

Jay Peavey
Old Town
LD 382

To: Taxation Committee;
Subject: LD 382

This tax hike is a 367% increase throughout all unorganized territories based upon a 100% assessment and evaluation by the state's property tax division's certified tax assessors effective immediately. This decision was made by individuals not properly qualified to determine valuations.

Unorganized territories (39 in Penobscot County alone) do not share in the benefits and services of municipalities. Many many properties are very rural and many miles from emergency services or basic benefits.

Certified tax assessors with the State of Maine's property tax division need only take a 16 hour class to be employed by the state as "certified" to assess valuations.

Market values of real estate are not the same as tax assessed property. Assessments and valuations are completely different in determining tax values. If I was asked to determine market value on a property, I would not refer to the customer's tax bill for numbers. I would find some other properties that were similar to theirs that recently sold and determine an asking price within 5% of what the potential buyers may be willing to pay.

Tax assessors cannot pull public records and determine tax values based upon what people pay for real estate in the unorganized territories, and think for a second that it's fair to all the property owners that they pay the same. Just because a neighbor sold their property? No.

These tax assessments are based on the land only in 2025; not the improvements upon it. And they're saying that all land is exactly equal, no matter what your land actually is. A parcel of land in the middle of the woods is not the same assessed value as a level lot on a lake. A level lot on the lake is not the same assessed value as another similar sized lot with a big hill in the middle or a swamp or having to use two sets of stairs to get down to the water. Every parcel of land is completely unique and individual. A tax assessor sitting at their desk looking at public records cannot possibly determine valuation. Ever.

Real estate professionals and certified real estate appraisers should be determining each parcel of land's tax values in order for correct assessments and actual valuations.

For my land, in an unorganized territory of Penobscot, I have .58 acres with an association road going across it, land across the street that is not usable, and has an unimproved driveway with trees on the lot. In 2024, the land was assessed with the State of Maine at \$94,000. This number is high (it should be evaluated at \$45,000 in my professional opinion). In 2025, it jumped to \$345,000. 367% higher. The land, not including any structure or structures or improvements upon it.

In the history of the multiple listing service, a service I use every day in my profession (and I am licensed), no one has ever paid \$345,000 for 1/2 of one acre of land. In fact, if someone had \$345,000 to do so, they could go to Bar Harbor, purchase a lot with more land and obtain oceanfront ownership.

In the history of the multiple listing service, no one has ever paid \$345,000 for a half acre of land, no matter what kind of land; anywhere in this state....ever.

These taxes have to be paid out of our net incomes (monies that have ALREADY been taxed by the State of Maine). Every dollar we get in our paychecks has already been taxed.

These are our properties on our land and we have already paid our debts to the State of Maine's tax division. We have satisfied our debt. Already.

This tax hike is only for the land right now. They haven't taxed any improvements yet. I have been speaking with dozens of neighbors, and acquaintances and people I

don't even know about this, and they're looking at triple taxes. TRIPLE. They weren't even informed of this meeting that they could have attended and voiced their own personal opinions. If LD 382 doesn't slow this down, the State of Maine will tax the improvements on our land next which will increase the tax commitments even more.

If our properties were in a municipality, we would obtain benefits and services (emergency, fire, police, public water and sewer, plowing, road maintenance, sidewalks, hospitals, bus service, schools, etc).

My .58 parcel of land in unorganized Penobscot in 2025 is assessed at \$345,000 and the taxes are \$2,900.00 per year.

Ironically, I own an almost exact property in a town municipality (in Millinocket which has one of the highest mil rates in the state). Taxes are a lot lower (less than \$1900), and I have full benefits and services in the town. It has 156 feet of owned waterfront too.

A long time ago, projections were done in any fiscal year to determine how much money these municipalities would need to run their towns. The same thing should have occurred with the State's projections, not just raise the unorganized territories valuations by triple at 100% valuation. I have asked multiple times for clarification on where this money is going, with no answers whatsoever.

This isn't supposed to be treated like recreational taxes (cigarettes, alcohol, marijuana or lottery tickets).

These tax increases were sharp, without very little notice, completely unexpected and is making life a lot more difficult. Many of us have owned properties in these areas for many many decades and some for a century or longer. More and more often as owners we have to ask ourselves if we should consider not owning our properties any longer. These taxes are just another needless reason why we all feel this way. We shouldn't have to feel this way.

Unfortunately, what we are seeing as licensed real estate professionals and Realtors, is that our Mainers are being pushed out by out of state people, we're losing all of our neighbors that we've known for many years, while these new owners are demolishing our heritage and constructing huge places that are being AirBnB'd...

We paid the State of Maine property tax divisions' certified tax assessors their salaries to work for us at the state level. And did you know you can become a "certified assessor" by taking a weekend class? These state assessors had to take a 16 hour class to be hired by the state and now they're "certified" to make these decisions for us. They tell us they are certified to tell us that this is a properly qualified decision to raise our taxes. And these assessors determined somehow that we should all be paying triple taxes for our properties. We looked at the other properties they used in our area to compare and found that they skipped over some other ones that had sold recently that may have leveled the tax rate increase significantly. They went by "desk statistics" meaning that no one visited any of these properties to find out any characteristics about the layout, the geography, or anything. But they didn't consider them. They used properties that have sold in our area but ONLY the ones they wanted to use to justify this tax increase upon us.

As you may be aware, a few years ago, what was typically leased land for many years was surveyed and offered for sale to the lessors. In doing so, the timberlands company hired licensed real estate appraisers familiar with these areas to determine market values and give each of the lessors a price to purchase. Many purchased the land and are no longer on a lease with the timberlands company. This was fair to all because of the evaluations done by licensed appraisers. And I questioned why this was not the case this time.

The state knew that we, as land and property owners in these unorganized territories, were going to have questions and concerns about this decision to raise our valuations, so they set up regional meetings to address us with our issues.

We went. We went to the meeting BEFORE we got our tax bills. We went BEFORE

we knew what was going to happen. And we went there BEFORE we had any answers or knowledge of their intent to raise our land taxes. We went BEFORE we were given any facts. At our meeting we noted that the State paid 17 (seventeen) state employees to sit there (tax assessors with the property tax division), along with paid security! Two people were placed at each table (there were 8 tables) and one person was there to watch the door. Wow! What wasteful spending of our taxpayers' money. What was the total cost to us taxpayers? We residents of Maine paid for this venue, we paid each of them to be there, to travel there, paid their gas, their lodging, paid them to eat there, to rent the space to hold the venue and pay security too.

All of their answers were extremely vague when asked. I was personally there for over 35 minutes with questions, and I was met by them with a lot of defiance and continued justification for their supposed abilities to complete this job task effectively and accurately. That the tax hike of 367% was justified and acceptable. My questions became so direct when I couldn't get any straight answers, that I was asked to leave the meeting because there were other taxpayers waiting. Waiting for what? Right. Answers to our questions.

Their reasons when asked about our concerns and for proof to show validity for these decisions were vague at best. They didn't have sound information to make this decision; they're just making it. On us. They're just making it because. Excuse me, what?

Thank you. Please let me know if I can help in any way.

--

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&

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