

MAINE STATE LEGISLATURE

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**A study of
PROPERTY TAX
ADMINISTRATION
in the
State of Maine**

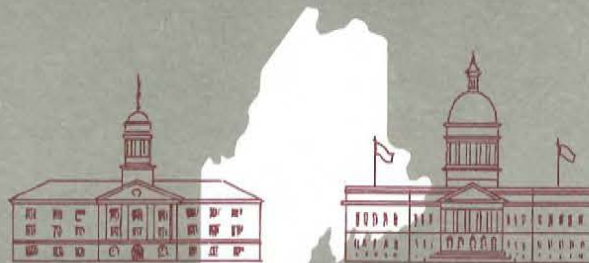
Paul C. Dunham

PERSONNEL FOR ASSESSING

ORGANIZATION FOR ASSESSING

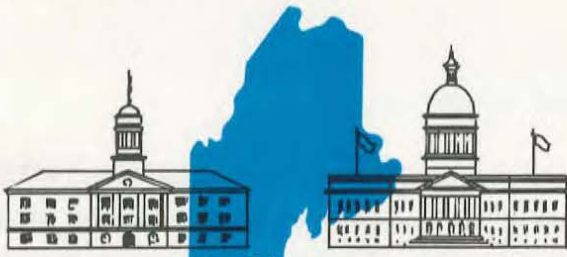
THE ROLE OF THE STATE

ASSESSMENT APPEALS PROCESS



BUREAU OF PUBLIC ADMINISTRATION

UNIVERSITY OF MAINE, ORONO, MAINE JANUARY 1969



BPA NEWS NOTES

BUREAU OF PUBLIC ADMINISTRATION

Department of Political Science

29 North Stevens Hall

University of Maine

Orono, Maine 04473

The Recommendations of A Study of Property Tax
Administration in Maine
in a Nutshell

1. That assessor training programs be instituted to provide a future supply of trained professional assessors and to improve the skills of present assessors by:
 - * establishment of a university level 2 years assessors' associate degree program
 - * development of an in-service assessors' training program (non-credit)
 - * statutory authorization for assessing districts to expend funds for assessor training
 - * state participation in interstate assessor training programs.
2. That the qualifications of assessors be certified by the state property tax supervisory agency, the basic components of the state certification program to include:
 - * examination of assessor qualifications
 - * certification of qualified assessors for five years
 - * additional training requirement for assessors to maintain certification
 - * a tenure provision tied to certification
 - * reexamination of certified assessors for cause
 - * limited provisional certification while assessors complete basic on-the-job training
 - * limited probationary certification for assessors having necessary formal education but lacking experience.
3. That primary assessing areas select and retain qualified professional assessors:
 - * certification required as a prerequisite to selection
 - * assessor selection by a primary assessing area executive committee
 - * assessor removal: (1) upon loss of certification (2) for cause, after hearing, by executive committee vote.

ABOUT THE BUREAU OF PUBLIC ADMINISTRATION

The Bureau of Public Administration was established by Act of the 102nd Maine Legislature in 1965 as an integral part of what is now the Political Science Department of the University of Maine at Orono. It strives to apply university resources and academic competencies in the service of Maine government, in the support of its public servants, and towards the solution of significant governmental problems of concern to Maine.

Its Functions include:

CAREER DEVELOPMENT.

A variety of educational offerings are made available state-wide including —

Certificate courses of study and discussion offered over a period of several weeks, culminating in the award of a university certificate. Cooperating professional societies and associations often confer additional recognition.

Seminars, Institutes. Programs which undertake more intensive consideration of selected topics of interest to professional, administrative, and technical personnel, usually over a 3-4 day to two weeks consecutive period.

Workshops. Special one-day discussions are scheduled to serve the particular training needs of public employees who find such a format useful.

Credit programs. The Bureau encourages an interest in degree programs and academic offerings of the Political Science Department and university through publicity, promotional efforts, and person-to-person contacts.

FACT-FINDING.

The Bureau conducts programs of study in state, local and intergovernmental problem areas of significance to the State of Maine and its subdivisions. These include:

Special Projects. Studies of major dimensions and scope involving fundamental governmental problems, especially dealing with public administration.

Planning and Development. Projects applying scientific methodology to the assistance of government agencies and instrumentalities in improving present performance and implementing new services.

Continuing Government Research. In addition to studies of a project nature, the Bureau is developing a continuing fact-finding program that will assist the operation of Maine government.

PUBLICATIONS.

The Bureau publishes as a part of its career development and fact-finding activities. In addition, however, it publishes the **Maine Managers' Newsletter** and the results of independent academic study of interest to Maine public administrators.

For further information contact Bureau of Public Administration, 29 North Stevens Hall, University of Maine, Orono 04473.

4. That 12 assessment districts of approximately uniform state equalized valuation or approximately uniform population be established to perform the function of assessing in the organized municipalities. Such districts should:
 - * have available a minimum of 1% of property tax revenue from the district to finance the administration of the system and a minimum budget of \$60,000 to \$100,000 in each district
 - * be regulated by an executive committee representative of municipalities within the district
 - * be reevaluated and realigned if necessary, every 10 years.
5. That the assessment appeals process be modified to provide improved citizen access and to place the burden of proof of assessments on the qualified assessor:
 - * all aggrieved property taxpayers have a right to place their claims before an impartial and qualified agency to determine validity
 - * establishment of a board of assessment review in each primary assessing area
 - * establishment of state tax court, small claims procedures and guidelines for the initiation of protests
 - * state assessment ratio data to be evidence of what the reported local assessment ratio is in fact.
6. That the Property Tax Division be elevated to bureau status in the Department of Finance and Administration:
 - * the Director of the Bureau of Property Taxation be assigned responsibility for:
 - execution of property tax laws
 - supervision of all assessing personnel and certification of assessors
 - establishing the state valuation
 - * the Bureau of Property Taxation:
 - assess property in the unorganized territory
 - use 100% fair market value in all publications and work
 - require that the coefficient of dispersion (index of error) not deviate more than 10 in any assessing area
 - sample inspect personal property in the unorganized territory
 - be freed from office procedures not directly related to equalization, assessing, and assessing supervision
 - undergo a survey of operations and personnel needs
 - acquire additional staff to perform the mission of the agency.
7. Other Recommendations:
 - * the State of Maine develop a data system utilizing a basic grid coordinate system for state and local valuation operations
 - * the legislature provide in statute that personal property in the unorganized part of the state be included in the state valuation and that real and personal property in the unorganized territory be taxed at uniform rates.

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development.

The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's social development.

The fourth part of the report deals with the political situation of the country. It is a very interesting and informative study of the country's political development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's political development.

The fifth part of the report deals with the cultural situation of the country. It is a very interesting and informative study of the country's cultural development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's cultural development.

A STUDY OF PROPERTY TAX ADMINISTRATION
IN THE STATE OF MAINE

BY

PAUL C. DUNHAM

Bureau of Public Administration
University of Maine
South Campus, Bangor
January, 1969



UNIVERSITY OF MAINE • SOUTH CAMPUS • BANGOR, ME. 04401

Bureau of Public Administration • Department of Political Science
15 Illinois Ave.
947/0311-0312

Dana R. Baggett
Director of the Bureau

December 30, 1968

Prof. Eugene A. Mawhinney
Head of the Department

To the Honorable Members of the
Senate and House of Representatives
104th Maine Legislature
State House
Augusta, Maine 04330

Gentlemen:

It is my pleasure to transmit herewith A Study of Property Tax Administration in the State of Maine as prepared by Paul C. Dunham and the staff of the Bureau of Public Administration pursuant to a Joint Order of the 102nd Maine Legislature which read in part:

" . . .the Bureau of Public Administration, is directed to make a review of the administration of the property tax in this State, including administration at both state and local levels, and the relationship between the State Bureau of Taxation and local assessing officers; and to report to the Legislature the results of such review, together with recommendations for improvement in the administration of such taxes and for amendments and additions to existing statutes intended to facilitate such improvement in administration. . ."

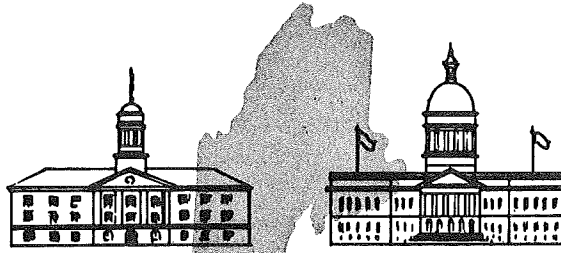
The report as transmitted provides the requested review and recommendations for improved administration including appropriate statutory changes. In addition, implementing legislation will be filed with the Director of Legislative Research to enable the 104th Legislature to consider enactment of these recommendations.

The opportunity to be of service to the State of Maine through the preparation of this report is appreciated. We stand ready to provide such additional information or assistance as may be helpful.

Respectfully submitted,

Dana R. Baggett
Bureau Director

DRB:gmw



BUREAU OF PUBLIC ADMINISTRATION

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FOREWORD

This study of property tax administration in Maine differs from several predecessor studies related to taxation and/or the property tax system. The paramount concern here is the administration and operation of the assessment system and not the substance of the property tax. As a direct outgrowth from the late Dr. John F. Sly's 1960 Second Report to the Legislative Research Committee, The General Property Tax in Maine, this study is an attempt to supplement the Sly report in a manner contemplated by Dr. Sly (see Sly report recommendations on pages 2 and 3 of this study).

The study assumes the need for assessment districts and strengthened state supervision of the assessment function, principles reiterated in the Sly report and its precursors. It does not repeat an in depth examination of past or present need for improved property tax administration in the state, but rather it accepts the need as many in Maine are quite ready to do.

