For example, a property that sells two days after it is listed may have sold quickly because it was underpriced. This may be an indication of a duress situation, requiring closer review by the Assessor's Office, to verify whether it was an "arm's length transaction". In most cases, looking at non-foreclosure sales is the most reliable way to gauge what is actually happening with neighborhood values. There are times when the majority of houses that are selling in a neighborhood tend to be around the same price as foreclosure-related sales. In this case, those sales may represent a reasonable picture of market value.

3. If your home value has increased, property taxes may not necessarily go up. As an example, Mrs. Smith and Mrs. Jones each had their home assessed at $100,000 during the last revaluation. Each is currently paying $2,331 in property taxes based on the FY20 mil rate of .02331 or $23.31 per $1000 of assessed value.

The next revaluation shows that both homes have appreciated in value, but the appreciation has been at different rates due to location (they are in different neighborhoods) and maintenance upkeep over the years.

	Mrs. Smith	Mrs. Jones	Collected Taxes
Current Assessment	$100,000	$100,000	
Current Taxes	$2,331	$2,331	$4,662
Assessment after Reval	$300,000	$150,000	
Taxes following Reval	$3,108	$1,554	$4,662

With no revaluation, Mrs. Smith is paying $777 to little while Mrs. Jones is paying $777 too much. Mrs. Jones is subsidizing Mrs. Smith's tax bill. This is what is meant by **Tax Equalization**. The purpose is to value all property by the same standard and equalize those values so that no one is paying more than their fair share.

This example also illustrates the point that a revaluation DOES NOT raise new tax revenue for the City. The same amount of taxes is collected after the reval as before the reval. Think of the amount of taxes collected as a pie. A revaluation does not determine the size of the pie (the budget accomplishes this), but rather ensures the pie is cut up fairly – that taxes are fairly distributed based on current market values.

This example is solely intended to demonstrate the relationship between property value and tax distribution. It does not reflect other factors that affect tax bill amounts such as Veterans and Homestead exemptions which play a significant role in individual property tax calculations.

Appeal Process

All revaluation notices will contain information on appeal procedures, should you disagree with the new value assigned to your property. Appeals will be based on the market value of the property as of April 1, 2021 and not the amount of taxes. Property owners wishing to file an appeal must do the following:

- Review the property information for your property. Make sure it is correct and accurate
- Review the new values of similar properties to your property. Determine if your property is significantly under or over assessed.
- Schedule and attend an informal hearing to review your property information and answer questions. These informal appeals will be conducted remotely via telephone or video conferencing.

Upon receipt of the appeal, staff will review all submitted information and look for any obvious errors in the record. If no data errors are found, personnel will review sales of comparable properties in your neighborhood to determine if your market value is reasonable and equitable compared with these sales.

After the informal appeal, should you still disagree with the findings and assessed value, you may file a written Application for Abatement with the City of Portland Board of Assessment Review;

- State why you believe the new valuation is incorrect; and
- Provide supporting documents or facts that substantiate your request and support your opinion of the property value questioned.

Property ownership, assessed valuation, maps, and other public information regarding real estate may be viewed on-line or by using the self-service computers located at the Assessor's Office in City Hall, Monday through Friday 8 a.m. to 4:30 p.m. Searches can also be done online using the online assessment database on the City's website to view assessment information, property descriptions, legal descriptions, sales and other data as it relates to assessments.

Abatement/Appeal Supporting Documents Examples

- Appraisal by a Maine certified appraiser that must reflect market conditions as of April 1, 2021.
- Closing statement or sales contract reflecting an "arms-length transaction" on the open market.
- Recent comparable sales of similar houses in the same neighborhood or a comparable neighborhood.

- Estimates for repairs showing structural issues or conditions that affect the market value of the house.
- Photos showing existing structural issues or conditions that a buyer may require a seller to repair prior to closing.
- Statement of construction costs or recent bills demonstrating value of new construction or additions.

Tax Relief

Several programs aimed at tax relief are available. Please contact the Assessor's Office or check our website for further information, links and applications.

