

ASSESSOR'S REPORT APRIL 2013

Judy Mathiau

Thanks to Paul Fongemie, Public Works Director for taking me on a tour of the **CMP work in progress!** We had been informed previously that work was underway on the transmission line expansion and to expect to hear the buzz of helicopters and large equipment in the corner of Winslow along the Albion Road. It appears that the new substation on Benton Avenue is also complete. I expect to receive information regarding the exact status of "new" distribution and substation valuation by the end of May.

I have completed a few of my annual inspections, including **new construction** at Mid-State Machine, Wunderlich and the Pondwood Storage units. Starting on my higher valuation properties in order to get a better feel for the new value we may assess this current tax year. These three expansions have calculated a new growth of OVER \$2,000,000. This does not include any new personal property that may be associated with these facilities.

I will be attending a **Vision Users Group** Conference during May which will be held in Vermont. The company that runs our assessment program holds this conference each year in a different state. They provide free software training and most of the meals. It is a great opportunity to network with other assessors, software users and out-of-state officials.

I had my first annual meeting with a representative from the **Kennebec Hydro Plant** (Brookfield). Bill van Tuinen, an appraiser of hydro facilities has been assisting me with the data collection and is part of our conversations. We have requested detailed information this year to defend our current assessment of the facility. The company finds a couple of issues with our assessment, including 1) the cap rate applied in the income approach to value and 2) the value associated with the burden on the company to provide an upstream fish passage. Stay tuned!

BETE - I have attended a couple of training sessions this month on personal property tax relief programs. As with any new state statute which provides a new program, interpretation may change over time as the wording in the laws are questioned and challenged by both the assessors and the businesses affected.

The newest program on the books is the BETE (Business Equipment Tax Exemption). This started in 2008 with the understanding that eligibility was only if the "business" was a non-retail/non-service establishment – in other words, it was geared more toward the industrial type equipment.

But the language in this new law is now interpreted by attorneys and Maine Revenue Services in a different manner. Now, the exemption may be applied on equipment located at a "retail" facility but only if that equipment is not used primarily in the retail activity. So if an establishment like McDonalds has an office with a copier and a computer, those items may qualify.

This presents a burden on the current taxpayers because of the new loss in taxable valuation. Money to be raised by the town is distributed to all taxpayers, so if one person receives an exemption, the rest have to pick up the difference. When this exemption first started in 2008, the towns were reimbursed in full for this loss, but this year, we will only receive 50% of the tax loss from the state and the rest will be shared by the taxpayers.