In sum, this is an administrative planning and feasibility study dealing with the implementation of concepts. As such, it is unique among the studies of the Maine property tax system which since 1890 have been urging improvement in the administration of what has been called our most important tax without providing a systematic and specific design for such improvement.

Paul C. Dunham is the principal author of this report. Those familiar with the difficulties under which he worked, the constant search for factual information, and the other assignments which competed for his time and attention as the Bureau of Public Administration's first supervisor of government research - are all the more appreciative of his productivity and diligence. He has set a high mark for his successors to strive to attain. It is impossible for me to adequately express my appreciation, except to point out for others that this report was written almost single-handedly by Mr. Dunham, who is now Director of Institutional Research for the University of Maine.

James J. Haag joined the Bureau in time to undertake the research and writing of the portion of this study dealing with Assessment in the Unorganized Territory, possibly the first complete description of that

process. To him also fell the assignment of preparing the entire manuscript for final print.

An Advisory Committee met several times during the course of the study and provided a desirable sounding board. The members contributed several ideas later incorporated in the study. The names of Advisory Committee members are shown on page xiii. While the Committee is absolved of any responsibility for the contents herein, the advice and suggestions of its members are greatly appreciated.

Many others as well - from business and industry, state and local government, professionals and private citizens assisted in various ways for which we are grateful.

A notable influence on the final draft of the study was the Maine Property Tax Conference held at the University of Maine in Orono September 9 to 11, 1968. The Conference provided an opportunity for many to become acquainted with the first draft of this study and to discuss the ideas contained therein with leading experts in the field. The resolves adopted at the final plenary session are included here on page xiv.

The cooperation of the Bureau of Taxation - and especially State Tax Assessor Ernest H. Johnson, Property Tax Division Director Norman P. Ledew, and Property Tax Assessment Supervisor David H. Brown - was invaluable and is gratefully appreciated. Few realize how dedicated these officials are to improved property tax and assessment administration.

While the Bureau of Public Administration is indebted to all who assisted in any way during the preparation of this report, they are not responsible for its contents. That burden is willingly assumed by the author and his Bureau colleagues.

* * * * *

This is the first study of its magnitude undertaken by the Bureau of Public Administration. We hope it is but the first of many similar efforts to assist Maine government officials with the work that is theirs to do. This is the mission of the Bureau of Public Administration: to help public officials in administering Maine government through research and training.

This study does not provide all the answers to better administration of the Maine property tax, but it makes it clear that the assessment of this major tax - which touches nearly every Maine citizen and undergirds its entire local government - can be readily improved.

The real issue then - unresolved since the first study of Maine's

property tax nearly 70 years ago - is whether the people of Maine and their elected representatives want improved administration. This study makes it clear that it is available, at modest cost.

Poor administration of the tax - meaning inequitable assessment for a majority of Maine's property taxpayers - can be continued, but at a total cost that may well exceed the expense of doing the assessment job right in the first place.

Dana R. Baggett
Director
Bureau of Public Administration

MEMBERS OF THE PROPERTY TAX
STUDY ADVISORY COMMITTEE*

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Chairman

Gerald G. Beverage, Augusta

John P. Bibber, Brunswick

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Norman A. Gosline, Gardiner

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John G. Smith, Kennebunkport

Arthur F. Stedman, Winslow

Paul V. Witham, Sr., Newport

*Appointed by State Tax Assessor Ernest H. Johnson, January 17, 1967 pursuant to a Joint Order of the 102nd Legislature dated June 4, 1965.

MAINE PROPERTY TAX CONFERENCE RESOLVES

UNIVERSITY OF MAINE, ORONO

SEPTEMBER 11, 1968

WHEREAS, THE PROPERTY TAX CONFERENCE IS ASSEMBLED FOR THE PURPOSE OF REVIEWING THE ADMINISTRATION OF THE EXISTING TAX SYSTEM, THE SUBSTANCE OF THE TAX AND ITS ALTERNATIVES; AND

WHEREAS, THIS CONFERENCE HAS LOOKED AT THE NEED FOR REVITALIZATION OF THE EXISTING TAX BASE, REFORM OF THE MECHANISMS FOR ADMINISTERING THESE TAXES, AND RELIEF FROM THE BURDEN OF TAXATION THROUGH SOME REDISTRIBUTION OF THAT BURDEN; AND

WHEREAS, THE TAXPAYER OF THE STATE OF MAINE NEEDS TO HAVE CONTINUED CONFIDENCE IN THE ABILITY OF HIS ASSESSORS:

NOW, THEREFORE, BE IT RESOLVED

1. THAT THE 104TH LEGISLATURE OF THE STATE OF MAINE INITIATE AN EDUCATIONAL AND TRAINING PROGRAM, SUFFICIENTLY WELL-FUNDED TO SUPPLY A POOL OF WELL-TRAINED ASSESSING PERSONNEL;

2. THAT THE 104TH LEGISLATURE THROUGH APPROPRIATE LEGISLATION, EMPOWER THE STATE SUPERVISORY AGENCY TO ESTABLISH ASSESSMENT ADMINISTRATIVE DISTRICTS;

3. THAT THE OFFICE OF ASSESSOR BECOME A FULL-TIME APPOINTIVE POSITION. THE STATE SUPERVISORY AGENCY SHALL CERTIFY THE COMPETENCE OF PERSONS ASPIRING TO SUCH POSITIONS, AND THESE INDIVIDUALS SHALL ACQUIRE TENURE AFTER SERVING A SPECIFIED TERM;

4. THAT THE LEGISLATURE DECLARE IT TO BE THE POLICY OF THE STATE THAT ALL AGGRIEVED PROPERTY TAXPAYERS HAVE AN OPPORTUNITY TO BE HEARD BY AN IMPARTIAL AND QUALIFIED AGENCY TO DETERMINE THE VALIDITY OF THEIR CLAIMS AND THAT ACCESS TO THE ABATEMENT AND ABATEMENT APPEALS PROCESS BE AVAILABLE TO ALL TAXPAYERS WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX OR ECONOMIC STATUS UNDER REASONABLE RULES REASONABLY AND EQUITABLY APPLIED;

5. THAT A TAX RESEARCH UNIT OF STATE GOVERNMENT BE ESTABLISHED, WHICH WOULD HAVE AS ONE OF ITS RESPONSIBILITIES THE STUDY OF NEW AND/OR ALTERNATIVE REVENUE SOURCES; AND

6. THAT THE STATE SUPERVISORY AGENCY BE AUGMENTED TO PROVIDE THE NECESSARY STAFF TO ACCOMPLISH THE JOB OF EFFECTIVE STATE SUPERVISION OF AN EQUITABLE PROPERTY TAX SYSTEM.

SUMMARY OF RECOMMENDATIONS

Recommendation No. 1. THE PROPERTY TAX DIVISION OF THE STATE BUREAU OF TAXATION AND THE GOVERNOR REQUEST THE UNIVERSITY OF MAINE TO ESTABLISH A TWO-YEAR ASSESSORS' EDUCATIONAL PROGRAM IN CONNECTION WITH ITS ASSOCIATE IN ADMINISTRATION PROGRAM AT THE UNIVERSITY OF MAINE IN AUGUSTA. (Page 34)

Recommendation No. 2. THE BUREAU OF PUBLIC ADMINISTRATION AT THE UNIVERSITY OF MAINE DEVELOP AN IN-SERVICE TRAINING PROGRAM FOR LOCAL ASSESSORS. (Page 34)

*Recommendation No. 3. PRIMARY ASSESSING UNITS BE SPECIFICALLY AUTHORIZED TO EXPEND FUNDS FOR EDUCATIONAL AND TRAINING ACTIVITIES, INCLUDING REIMBURSEMENT FOR TUITION, TRAVEL, MEALS, LODGING, TEXTBOOKS AND MISCELLANEOUS INSTRUCTIONAL EXPENSES. (Page 34)

*Recommendation No. 4. THE PROPERTY TAX DIVISION BE AUTHORIZED TO PARTICIPATE IN APPROPRIATE INTERSTATE EDUCATION AND TRAINING PROGRAMS AND TO PROVIDE THE CONDITIONS UNDER WHICH SUCH PROGRAMS MEET THE EDUCATIONAL AND TRAINING REQUIREMENTS OF MAINE LAW. (Page 35)

*Recommendation No. 5. THE PROPERTY TAX DIVISION HOLD QUALIFYING EXAMINATIONS PERIODICALLY FOR APPLICANTS SEEKING CERTIFICATION AS ASSESSORS. (Page 35)

*Recommendation No. 6. THE QUALIFICATION REMAIN IN FORCE FOR FIVE YEARS PROVIDED THE ASSESSOR COMPLETES ADDITIONAL TRAINING SPECIFIED BY THE PROPERTY TAX DIVISION. (Page 35)

*Recommendation No. 7. THE PROPERTY TAX DIVISION BE AUTHORIZED TO ISSUE PROVISIONAL CERTIFICATES TO PERMIT PERSONS TO COMPLETE BASIC TRAINING REQUIREMENTS WHILE ON THE JOB. SUCH PROVISIONAL CERTIFICATES SHOULD BE LIMITED TO ONE YEAR, REVIEWABLE FOR A MAXIMUM OF THREE YEARS. (Page 35)

*Recommendation No. 8. THE PROPERTY TAX DIVISION BE AUTHORIZED TO ISSUE PROBATIONARY CERTIFICATES TO PERSONS WHO HAVE THE NECESSARY FORMAL EDUCATION, BUT WHO HAVE NO PRACTICAL EXPERIENCE IN ASSESSING. SUCH A PROBATIONARY PERIOD SHOULD BE LIMITED TO ONE YEAR. (Page 35)