Business Equipment Tax Reimbursement (BETR)

The BETR program is designed to encourage capital investment in Maine. The program reimburses business taxpayers for local personal property taxes paid on most qualified business property. To qualify, qualified business property must have been first placed in service in Maine after April 1, 1995. Applications for the 2021 BETR Program are based on taxes paid in 2020. The application period for refunds of personal property tax paid during 2020 is August 1, 2021 through December 31, 2021. The BETR form is submitted by the Taxpayer to Maine Revenue Services (M.R.S.) for reimbursement. The Taxpayer must first submit the form to the Assessor's Office for verification and signature. Forms are then mailed back to the Taxpayer for submission to M.R.S.

Business Equipment Tax Exemption (BETE)

The BETE program is a 100% property tax exemption program for eligible property that would have been first subject to tax in Maine on or after 4/2/07. BETE does not replace the Business Equipment Tax Reimbursement program above. The BETR program remains in place for qualified property placed in service after April 1, 1995 and on or before April 1, 2007 and for retail/service property placed in service after April 1, 1995 . Visit the Maine Revenue Services website for more information, to print the BETE application, review the guidance documents, and the tutorial.

BETE applications are returned to this office (not the State) and are due by May 1st of each year.

Maine Individual Income Tax – Property Tax Fairness Credit (PTFC)

Eligible Maine taxpayers may receive a portion of the property tax or rent paid during the tax year on the Maine individual income tax return whether they owe Maine income tax or not. If the credit exceeds the amount of your individual income tax due for the tax year, the excess amount of credit will be refunded to you.

Who is eligible for the Property Tax Fairness Credit? Homeowners or renters who meet all of the following requirements:

1. Were Maine residents during any part of the tax year;
2. Owned or rented a home in Maine during any part of the tax year and lived in that home during the year as a primary residence;
3. Paid property tax or rent on the primary residence in Maine during the tax year;
4. Meet certain income and property tax and/or rent paid limitations during the tax year.

Visit the Property Tax Fairness Credit website for specific program information including schedules, forms and available assistance in applying.

Portland Senior Tax Equity Program (P-STEP)

This local program, voted on and approved by Portland City Council in 2017, provides tax relief to low-income seniors in Portland by providing property tax or rent rebates for qualified applicants. Please visit our website for a full program overview, FAQ's on the program and an application. In summary:

- Applicants **must** be 62 years of age or older.
- Applicants **must** have received a Maine Property Tax Credit (PTFC) through their filed Maine 1040 Income Tax in the tax year prior to the P-STEP application. If you do not qualify or did not receive a rebate under the State program, you will not be eligible for the City P-STEP. The City will request confirmation from the State of Maine for rebates received.
- The 2020 tax year application period is **January 29, 2021 through June 30, 2021**.

Maine Homestead Exemption Program (Title 36, M.R.S.A. Section 681)

This program provides a measure of property tax relief for certain individuals that have owned homestead property in Maine for at least 12 months and make the property they occupy on April 1 their permanent residence. For the April 1, 2021 tax year, the Maine Legislature revised the amount of the exemption to $25,000 of just value. If you have already applied for this program you do not need to apply again on the same property. It is important to note that if you have recently moved or sold your property, you must reapply for the exemption on your new home.

Applications must be received by the tax assessor by April 1 in the year that the exemption is first granted. Applications received after April 1 will not become effective until the following tax year.

Blind Exemption (Title 36, M.R.S.A. Section 654)
A homeowner who is legally blind as determined by a doctor is eligible for a $4,000 exemption on their property. Applications must be received by the tax assessor by April 1 in the year that the exemption is first granted. Applications received after April 1 will not become effective until the following tax year. Please provide a letter from your licensed Doctor of Medicine, Doctor of Osteopathy or Doctor of Optometry with the application.