*Recommendation No. 9. THE PROPERTY TAX DIVISION BE THE CERTIFICATION AGENCY FOR THE STATE AND THE RESPONSIBILITY FOR CERTIFICATION BE VESTED IN THE DIRECTOR OF THAT AGENCY. (Page 36)

*Recommendation No. 10. THE PROPERTY TAX DIVISION BE AUTHORIZED TO RECEIVE FEES FROM APPLICANTS FOR ANY OF THESE THREE CERTIFICATES AS FOLLOWS:

1. Assessor Certificate	\$25.00
2. Provisional Certificate	15.00
3. Probationary Certificate	10.00

IN ADDITION, FOR EACH EXAMINATION A FEE OF \$10 BE AUTHORIZED, SUCH CERTIFICATION AND EXAMINATION FEES TO BE USED TO DEFRAY THE COST OF EXAMINATIONS AND CERTIFICATIONS. SUCH FEES MAY BE PAID BY THE PRIMARY ASSESSING AREAS, BY APPROPRIATE ORDERS. (Page 36)

*Recommendation No. 11. AFTER SERVING THREE FULL YEARS AS A FULLY CERTIFIED ASSESSOR IN ANY PRIMARY ASSESSING AREA, THE ASSESSOR OBTAIN TENURE, AFTER WHICH TIME HE MAY NOT BE REMOVED FROM HIS POSITION EXCEPT AS SPECIFIED HEREAFTER. (Page 36)

*Recommendation No. 12. IN ORDER TO BE SELECTED AS AN ASSESSOR FOR ANY PRIMARY ASSESSING AREA IN THE STATE OF MAINE, AN APPLICANT FOR SUCH A POSITION MUST HOLD A VALID CERTIFICATE FROM THE PROPERTY TAX DIVISION. (Page 36)

- *Recommendation No. 13. SELECTION OF ASSESSORS BE MADE BY AN EXECUTIVE COMMITTEE FOR THE PRIMARY ASSESSING AREA. OTHER EMPLOYEES OF THE PRIMARY ASSESSING AREA BE APPOINTED BY THE ASSESSOR WITH THE APPROVAL OF THE EXECUTIVE COMMITTEE. (Page 36)
- *Recommendation No. 14. PERSONS QUALIFIED AS ASSESSORS BE REMOVED: (1) UPON LOSS OF VALID CERTIFICATION, (2) BY VOTE OF THE EXECUTIVE COMMITTEE OF THE PRIMARY ASSESSING AREA, AFTER HEARING THE CASE OF THE ASSESSOR OR (3) BY VOTE OF THE EXECUTIVE COMMITTEE UPON THE RECOMMENDATION OF THE ASSESSOR IN THE CASE OF DEPUTY ASSESSORS AND ASSISTANT ASSESSORS. (Page 37)
- *Recommendation No. 15. THE DIRECTOR OF THE PROPERTY TAX DIVISION BE AUTHORIZED TO RE-EXAMINE FOR CAUSE AND AFTER APPROPRIATE NOTICE ANY PERSONS HOLDING A CERTIFICATE PREVIOUSLY ISSUED AT THE REQUEST OF THE INDIVIDUAL INCUMBENT, THE EXECUTIVE COMMITTEE OF ANY PRIMARY ASSESSING AREA, OR UPON THE DIRECTOR'S OWN INITIATIVE. IF THE RE-EXAMINATION INDICATES A PRESENT DISQUALIFICATION, THE HOLDER OF A PREVIOUSLY ISSUED CERTIFICATE SHALL LOSE HIS CERTIFICATION AND HIS TENURE, IF ANY. (Page 37)
- *Recommendation No. 16. THE ASSESSOR OF THE PRIMARY ASSESSING AREA BE DECLARED A STATE AGENT. (Page 37)
- *Recommendation No. 17. THE UNORGANIZED TERRITORY OF THE STATE CONTINUE TO BE THE RESPONSIBILITY OF THE STATE OF MAINE AS FAR AS ASSESSING IS CONCERNED AND CONSTITUTE A SINGLE ASSESSING DISTRICT. (Page 43)
- *Recommendation No. 18. A MINIMUM OF 1% OF THE REVENUE GENERATED BY THE PROPERTY TAX BE DEDUCTED FROM THE PROCEEDS AND USED FOR ADMINISTRATION OF THE SYSTEM. (Page 43)
- *Recommendation No. 19. A MINIMUM OF \$60,000 to \$100,000 BE AVAILABLE AS A BUDGET IN EACH DISTRICT. (Page 43)
- *Recommendation No. 20. THE ASSESSING AREAS BE ESTABLISHED ON THE BASIS OF APPROXIMATELY UNIFORM EQUALIZED VALUATIONS OR UPON UNIFORM POPULATION BASIS WITHOUT REGARD TO EXISTING TOWN OR COUNTY LINES. EQUALIZED VALUATIONS IS THE PREFERABLE BASIS. (Page 44)
- *Recommendation No. 21. THE NUMBER OF PRIMARY ASSESSING AREAS BE BETWEEN 12 AND 20 AND EXISTING COUNTY AREAS BE UTILIZED ONLY WHEN THEY MEET THE REMAINDER OF THE CRITERIA. (Page 45)
- *Recommendation No. 22. WHERE THERE IS INSUFFICIENT EQUALIZED VALUATION OR UNIFORM POPULATION WITHIN A GIVEN AREA TO SATISFY THE REQUIREMENTS OF Recommendation No. 20, OR WHERE SPECIAL CONDITIONS WARRANT, SPECIAL PROVISION MIGHT BE MADE EITHER FOR STATE ASSESSING OR FOR ASSESSING BY ANOTHER UNIT. IN ADDITION, EXISTING PRIMARY ASSESSING AREAS WHICH ARE LARGER THAN THIS CRITERION SHOULD NOT BE DIVIDED. (Page 45)
- *Recommendation No. 23. PRIMARY ASSESSING AREAS WHICH ARE ESTABLISHED IN ACCORDANCE WITH THESE CRITERIA BE EVALUATED AT LEAST EVERY TEN YEARS, EITHER BY OR FOR THE LEGISLATURE. (Page 45)
- *Recommendation No. 24. THE STATE'S ORGANIZED TERRITORY BE DIVIDED INTO TWELVE AREAS WITH APPROXIMATELY EQUAL VALUATIONS IN EACH AS OUTLINED IN PLAN NO. 1. (Page 53)
- *Recommendation No. 25. THE LEGISLATURE DECLARE IT TO BE THE POLICY OF THE STATE THAT ALL AGGRIEVED PROPERTY TAXPAYERS HAVE AN OPPORTUNITY TO BE HEARD BY AN IMPARTIAL AND QUALIFIED AGENCY TO DETERMINE THE VALIDITY OF THEIR CLAIMS AND THAT ACCESS TO THE ABATEMENT AND ABATEMENT APPEALS PROCESS BE AVAILABLE TO ALL TAXPAYERS WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX OR ECONOMIC STATUS UNDER REASONABLE RULES REASONABLY AND EQUITABLY APPLIED. (Page 59)

*Recommendation No. 26. THE LEGISLATURE ESTABLISH A BOARD OF ASSESSMENT REVIEW IN ALL PRIMARY ASSESSING AREAS. (Page 60)

*Recommendation No. 27. THE LEGISLATURE ESTABLISH THE GUIDELINES FOR INITIATION OF PROTESTS TO INCLUDE PROPER NOTICE, FILING, AND HEARING PROCEDURES. (Page 60)

*Recommendation No. 28. THE LEGISLATURE ESTABLISH A STATE TAX COURT AS AN ADMINISTRATIVE TRIBUNAL. (Page 60)

*Recommendation No. 29. THE LEGISLATURE AUTHORIZE THE STATE TAX COURT TO ESTABLISH BY RULE SMALL CLAIMS PROCEDURES FOR PROTESTING TAXPAYERS WHO WOULD INCUR A TAX LIABILITY OF LESS THAN \$1,000 BY REASON OF THE PROTESTED ASSESSMENT. (Page 61)

*Recommendation No. 30. THE LEGISLATURE PROVIDE THAT THE REPORTS OF ASSESSMENT RATIOS CONTAINED IN ASSESSMENT RATIO STUDIES OF THE STATE TAX AGENCY BE EVIDENCE OF WHAT THE REPORTED RATIO IS IN FACT, UNLESS A PARTY TO SUCH PROCEEDINGS ESTABLISHES THAT SOME OTHER RATIO IS APPLICABLE. (Page 61)

*Recommendation No. 31. THE PROPERTY TAX DIVISION OF THE BUREAU OF TAXATION BE RE-NAMED THE BUREAU OF PROPERTY TAXATION AND RETAINED AS A MAJOR UNIT OF THE DEPARTMENT OF FINANCE AND TAXATION. THE HEAD OF THE BUREAU OF PROPERTY TAXATION BE NAMED DIRECTOR OF PROPERTY TAXATION AND BE APPOINTED BY THE COMMISSIONER OF FINANCE AND ADMINISTRATION WITH THE APPROVAL OF THE GOVERNOR. (Page 65)

*Recommendation No. 32. THE DIRECTOR OF THE BUREAU OF PROPERTY TAXATION BE ASSIGNED RESPONSIBILITY FOR THE EXECUTION OF ALL LAWS RELATING TO PROPERTY TAXATION AND FOR SUPERVISION OF ALL ASSESSING PERSONNEL IN THE STATE. (Page 65)

*Recommendation No. 33. RESPONSIBILITY FOR ESTABLISHING THE STATE VALUATION BE TRANSFERRED FROM THE STATE BOARD OF EQUALIZATION TO THE DIRECTOR OF THE PROPERTY TAX BUREAU AND THE STATE BOARD OF EQUALIZATION BE ABOLISHED. (Page 65)

Recommendation No. 34. THE BUREAU OF TAXATION UTILIZE 100% FAIR MARKET VALUE IN ALL ITS PUBLICATIONS AND WORK. (Page 68)

*Recommendation No. 35. THE COEFFICIENT OF DISPERSION OR INDEX OF ERROR FOR EACH MUNICIPALITY OR PRIMARY ASSESSING AREA NOT DEVIATE MORE THAN 10. NO INCENTIVES FOR STATE TECHNICAL SERVICES IN THE FIELD OF ASSESSING SHALL BE PROVIDED WHEN THE QUALITY OF ASSESSING AS MEASURED BY THE INDEX OF ERROR FALLS OUTSIDE THIS LIMIT. (Page 68)

Recommendation No. 36. THE STATE OF MAINE DEVELOP A DATA SYSTEM UTILIZING A BASIC GRID COORDINATE SYSTEM FOR PURPOSES OF STATE AND LOCAL VALUATION OPERATIONS. (Page 69)

*Recommendation No. 37. THE LEGISLATURE AMEND EXISTING STATUTES TO PROVIDE FOR THE INCLUSION OF PERSONAL PROPERTY IN THE STATE VALUATION OF THE UNORGANIZED TERRITORY. (Page 73)

Recommendation No. 38. THAT SAMPLE INSPECTIONS BE CONDUCTED DURING THE COURSE OF APPRAISING PERSONAL PROPERTY INVENTORIES SUBMITTED BY THE OWNERS OF PROPERTY SITUATED IN THE UNORGANIZED TERRITORY. (Page 74)

Recommendation No. 39. THE PROPERTY TAX DIVISION HIRE A FOREST PROPERTY APPRAISER TO HAVE GENERAL SUPERVISION OF TIMBERLAND APPRAISAL FUNCTIONS. THE FOREST PROPERTY APPRAISER SHOULD BE RESPONSIBLE FOR DEVELOPING AND OVERSEEING AN ANNUAL TIMBER APPRAISAL PROGRAM. HE SHOULD CONDUCT PERIODIC ANALYSES OF PROCEDURES USED IN TIMBERLAND APPRAISAL AND BE RESPONSIBLE FOR THE DEVELOPMENT OF TIMBER VALUATION INFORMATION FOR EQUALIZATION. (Page 76)

Recommendation No. 40. THE LEGISLATURE CHANGE ALL RELEVANT STATUTES TO PROVIDE THAT REAL AND PERSONAL PROPERTY IN THE UNORGANIZED TERRITORY BE TAXED AT UNIFORM RATES. (Page 77)

Recommendation No. 41. CLERICAL OFFICE PROCEDURES RELATED TO CALCULATION AND SPREADING OF TAX RATES, TAX BILLING AND COLLECTION BE REMOVED FROM THE PROPERTY TAX DIVISION AND BE ASSIGNED TO A CENTRAL ADMINISTRATIVE SERVICE OFFICE IN THE BUREAU OF TAXATION. (Page 77)

Recommendation No. 42. THE JOB DESCRIPTION FOR THE DIRECTOR OF PROPERTY TAXES BE REVIEWED FOR PRESENT SUITABILITY AND BE REVISED AS NECESSARY TO REFLECT CURRENT DUTIES AND RESPONSIBILITIES, AND THE PAY GRADE ADJUSTED ACCORDINGLY. (Page 81)

Recommendation No. 43. DESK AUDITS BE PERFORMED FOR ALL PROFESSIONAL AND OTHER PERSONNEL IN THE PROPERTY TAX DIVISION TO DETERMINE WHETHER PRESENT JOB REQUIREMENTS ARE COMPATIBLE WITH THE JOB DESCRIPTIONS WRITTEN SEVERAL YEARS AGO. JOB DESCRIPTIONS SHOULD BE ADJUSTED AS NECESSARY. (Page 81)

*Recommendation No. 44. THE STAFF OF THE PROPERTY TAX DIVISION BE AUGMENTED BY THE LEGISLATURE THROUGH THE AUTHORIZATION OF ADDITIONAL PROFESSIONAL AND CLERICAL PERSONNEL. (Page 83)

CHAPTER I

INTRODUCTION

Since the Report of the Special Tax Commission of Maine in 1890, several studies of the property tax and its administration have been made.¹ Improvements were made in the system as the result of some of these studies and also as the result of administrative efforts. The State Bureau of Taxation has continuously emphasized the need for reform in property tax administration. The following quotation from the 1958 Report of the bureau is illustrative.

During the past 20 years, the effect of the property tax on the individual has steadily become more irksome because of the increase in total taxes, as well as the increase in the property tax itself. As this pressure increases, the necessity for equitable valuations becomes more and more obvious. We in Maine have attempted to meet the situation by more intensive educational programs for the benefit of local assessing officials. These programs have been carried out by the Bureau, the Maine Municipal Association, and the Maine Assessors Association, both individually and jointly. So far as the Bureau is concerned, during this period training meetings have been increased, an assessment manual has been prepared, and the activities of the field personnel acting in an advisory capacity have been extended, in an attempt to meet the necessities of the situation.

However, in spite of these activities, the basic laws under which assessors operate, and the laws governing the relation between the state and municipalities, have been largely unchanged. The number of assessing officers and assessing units remains very large. We are attempting to maintain modern machinery with antiquated tools.

There are three general problems which must be overcome if we are to avoid serious difficulties in our property tax administration.

First, the organization of local assessing must be brought up-to-date. We have frequently complained about the poor pay and lack of status of local assessors. Assessing today is a technical profession: it is not something that can successfully be indulged in as a pastime, voluntary or involuntary, by the uninformed layman. Our laws should be revised to provide for sound assessing units, for adequate pay, for full-time assessors, for the choice of assessors in a manner that will insure competent personnel, for tenure in office, and for uniformity in assessing practices throughout the state. At the same time, our laws relating to review or appeal should be revised to insure the same technical competence in the reviewing body that is necessary in the assessors themselves, and to insure uniformity of treatment throughout the state.

Second, some provision should be made so that qualified personnel will be available to fill assessing positions. It would be desirable if the University of Maine could initiate a training course for assessors comparable

Sly, J. F., The General Property Tax in Maine, Second Report to the Legislative R Publication #100-2), November, 1960, pp. 21-28.

to the management course which it now offers. The training of competent personnel must go hand in hand with modernization of assessment organization. There will be no great demand for such professional training unless the status of the professional assessor is recognized and unless the pay is commensurate with the skills required.

On the other hand, if assessment organization is modernized to the point where technically qualified assessors are required, obviously there must be some source from which such persons can be recruited. As a step in this direction, we have proposed the initiation of a limited training program within the Bureau for personnel who might be expected to remain with the Bureau for one or two years and who thereafter might be available to fill vacancies in the local assessing field. Funds for initiating such a program on a limited scale have been requested in Part II of the Bureau's current budget.²

In the 100th legislature (1959) a resolution was adopted authorizing the Legislative Research Committee to study and review Maine's state and municipal tax structure.³ The committee retained John F. Sly, Director of Princeton Surveys, Princeton University, as consultant. His work resulted in three volumes, the second of which concerned property taxation.⁴ Dr. Sly's proposal is reiterated here.

It is proposed that the legislature consider the recommendation made so many times over the past 25 years, and reaffirm the principle of larger and more effective assessment areas, as already established in the chaptered laws of the state. . . .

IT IS THEREFORE RECOMMENDED that the legislature, by joint resolution:

- 1) Reaffirm the principle and acknowledge the need for the establishment of local assessment districts;
- 2) Declare the approach to more effective assessment areas to be mandatory upon approval of the legislature;
- 3) Accept the principle of full time qualified assessors for supervisory work, with adequate compensation and working facilities provided by the state;
- 4) Define "qualified supervisory assessors" as assessors subject to selection by the State Tax Assessor under the usual provisions for professional recruitment;
- 5) Declare that supervisory assessors shall give counsel, direction and guidance to local assessors, and have such corrective duties as the statutes may define; and
- 6) Approve the establishment of experimental assessment districts pending the development of a full program.

IT IS FURTHER RECOMMENDED: That prior to the establishment of such supervisory districts, the State Tax Assessor be authorized to conduct a study in preparation for the program. This study should determine:

- 1) The size, location and composition of such districts;

²Maine, Bureau of Taxation, Report, 1958, pp. 4-5.

³Chapter 118, Resolves, 1959.

⁴Sly, op. cit.

- 2) The procedure for the formation of such districts;
 - 3) The method of selecting supervisory personnel;
 - 4) The selection and authority of local assessing offices;
 - 5) The relation of the supervisory personnel to the local assessors;
- and
- 6) The amount and distribution of the costs.⁵

If the recommendations of the Sly report had been adopted, the result would have been the establishment of mandatory local assessment districts. In addition, supervisory assessors, selected by the State Tax Assessor after qualifying through appropriate procedures, would have overseen district operations.

The scission in the recommendations was that while the districts would be mandatory and state supervisory personnel were provided, such personnel would be essentially advisory only and have no authority to enforce standards upon the created districts. At the same time no provision was made to fit the personnel of the districts into the total scheme of things. Furthermore, while provision was made for the qualification of state supervisory personnel, no like recommendations were made for the personnel who would actually be performing the assessing work, which may be of equal importance.