Veterans Exemption (Title 36, M.R.S.A. Section 653)
Property owners may be eligible for a reduction in the valuation of their property if they meet one of the following qualifications:

- Maine Resident age 62 on or before April 1, 2017 who served during a recognized war period.
- Receives 100% disability from the VA
- Paraplegic veterans
- Un-remarried widows and/or widowers of qualifying veterans

In all cases, the applicant must fill out an application and provide the Assessor with proof of service (Form DD214). Exemptions are:

- WWI: $7,000
- WWII or later: $6,000
- Paraplegic Veteran: $50,000 for specially-adapted housing unit

Applications must be received by the tax assessor by April 1 in the year that the exemption is first granted. Applications received after April 1 will not become effective until the following tax year. Please provide a copy of your discharge papers, the DD214, with the application.

Surviving Spouse, Minor Child or Widowed Parent of a Veteran

Applications must be received by the tax assessor by April 1 in the year that the exemption is first granted. Applications received after April 1 will not become effective until the following tax year. Please provide a copy of the death certificate and discharge papers (DD214) with the application

Key Contacts

City of Portland Assessor's Office	207-874-8486 assessors@portlandmaine.gov
Revaluation Helpline	207-874-8763
Revaluation Website	www.revalueportland.me

Office Locations:

Assessor's Office – Room 115
Portland City Hall
389 Congress St.
Portland, ME 04101

Tyler Reval Project Team Office
Harry E. Cummings Center – 1st Floor
134 Congress St.
Portland, ME 04101

Frequently Asked Questions

What is a revaluation or reassessment?
A reassessment is a program undertaken by a municipality to appraise all property according to its full and fair just value and spreading the tax burden equitably. An essential condition for equity in property tax systems is uniform assessments, which helps to ensure that tax liabilities and property values are directly related. The only way to ensure that all properties are valued equitably is to analyze each value with respect to the current market at a specific point in time (the valuation date). During a reassessment, market values of all properties are reviewed and changes in the real estate market will help determine which property values need to be increased or decreased.

Why is revaluation necessary?
Revaluation is mandated by State law with the purpose of equalizing market values that change over time between reassessments.

How does revaluation benefit property owners?
Property taxes are based on property values. Without periodic revaluations, some property owners would pay relatively more while others would pay relatively less. Revaluation resets property values to their current market value so that the property tax burden is equitable for all taxpayers.

How often does a reassessment occur?
The Maine Constitution says this should occur every 10 years. Maine statutes mandate that once the average assessment ratio drop below 70%, or when the quality rating (Coefficient of Dispersion) exceeds 20%, a municipality shall appraise and equalize properties (conduct a revaluation) under its jurisdiction.

Is the City shortening the revaluation cycle from 10 years?
The Assessor's Office will be working to shorten the revaluation cycle from 10 years moving forward. A ten-year cycle, for a growing city like Portland, creates more opportunity for inequities to grow and usually leads to much larger and unpredictable changes to property values. A shorter cycle reduces the chances of this happening and helps make property taxes more equitable, predictable and manageable.

Who is responsible for a reassessment?

The City of Portland Assessor, whose duties include responsibilities as outlined below. Per state statutes, the Assessor is responsible for the operations of the Assessor's Office and shall do the following:

- Maintain a continuous record of recorded deed sales transactions, building permits, tax maps, and other records necessary for a continuing reassessment program;
- Diligently search for and discover all real property not previously returned by the owners or their agents or not listed for taxation by the City, and list such property for taxation in the name of the owner or person to whom it is taxable;
- When value changes, reappraise and reassess real property so as to reflect its proper valuation in light of changed conditions
- Determine assessments and reassessments of real property in a manner that the ratio of assessed value to fair market value is uniform throughout the City;
- Appear as necessary before an appellate board to give testimony and present evidence as to the justification of an appraisal;
- Perform duties relating to the office of tax assessor required by the laws of this State; and
- Be the sole person responsible for the valuation of real property. The values set by the Assessor may be altered only by the Assessor or by legally constituted appellate boards, Maine Revenue Services, or the courts.

How is property reassessed?

A Citywide reassessment involves the mass appraisal process to determine a fair market value. This approach utilizes the analysis of market sales, building cost factors and rental income and expenses in valuing all property in the City. Mass appraisal uses accepted methods of property valuation that conform to the standards of the Appraisal Foundation and accuracy of the International Association of Assessing Officials and Maine Revenue Services.

Do I have to let the Appraiser or Field Reviewer into my home?

Property owners are not required to invite or let the Assessor or their designated property appraisers into their home. For the current revaluation program, data mailers were sent to property owners for any changes needed in our data records.

How do I know if my property data is correct?
Data mailers were sent to all residential property owners in the City with the data characteristics we have on file. Owners were asked to correct and update any information that needs to be changed. Postage-paid envelopes were provided to return your form to City Hall. You can always review your property data at the Property Search website: www.portlandassessors.com.

Will I be notified of my new property value?
Notification of all value changes made to a property will done through a mass mailing of assessment notices to all property owners at the same time. This is expected in mid to late May 2021.

Will revaluation affect property tax bills?
Not necessarily. While assessed values for almost all properties will certainly change, whether your tax bill will increase, decrease or stay the same depends on how much your property value changes in relation to the rest of the City. If the City's overall value change is 40% and your property value change is 38%, you would see a 2% tax decrease. If your property value increases 42%, you would see a 2% tax increase.

If my taxes are paid through my mortgage escrow, should I do anything with the new assessment?
Yes. Once millage rates are certified through the FY22 budget process, you should notify your mortgage company of your new assessment, millage rate and an estimate of a change in your taxes so the distributions can be adjusted to your escrow account accordingly. Otherwise, your mortgage company will not be notified of any change in your tax amount until they receive the next tax bill. This could create a shortfall or overpayment to your escrow account balance, potentially affecting your mortgage payment.

How do I correct misspelled names on my tax notice?
Be sure to first check your deed. If the names are spelled incorrectly on the deed, this will need to be corrected. To do so, you must contact a real-estate attorney or title company to record a corrective deed at the Cumberland County Registry of Deeds Office. If the misspelling is due to a data entry keying error, we apologize! Please contact our office and we will correct it immediately. We do require change requests in writing and an email to assessors@portlandmaine.gov is acceptable.

How do I change the mailing address where the tax bill is sent?
The Assessor's Office will happily change a mailing address for tax bills. We ask for that request in writing (email is acceptable). Please note, we will not change a mailing address to forward a bill to a mortgage company. Tax bills are sent to property owners or their designee.

Terms and Definitions

Ad Valorem Tax The term ad valorem is derived from the Latin ad valentiam, meaning "according to the value." An ad valorem tax is a property tax based on the assessed value of the property, which is not necessarily equivalent to its market value. Ad valorem tax is used for real estate, imports, or other goods in which the property of value changes hands and is based on the assessed value of the good. Real property taxes that are imposed by municipalities are the most common type of ad valorem taxes.

Appraisal Model This is a grouping of properties with similar characteristics analyzed by appraisal staff, including property sales transactions within that grouping to determine appraisal factors or rates which are then applied to all properties within that group.

Arm's Length Transaction A transaction in which the buyers and sellers of a product act independently and have no relationship to each other. The concept of an arm's length transaction is to ensure that both parties in the deal are acting in their own self-interest and are not subject to any pressure or duress from the other party.

Assessed Value The dollar value assigned to a property for purposes of measuring applicable taxes. Assessed Value equals an appraisal or fair market value of real or personal property less any exempt value.

Cost Approach An approach to market value based on how much money it would take, at current material and labor costs, to replace your property with a similar one. If your property is not new, the cost of constructing a new building is depreciated to estimate the value of a building with your building's age and condition. The land value is then added to this amount.

Date of Market Value The date, as required by law, in which to determine market value. For example, the date of market value for City of Portland's 2021 Revaluation will be April 1, 2021.

Deed A deed is a written, legal instrument that conveys interest in real property when executed and delivered.