However, it should be noted that this crevasse was recognized by Dr. Sly when the further study was proposed. To that end Senate Document 324 was introduced into the 99th legislature. The resolution provided for a study of property tax administration with an initial appropriation of \$20,000. The resolution failed to pass.

The resolution was re-introduced and failed to pass again. Under a joint order of the 102nd legislature in regular session, the Bureau of Public Administration of the University of Maine was requested to study the administration of the property tax system. It was believed that \$50,000 would be necessary to fund such a study and Legislative Document 327 was introduced accordingly. This proposal was defeated and no appropriation was made for the study during the regular session.

In the special session of the 102nd legislature, Legislative Document 1650 was introduced to appropriate \$25,000 for this purpose, which was reduced to \$15,000 at the time of final passage.⁶ The bill was supported by the State Bureau of Taxation, the Maine Municipal Association and the administration. All persons were in general agreement that it would be necessary for the legislature to provide additional funds if the study were to be completed as originally envisioned. Proposed legislation (Legislative Document 672) was prepared for the 103rd legislature to request an additional \$30,000 to complete the study. The legislation passed with an amendment reducing the appropriation to \$20,000.⁷

⁵Ibid., p. 30.

⁶Chapter 271, Private and Special Acts (1965).

⁷Chapter 185, Private and Special Acts (1967).

This report, for the most part, does not consider substantive matters of property taxation, i.e., what should or should not be taxed, unless such substantive matters are so directly linked to the administration of the system as to make the two virtually inseparable. It has been the aim of this study to look at all the possible alternatives in any given situation, to analyze both sides of the questions, and to suggest, where changes seem to be needed, those that appear most feasible. In most instances, possible solutions will be indicated and the solution which the study recommends will be emphasized. In this connection also, where suggested changes are indicated, drafts of bills will be prepared only for those recommendations which the study is emphasizing.

Property taxation is essentially the basis for providing the services and operations of local government. When increasing demands are made on the property tax to support governmental services, it is all the more important that citizens and governmental officials give thoughtful attention to the efficiency and effectiveness of the system, and, if improvements are possible, to make appropriate revisions. This may not result in any reduction of the total tax burden, but it can help to insure that there is a justness and an equity within the system which can meet constitutional and legal tests of fairness and reasonableness. If this can be achieved, then the burden to some may not seem so oppressive.

CHAPTER II
BACKGROUND OF THE PROBLEM

The problems which are evident today in the administration of the property tax system in Maine result from a variety of factors which are symptomatic of the problems of local government generally. These factors include the following:

1. *Governmental units are generally too small to provide services demanded by the public in the most efficient manner and with the most effective results.* Recommendation No. 1 in the report of the Committee for Economic Development, Modernizing Local Government, emphasizes this point. It says:

The number of local governments in the United States, now about 80,000, should be reduced by at least 80%.

The reasonable minimum standards of size would disqualify most present units for continued existence, since average population for all local government is less than 2,500. Failure to correct this situation, especially in those states where it is most acute, will further cloud the future of local governments. Local units must be large enough to function effectively if power over local affairs is not to be centralized at higher levels.¹

In Maine today the average population of local governments is 1,970 and the range is from less than 100 to 72,000 approximately. Altogether there are presently about 950 units of government in Maine. (See Table 22, Page 88.

2. *Very little state supervision of local government activities* is apparent and there is little recognition that local government is an important element of state government. In nearly 20 states in the past few years agencies whose responsibility it is to supervise local government activities have been created with powers varying from state to state. These creations reflect this concern for greater integration of state and local governmental activities.

3. *There is insufficient financing and staffing of state agencies* which have some responsibility for overseeing local government activities. Of course, this is not surprising since local governments have felt themselves to be self-determining units within a state.

4. *Non-integration and lack of coordination of the state's resources* for dealing with local governmental problems and non-integration of local capabilities into the framework of state government are evident. Since the organization of state government in Maine itself is very much disjointed and

¹Committee for Economic Development, Modernizing Local Government to Secure a Balanced Federalism, A Statement on National Policy by the Research and Policy Committee of the . . . , July, 1966, p. 17.

unreasoned, it should not be surprising that there is virtually little integration and coordination of the state's resources for solving or assisting in the solution of local problems.

5. *There is a myth that local government can exist autonomously* from the state. Although this belief is contrary to constitutional principles in which the local governments are creatures of the state legislatures and can be modified or disestablished at any time, nevertheless, it must be reckoned with in any study of local administrative systems.

6. *The inability or non-desire of the state legislature to come to grips with the necessity for reorganizing local government* so that those governments can deal effectively with the problems and take best advantage of assistance programs is another drawback. It will take a legislature able to put aside local problems in favor of a view of state and local government as an integrated system before we can expect to be able to deal effectively with our many problems. Since the legislators are elected locally and must be locally oriented to some extent, this factor will always be present. However, a local orientation should not preclude consideration of proposals which may be of benefit to the state as a whole.

7. *The inflexibility in legislative procedures for handling local government matters* and the lack of limited home rule effectively prohibit improvement. Recommendation No. 7 of the report of the Committee for Economic Development puts it this way:

Once modernized, local governments should be entrusted with broad legal powers permitting them to plan, finance, and execute programs suited to the special needs, interests, and desires of their citizens.

The reluctance of the states to grant adequate discretion to even the largest city governments continues, although less evident than in the 19th century. Powers of other forms of local government are generally much more limited. State constitutions often prohibit legislatures from making effective grants of home rule. But broad grants of power should not be given to outmoded units incapable of using them properly.²

8. *The state courts appear to refuse to weigh the facts against the law* but uphold the law blindly even when the facts demonstrate that the law is no longer meaningful and accomplishes great injustices. As discussed later in this report this refusal is quite evident in the field of assessment administration.

9. *There is a general lack of awareness* by the people of the potential benefit of reorganization and the necessity for streamlining government at both the state and the local level to obtain the most effective government. While it may have been advantageous at some earlier date to believe that "that government which governs best is a government which governs least," it certainly is not justified in the 20th and 21st centuries. The problems are too great to be left to happenstance.

These are some of the general problems or factors involved in studying the administration of the property tax system. The solutions of the problems necessarily must be related to the overall needs of state and local governments if they are to be successful. The desirable relationship between the state and its subdivisions must be considered in the light of what we expect modern governmental

²Committee for Economic Development, op. cit., p. 18.

institutions to accomplish today and in the future and not what was expected to be accomplished 50 or 100 years ago.

From time to time in the evolution of our governmental system there has been a gradual transfer of functions from those units less able to continue to perform a function to units more capable of handling the job. For example, highways and welfare, which used to be considered essentially local and community problems, have come to be recognized as problems which require the efforts of an organization capable of transcending local boundaries. The problems of settlement, for instance, are just too wide-spread to be handled effectively by 500 municipalities. Thus, we see a trend toward acceptance by the state legislature of these state-wide responsibilities. The assessment of property for local governmental tax purposes can be considered to be one of these problems of state-wide magnitude.

The constitutional and legal interpretations of the basic relationship between state and local governments are sufficient today, provided they are placed in a context of the modern environment of the citizen of the United States and the State of Maine in the latter portion of the 20th and the first portion of the 21st centuries. Constitutionally and legally, the state is the sovereign entity and through its legislative body may create or abolish subordinate units of government so long as it does not diminish its sovereignty. Politically, however, because of the process of selecting the members of the legislature this relationship becomes less clear. Members of the legislative bodies, being elected by the voters of the individual communities and lacking any firm mandate from those voters to realign local boundaries, are quite reluctant to take any positive action. Practically, moreover, there must be some bridge over this hiatus so that progress may continue.

In Maine there are nearly 500 cities, towns and plantations dependent upon the local property tax as the major source of revenue. In addition, counties are indirectly dependent upon local property tax revenue. Table 1 shows a distribution of the 1960 population by size of place for towns, cities and plantations.

TABLE 1. DISTRIBUTION OF 1960 POPULATION BY SIZE OF PLACE
(TOWN, CITY OR PLANTATION)

Size	Number	Percent of total	Cumulative percentage
1- 100	55	11.2	11.2
101- 250	48	9.7	20.9
251- 500	81	16.4	37.3
501- 750	67	13.6	50.9
751- 1,000	55	11.2	62.1
1,001- 1,250	40	8.1	70.2
1,251- 1,500	19	3.9	74.1
1,501- 1,750	16	3.2	77.3
1,751- 2,000	14	2.8	80.1
2,001- 2,500	18	3.7	83.8
2,501- 5,000	42	8.5	92.3
5,001- 10,000	20	4.1	96.4
10,001- 20,000	12	2.4	98.8
20,001- 30,000	3	0.6	99.4
30,001 & over	3	0.6	100.0
Total	493	100.0	

SOURCE: US Bureau of the Census, U. S. Census of Population: 1960, Vol. I, Characteristics of the Population, Part 21, Maine.

The local governments vary in size from 55 which have a population of 100 or below to six which have a population over 20,000. Over 50% of the municipalities have populations less than 750.

Another way of looking at population distribution is to compare the total population within each class to the total state population. Table 2 portrays this distribution. Figure 1 shows the percent of the municipalities and the percent of the total population in each class.

TABLE 2. DISTRIBUTION OF 1960 POPULATION BY SIZE OF PLACE
(TOWN, CITY OR PLANTATION) & TOTAL POPULATION IN CLASS

Population class*	Total population in class	Percent of total population
1- 100 (55)	2,967	0.3
101- 250 (48)	8,398	0.9
251- 500 (81)	30,882	3.2
501- 750 (67)	41,255	4.3
751- 1,000 (55)	48,214	4.8
1,001- 1,250 (40)	44,289	4.6
1,251- 1,500 (19)	25,871	2.6
1,501- 1,750 (16)	25,734	2.6
1,751- 2,000 (14)	26,326	2.7
2,001- 2,500 (18)	39,770	4.1
2,501- 5,000 (42)	151,044	15.6
5,001- 10,000 (20)	133,040	13.7
10,001- 20,000 (12)	162,907	16.8
20,001- 30,000 (3)	68,917	7.1
30,001- & over (3)	152,282	15.7
*Number in parenthesis indicates number of municipalities in class.		