Fair Market Value This is the value as determined by the Assessor's Office before any exemptions are applied. Fair Market Value is the most probable price that the property would sell for in an open market between a willing buyer and seller on the valuation date. It is the price that would be agreed on between a willing buyer and a willing seller, with both having a reasonable knowledge of pertinent facts and not acting under any duress.

Fiscal/Tax Year A period of time used for accounting purposes and preparing a financial statement. The City of Portland's fiscal year is July 1st to June 30th.

Grantee A grantee is a person to whom property is transferred by deed or to whom property rights are granted by a document.

Grantor A person who transfers property by deed or grants property rights through a document.

Income Approach An approach to market value that can estimate how much income a property would produce if it were rented. Operating expenses, typical vacancy, insurance, and maintenance costs are considered to estimate how much net income the property could generate. This net income is compared with how much income most people would expect to earn on other types of investments to estimate the value of your property.

Joint Tenancy Joint tenancy is joint ownership by two or more persons which may include the right of survivorship.

Legal Description A legal description is a narrative of land that identifies the real estate according to a system established by law; an exact description that enables the real estate to be located and identified.

Legal Owner The owner of title, as distinguished from the holders of other interests, such as beneficial interests.

Marshall & Swift This is a published cost guide much like a used car guide like "Kelly's Blue Book". This is considered the authority on the cost approach and provides building system data needed for real estate cost valuations.

Millage Millage is the amount per $1,000 value that is used to calculate taxes on property, where the expressed millage rate is multiplied by the total assessed value of the property to arrive at the property taxes due. One mill equals 1/1000 of a dollar. For example, if the tax rate is 20 mills, or $20 per $1000 of assessed value, multiply 0.020 by the assessed value to determine the amount of property tax due.

Mill Rate The mill rate is calculated by determining how much revenue is needed for the upcoming year per the approved budget, then dividing that projection by the total assessed value of the property within the city.

Notice of Revaluation The Assessor must notify property owners of any changes in taxable or assessed value during a reassessment. Notices are mailed to provide the property owner with the opportunity to appeal the value. Notice is commonly referred to as an assessment change notice.

Owner of Record The owner of title to a property as indicated by public records as of April 1st of each assessment year.

Parcel A parcel is a piece of land of any size in one ownership.

Parcel Number A parcel number serves to identify each unique parcel. This is also referred to as the CBLU (Chart, Block, Lot, Unit number)

Plat A plat is a plan, map, or chart of a jurisdiction indicating the location and boundaries of individual properties.

Personal Property Personal Property is generally considered to be all property that is not real property and is easily moved. Some examples include manufacturing machines, furniture, fixtures and equipment, or computers/electronic equipment.

Property Class/Land Use Code These codes describe by type the primary use of each parcel of real property on assessment rolls which are subject to appraisal, assessment, and taxation. Ex. Single Family Dwelling, Residential Condo, etc.

Real Estate/Real Property Property that is attached directly to land, as well as the land itself. Real property includes buildings and other structures, rights and interests. Real property can be either residential, commercial, or industrial, either vacant and/or developed. Real property is all interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed.

Reassessment/Revaluation The process of redetermining the value of real estate parcels for property tax purposes. A reassessment is done to determine the property tax bills, which are based on both the assessed value of the property and the property tax rates. A revaluation usually causes an increase or decrease in property tax bills. The City of Portland provides a systematic reevaluation of all City properties as of a specific date. A citywide revaluation is State-mandated and performed periodically as deemed necessary.

Sales Comparison Approach An approach to market value that analyzes all sales of property in the City. State law provides guidelines of sales to be used for assessment purposes. Only good sales, or arm's length transactions, are used in determining estimated market value. This approach compares the property characteristics of a property to a sold property with similar characteristics; adjustments are made for differences to arrive at an estimate of what the property would sell for if sold on the open market on April 1 of the assessment year.

Tax Year The tax year is any twelve-month period during which a government calculates one's tax liability (July 1 through June 30).

Taxable Value Taxable value is the market value of a property, or the current use value if applicable, less any applicable exemptions.