SOURCE: US Bureau of the Census, U. S. Census of Population: 1960. Vol. I, Characteristics of the Population, Part 21, Maine.

The 55 places below 100 population account for 3/10 of 1% of the total population or about 3,000 people. The six places with population over 20,000 account for approximately 23% of the total state population or 221,000 people.

If each of these 500 units of government averaged three local assessors, there would be approximately 1,500 assessors in Maine. This would reduce to one assessor for every 646 people in the state. Of the total 1,500 assessors there are probably no more than 20 who are well qualified to perform the duties of their office. In most instances, a person unwittingly becomes an assessor when he is elected to the post of selectman. These persons, for the most part, have had no great amount of training in valuing property; they are not familiar with technical aids available and have to learn by trial and error what can be taxed, what cannot be taxed, and what is not taxed.

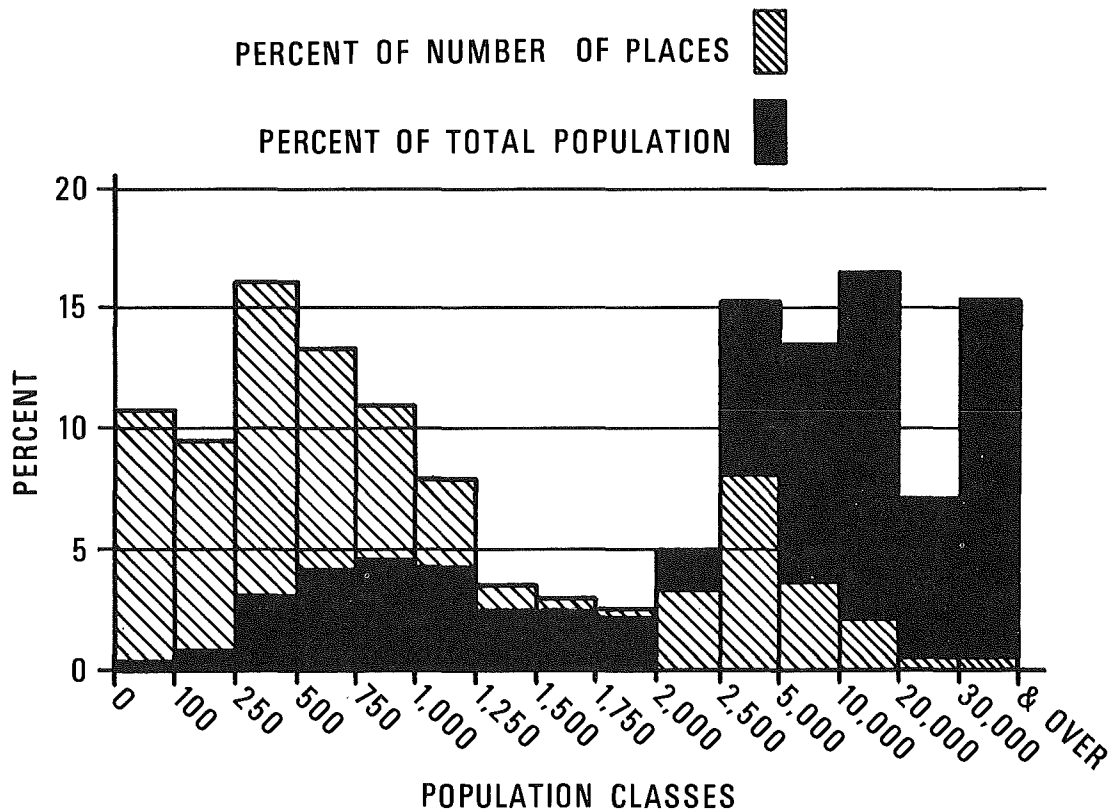


FIGURE 1. PERCENT OF TOTAL NUMBER OF PLACES IN EACH CLASS AND PERCENT OF TOTAL POPULATION IN EACH CLASS

The age is the only qualification for an assessor in Maine. One must be 21 years old. An assessor is not required to demonstrate his competence, he is not certified by any examining board, and he is not required either to become proficient or to maintain his proficiency through training. Parenthetically, there is no organization in the state or for that matter probably in the whole New England area which provides a kind of educational opportunity which is needed if we are to have qualified, trained assessing personnel.

All organized municipalities in this state, which cover nearly 50% of the state's total area are required by law to elect or select assessors. There is not enough assessing work in a small municipality to warrant full-time assessing personnel, and there is no adequate provision for cooperative mechanisms among local governments. In the other 50% of the state's area the assessing function, which is essentially one of assessing wild lands, is delegated to the state itself. Here, there is a uniformity which is not possible when nearly 500 municipalities are administering the assessment function without any effective supervision.

With such a diversity and background it is small wonder that the greater percentage of towns in the state have a quality of assessing which is so bad as to necessitate immediate revaluation if we are to come anywhere near attaining the constitutional mandates of fairness and reasonableness.

The appeals process in the state is discriminatory in favor of the rather well-to-do as opposed to the ordinary man in the street. With meaningless requirements which do not even fit modern day assessing facts, the individual citizen and taxpayer can expect little justice and certainly no equity when his tax assessment is compared with the assessment of a person with like property in another locality.

There is no adequate system for uniform reporting of assessment and property tax information by the localities, there is very little done in the way of property tax research and statistical analysis and there is very little public dissemination of data about property taxation. It is true, however, that the State Bureau of Taxation does publish lists of information from time to time. Without adequate statistical research and analysis, it is virtually impossible for the average citizen to know whether or not he is in fact being equitably taxed in relation to other citizens in the state. Again, this relates to the appeals process whereby the individual citizen is required to demonstrate over-assessment if he is to be successful in a property tax appeals case. The individual citizen does not have access to this type of information, and even if he did have access to this type of data he probably could not utilize it, except with undue costs. In most instances, the cost of the appeal would far outweigh any benefits which might accrue to the taxpayer in terms of a reduction in his tax burden. Thus, a lack of valid data and research effectively prohibits a just administration of the system.

Primary Assessing Areas

In 1965 there were 14,496 primary assessing areas in the United States compared with approximately 90,000 units of local government. These assessing areas are the localities where the assessment is actually made. Table 3 shows the number of primary assessing areas in the United States.

TABLE 3. NUMBER OF PRIMARY ASSESSING AREAS IN THE NATION (1965)
BY POPULATION (1960)

Population group	Local assessing areas		1960 population	
	Number	Percent	Number (000)	Percent
1,000,000 or more	10	0.1	29,476	16.4
250,000-999,999	80	0.6	38,719	21.6
100,000-249,999	147	1.0	22,752	12.7
50,000- 99,999	315	2.2	21,807	12.2
25,000- 49,999	648	4.5	22,721	12.7
10,000- 24,999	1,494	10.3	23,836	13.3
5,000- 9,999	1,175	8.1	8,600	4.8
1,000- 4,999	4,022	27.7	8,598	4.8
Less than 1,000	6,605	45.6	2,764	1.5
Total US	14,496	100.0	179,277*	100.0
*Actual total is 179,273 (Author)				

SOURCE: US Bureau of the Census, State and Local Government Special Studies, "Primary Assessing Areas for Local Property Taxation," G-SS-No. 50, April, 1966, p. 2.

These assessing areas vary in population from ten which have more than one million people to 6,605 which have less than 1,000 persons.

In 31 states having 60% of the total population the primary assessing area is the county or county-equivalent. These 31 states have 2,183 assessing areas. In other words, 62% of the states account for only 15% of the primary assessment areas. New England (12% of the states) has approximately 11% of the primary assessing areas.³

Six states have less than 25 primary assessing areas while 5 have 1,000 or more. There are seven states which have from 200-499 primary assessing areas, of which Maine is one. Table 4 portrays a distribution of the states according to the number of primary assessing areas within the state.

TABLE 4. DISTRIBUTION OF STATES BY NUMBER OF PRIMARY ASSESSING AREAS

Number of areas	No. of states
Less than 25	6
25 - 49	8
50 - 99	14
100 - 199	7
200 - 499*	7
500 - 999	3
1000 or more	5
*Maine is included in this class	

SOURCE: US Bureau of the Census, State and Local Government Special Studies, "Primary Assessing Areas for Local Property Taxation," G-SS-No. 50, April, 1966, p. 4.

³US Bureau of the Census, State and Local Government Special Studies, "Primary Assessing Areas for Local Property Taxation," G-SS-No. 50, April, 1966, p. 2.

It is evident from the preceding table that in over half of the states there are no more than 100 primary assessing units.

Comparing the number of primary assessment areas among the New England States one notes essentially a uniform pattern of a large number of local assessment areas. The highest number is in Maine and the lowest in Rhode Island. Table 5 shows the number of assessing areas in each New England state according to the type of unit of government.

TABLE 5. PRIMARY ASSESSING AREAS IN NEW ENGLAND

State	Number of primary assessing areas				
	Total	State	County	Municipality	Town
Connecticut	169			19	150
Maine	492	1		21	470
Massachusetts	351			39	312
New Hampshire	234			13	221
Rhode Island	39			8	31
Vermont	246			8	238
New England	1,531	1		108	1,422
United States *Plus one school district	14,496*	2	2,512	2,028	9,953

SOURCE: US Bureau of the Census, State and Local Government Special Studies, "Primary Assessing Areas for Local Property Taxation," G-SS-No. 50, April, 1966, pp. 6-7.

The 1,531 primary assessing units in New England represents 10.6% of the total in the United States while Maine's 492 represent 3.4% of the total.

Maine's population on the other hand represents only 0.5% of the total U. S. population. In Maine 62% of the primary assessing areas have less than 1,000 people and encompass only 13.6% of the total state population. Ninety-nine percent of the primary assessing areas in Maine have less than 25,000 population.

Size of areas. In the 31 states which use counties or county-equivalents as the primary assessing area, the range of land area included within the primary assessing jurisdiction varies from a low of 306 square miles to a high of 8,113 square miles with an average of 1,645 square miles in each.

In Maine the area of the primary local assessing jurisdiction is approximately 36 square miles, assuming the normal township.

CHAPTER III
TRAINING, CERTIFICATION AND SELECTION
OF ASSESSING PERSONNEL

The quality of assessing depends in large part upon the quality of its personnel. It, therefore, seems appropriate to consider the problems of education and training early in a study of property tax administration. It could be argued that the discussion of assessing personnel including qualifications, certification, training and selection might logically follow discussions about the nature of the organization for assessing purposes. However, the need for some type of training for assessors is so great when measured by the present quality of assessing that it is being given primary attention. The basic training requirements would, moreover, appear necessary regardless of any particular organizational scheme.

Training of Assessors

The report of the Committee on Minimum Assessment Standards of the International Association of Assessing Officers recommended in 1963 that ". . . a prime requisite for a good assessment office is a trained, qualified assessor to head the office."¹ It recommended that a municipality should establish a minimum tenure of four years and be prepared to pay an adequate salary and that the chief assessor should be given responsibility for personnel and departmental operations. The committee then continued:

Whether or not an assessor is qualified upon taking office, provision should be made for him to continue his training and study period. It is essential that all personnel who appraise property, whether members of a board of assessors or simply members of the assessor's staff, be trained in the latest assessment methods. In many states, in-service training is offered at assessors schools and conferences. It well pays the taxing jurisdiction to send its assessors and at least its appraisal staff to the various in-service training schools and to state and international conferences where they are given the opportunity to study and discuss with other assessors the most modern assessing techniques and procedures.²

¹ International Association of Assessing Officers, Minimum Assessment Standards, Report of the Committee on Minimum Assessment Standards, January, 1963, p. 9.

² Ibid., p. 10.

The Advisory Commission on Intergovernmental Relations made the following observations relative to assessing personnel. "Pre-entry and in-service training have become increasingly useful procedures over the years to build up satisfactory personnel in the various career professions in public administration." It then continued, "Unfortunately the assessment of property for taxation has not been widely established as a career profession. Nevertheless, training programs for assessors and their appraisal staff have long had some attention in a few states and in recent years have had increasingly wide-spread development."³

Training activities in the states. Information contained in Appendix A summarizes the various training programs in the states. Generally, this training tends to be three to five-day institutes or short courses offered either by the state taxing agency itself or by a bureau of government research in connection with the state agency and/or in connection with professional associations. Two training programs outside the United States are worthy of mention.

The University of Montreal cooperates with the Quebec Association of Assessing Officers and L'Ecole Polytechnique to sponsor courses in real estate appraisals and assessments.

Dalhousie University's Institute of Public Affairs in Halifax, Nova Scotia has undertaken a training program in conjunction with the provincial Department of Municipal Affairs. The three-year correspondence course is regarded as a most important factor in recent improvements in assessment administration in that province.⁴ The Institute has extended its coverage to include assessors in New Brunswick Province at the request of the latter. A series of written materials has been prepared to meet the instructional needs of the program. The program is financially supported by the Province of Nova Scotia while its extension to New Brunswick is supported by contract.

Finally, it should be noted that the International Association of Assessing Officers seeks to improve the quality of assessing through training programs throughout the United States.

Quality of assessing as an indicator of training needs. If the goal of quality assessing is that the determination made by the assessor should be as nearly equal to the current fair market value as is possible, then one can measure the quality in terms of its deviation from the standards. The statistical measure which is used for this purpose is the coefficient of dispersion or the index of error.

The index of error is computed as follows: A number of properties for which there is a determined sales price or an independent appraisal price are selected for study. Properties for which it is known that there was no willing buyer or there was no willing seller are generally discarded immediately.

³US Advisory Commission on Intergovernmental Relations, The Role of the States in Strengthening the Property Tax, Vol. 1, June, 1963, p. 121.

⁴Interview with Hugh S. MacGlashen, Director of the Property Tax Division of the Nova Scotia Department of Municipal Affairs and Guy Henson, Director, Institute of Public Affairs, Dalhousie University, January 20-21, 1967.

For the remaining properties the ratio of the assessor's valuation to the sales or outside appraisal valuation is determined for each piece of property. The average assessment ratio is then determined. For each parcel under study the amount by which the actual assessment ratio varies from the average ratio is determined. The deviations are then added and an average deviation found. The index of error, or the coefficient of dispersion, is the ratio of the average deviation to average assessment ratio.

The lower the index of error, the more uniform are the assessments in the area under study. Assessing authorities are generally agreed that an index of 20 or lower marks acceptable and attainable assessing standards, although some authorities believe that with today's assessing techniques an assessor should be able to achieve an index of 15 or lower for his jurisdiction. It is also generally considered that an index as high as 30 indicates such inequitable assessments as to call for drastic reform in administration. (It might be noted that the US Supreme Court utilized a 15% disparity ratio in its decisions affecting reapportionment, but that in statistics 5% is quite normally the maximum acceptable margin. It should be further noted that in actuality a 20% deviation allows a margin of 40% because the 20% can, of course, be above or below the norm.)

When the coefficient of dispersion is greater than 20, the quality of assessing can be considered substandard and probably when it is greater than 5 it should be suspect. Table 6 portrays the coefficient of dispersion for Maine municipalities in the 1965 assessment year in deciles. The table is based upon coefficient of dispersion data provided by the Bureau of Taxation. The Bureau of Taxation calculates coefficients of dispersion for Maine municipalities. Some municipalities do not have sufficient sales; hence, the total column shows fewer municipalities than actually existed in 1965.

TABLE 6. NUMBER OF MAINE MUNICIPALITIES WITH COEFFICIENTS OF DISPERSION BY DECILES, 1965 ASSESSMENT YEAR, BY COUNTY

County	COEFFICIENT OF DISPERSION										*
	0-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80-89	90-99	Total
Androscoggin		3	6	3	1			1			14
Aroostook		5	13	10	9	6	2	1			46
Cumberland	1	8	8	4	3	1	1				26
Franklin		2	8	5	4	1	1				21
Hancock		5	7	11	4	2	1	1			31
Kennebec		7	8	7	6	1					29
Knox		2	7	3	4						16
Lincoln		2	9	6	1	1					19
Oxford		5	7	13	5	2		1			33
Penobscot		6	11	18	6	8	1		1		51
Piscataquis			5	5	4	2	1				17
Sagadahoc		1	3	6							10
Somerset		6	8	8	6	2	2				32
Waldo		1	5	12	3	5					26
Washington		2	15	13	3	1	1				35
York		4	7	11	4	2					28
State	1	59	127	135	63	34	10	4	1		434
% of total	0.2	13.6	29.3	31.1	14.5	7.8	2.3	0.9	0.2		99.9

*Number may not equal number of municipalities in county.

The table shows that 14% of the municipalities in Maine have coefficients of dispersion in the range of acceptability (i.e., 0-19), while 56.8% of the municipalities have coefficients above 30, indicating the necessity for immediate assessment revaluation.

Appendix B of this report shows 1965 and 1967 coefficients of dispersion as computed by the Bureau of Taxation. A perusal of these coefficients does not indicate any great change from 1965 to 1967. In both years the average index of error for all communities observed is over 30.

The other statistic which is important in evaluating the effectiveness of the assessment program is the average assessment ratio. This statistic is discovered by indicating the ratio between the assessed value of each property in the sales-ratio study and its sales price (which is equated with market value), adding the ratios, and dividing by the number of items. The average ratio will indicate generally how much the community's assessment differs from fair market value. However, it is far more significant when used in conjunction with the range of differences among the individual items in the sales ratio study.

Tables 7, 8, and 9 show assessment ratios for all Maine municipalities for the years 1965 through 1967 distributed in deciles by county. In 1965 through 1967 at least 6.9% of the municipalities (34 of 494) had an average assessment ratio below 20% of fair market value. Over 50% of the municipalities in each of the three years had assessment ratios which are less than 40% of fair market value.

Tables 10 and 11 summarize this information on a state-wide basis for each of the three years.

TABLE 7. DISTRIBUTION OF 1965 ASSESSMENT RATIOS, BY DECILES, BY COUNTY

County	D E C I L E S										Total
	0- 9	10- 19	20- 29	30- 39	40- 49	50- 59	60- 69	70- 79	80- 89	90 & over	
Androscoggin	0	0	6	2	0	1	0	0	0	5	14
Aroostook	0	4	17	21	11	3	2	0	4	7	69
Cumberland	0	3	5	1	1	3	2	1	1	9	21
Franklin	0	0	1	6	9	3	1	0	0	1	21
Hancock	0	5	10	7	5	1	0	3	0	6	37
Kennebec	0	1	8	2	5	0	2	3	1	7	29
Knox	0	0	4	6	1	0	2	0	1	4	18
Lincoln	0	6	6	3	1	1	0	0	1	1	19
Oxford	0	0	6	10	5	7	2	1	4	0	35
Penobscot	0	5	21	17	5	4	3	0	1	6	62
Piscataquis	0	0	5	12	1	0	0	0	0	2	20
Sagadahoc	0	0	3	2	2	1	0	0	1	1	10
Somerset	0	0	11	10	6	0	2	0	2	2	33
Waldo	0	0	7	8	4	3	0	2	0	2	26
Washington	0	7	10	11	8	2	2	1	2	4	47
York	0	3	7	8	3	1	3	0	0	3	28
Total	0	34	127	126	67	30	21	11	18	60	494
Percent Cumulative	0.00	6.88	25.71	25.51	13.56	6.07	4.25	2.23	3.64	12.15	100
Percent	0.00	6.88	32.59	58.10	71.66	77.73	81.98	84.21	87.85	100.00	

SOURCE: Maine, Bureau of Taxation, "1965 Assessment Ratios and Tax Rates," December 31, 1965.

TABLE 8. DISTRIBUTION OF 1966 ASSESSMENT RATIOS, BY DECILES, BY COUNTY

County	D E C I L E S										Total
	0- 9	10- 19	20- 29	30- 39	40- 49	50- 59	60- 69	70- 79	80- 89	90 & over	
Androscoggin	0	1	5	1	1	0	0	0	0	6	14
Aroostook	0	7	14	22	10	3	2	1	3	7	69
Cumberland	0	4	4	0	3	1	1	2	2	9	26
Franklin	0	0	3	6	7	3	0	0	0	2	21
Hancock	0	5	11	10	1	0	1	1	0	8	37
Kennebec	0	3	6	5	2	1	3	2	0	7	29
Knox	0	1	4	6	0	1	1	1	1	3	18
Lincoln	0	6	3	4	1	0	0	1	0	4	19
Oxford	0	1	4	11	7	5	2	1	3	1	35
Penobscot	0	5	24	16	4	3	3	0	0	7	62
Piscataquis	0	0	6	11	1	0	0	0	1	1	20
Sagadahoc	0	0	4	2	1	0	1	0	1	1	10
Somerset	0	1	11	10	5	2	0	0	2	2	33
Waldo	0	0	9	7	3	2	3	0	0	2	26
Washington	0	7	10	13	7	2	1	2	1	4	47
York	0	4	6	8	2	3	1	1	0	3	28
Total	0	45	124	132	55	26	19	12	14	67	494
Percent Cumulative	0.00	9.11	25.10	26.72	11.13	5.26	3.85	2.43	2.83	13.56	100
Percent	0.00	9.11	34.21	60.93	72.06	77.32	81.17	83.60	86.43	99.99	

SOURCE: Maine, Bureau of Taxation, "1966 Assessment Ratios and Tax Rates," Dec. 30, 1966.

TABLE 9. DISTRIBUTION OF 1967 ASSESSMENT RATIOS, BY DECILES, BY COUNTY

County	D E C I L E S															Total
	0-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80-89	90-99	100-109	110-119	120-129	130-139	140-149	
Androscoggin	0	0	6	0	0	1	0	0	0	1	4	0	1	0	1	14
Aroostook	0	6	14	21	11	3	2	1	2	2	2	1	2	2	0	69
Cumberland	0	3	3	0	1	2	1	1	2	5	3	1	1	3	0	26
Franklin	0	0	1	7	7	2	1	0	0	0	2	1	0	0	0	21
Hancock	0	4	12	0	3	0	2	1	0	1	5	0	0	1	1	37
Kennebec	0	2	6	4	3	0	2	4	0	4	4	0	0	0	0	29
Knox	0	0	3	7	0	1	1	1	0	2	1	1	1	0	0	18
Lincoln	0	5	3	4	2	0	0	1	0	1	0	1	1	0	1	19
Oxford	0	1	4	8	8	6	2	2	2	1	1	0	0	0	0	35
Penobscot	0	5	20	17	4	5	2	0	0	5	2	0	0	0	2	62
Piscataquis	0	0	4	12	1	0	0	0	2	1	0	0	0	0	0	20
Sagadahoc	0	0	4	1	1	0	1	0	1	0	2	0	0	0	0	10
Somerset	0	0	12	7	6	2	0	1	2	1	1	1	0	0	0	33
Waldo	0	0	8	8	3	3	2	0	0	2	0	0	0	0	0	26
Washington	0	5	10	13	8	1	2	2	2	1	2	1	0	0	0	47
York	0	3	7	4	2	2	3	1	0	3	1	2	0	0	0	28
Total	0	34	117	120	60	28	21	15	13	30	30	9	6	6	5	494
Percent Cumulative	0.00	6.88	23.68	24.29	12.15	5.67	4.25	3.04	2.63	6.07	6.07	1.82	1.21	1.21	1.01	99.98
Percent	0.00	30.56	67.00	76.92	82.59	94.73	97.76	98.97	99.98							
		6.88	54.85	72.67	79.96	88.66	96.55									

SOURCE: Maine, Bureau of Taxation, "Re: Municipal Assessment Ratios - 1967," March 29, 1968.

TABLE 10. COMPARISON OF ASSESSMENT RATIOS -- 1965 - 1967

Assessment ratio (percent)*	Number of municipalities by assessment year		
	1965	1966	1967
0 - 9	0	0	0
10 - 19	34	45	34
20 - 29	127	124	117
30 - 39	126	132	120
40 - 49	67	55	60
50 - 59	30	26	28
60 - 69	21	19	21
70 - 79	11	12	15
80 - 89	18	14	13
90 - 99			30
100 - 109			30
110 - 119			9
120 - 129	60	67	6
130 - 139			6
140 - 149			5
Total	494	494	494

*In 1965 and 1966 ratios of more than 90 per cent were listed at 100 per cent.

TABLE 11. PERCENT OF MUNICIPALITIES HAVING ASSESSMENT RATIOS WITHIN SPECIFIED DECILES, 1965-1967

Assessment ratio (percent)	Percent of municipalities in decile, by year					
	1965		1966		1967	
	Per- cent	Cumu- lative	Per- cent	Cumu- lative	Per- cent	Cumu- lative
0-9	0.00	0.00	0.00	0.00	0.00	0.00
10-19	6.88	6.88	9.11	9.11	6.88	6.88
20-29	25.71	32.59	25.10	34.21	23.68	30.56
30-39	25.51	58.10	26.72	60.93	24.29	54.85
40-49	13.56	71.66	11.13	72.06	12.15	67.00
50-59	6.07	77.73	5.26	77.32	5.67	72.67
60-69	4.25	81.98	3.85	81.17	4.25	76.92
70-79	2.23	84.21	2.43	83.60	3.04	79.96
80-89	3.64	87.85	2.83	86.43	2.63	82.59
90-99					6.07	88.66
100-109					6.07	94.73
110-119					1.82	96.55
120-129	12.15	100.00	13.56	99.99	1.21	97.76
130-139					1.21	98.97
140-149					1.01	99.98

The conclusion which is inescapable from these data is that there is very little improvement from year to year, supporting the contention that neither the state nor the municipalities generally have established programs to improve their practices, although a few may have improved. These data may also deny contentions to the effect that municipalities once achieving a revaluation begin to slip backwards thereafter.

Appendix B also lists 1965, 1966, and 1967 average assessment ratios for all Maine municipalities by county. In order to check whether these ratios reflected a static situation or a series of off-setting changes, the ratios were analyzed for each municipality. It is evident from this analysis that these ratios reflect a static situation. There is very little over-all improvement if the assumption is correct that sales prices and assessment values should be nearly equal.

Appendix C presents an analysis of sales ratios by size of community. These data generally indicate that municipalities below 250 population seldom exceed 70% while those over 5,000 population seldom are less than 30%.

When the majority of the assessment ratios are below 40% of fair market value and when the majority of the indexes of error are so great as to require immediate revaluation, it cannot be denied that there is immediate need for an extensive training program for assessors in the State of Maine to comply with constitutional and legal mandates.

Assessors' Training in Maine

The preceding pages and tables have given a picture of the present quality of assessing in the state. It is assumed that there is a direct relationship between the lack of quality in the assessments

and the lack of training of the assessors. The fact that there is very little in the way of assessors' training is due partly to the nature of the assessor -- he is an elected, part-time official, who generally has other part-time municipal duties, but who, at the same time, must earn a living for himself and his family. The largest assessing office in the state (outside of the Property Tax Division of the State Bureau of Taxation) has an assessor, one deputy, and two appraisers; thus, it is evident that in-service training cannot be very expansive especially since there are fewer than ten municipalities which have full-time assessing staffs in excess of one professional person.

None of the institutions of higher learning in the state offer any formal programs oriented toward the training of assessing personnel, although the subject is aired from time to time in the training programs presently being conducted for municipal officials under Title I of the Higher Education Act of 1965. The nearest institution which appears to offer assessor training programs in depth is the Institute of Public Affairs at Dalhousie University in Halifax, Nova Scotia which offers a correspondence course. The distance from Maine would make it impractical to utilize the Dalhousie program.

Formal state activity to train assessors is primarily evident in the assessors' training school which has been offered for one week during the summer for a number of years under the auspices of the State Bureau of Taxation in cooperation with the Maine Municipal Association and the Maine Association of Assessing Officers.

In addition, the Bureau of Taxation does some educational work at various regional meetings. These programs obviously have short-comings in terms of the long-range needs, but it has been worthwhile for a limited number of persons -- the more professionally oriented assessor from the larger community. Whether or not it has been able to provide any leadership pool of competently trained assessors is questionable. However, it has not been much different in this respect from the schools conducted in most other states.

Substandard assessing is a reflection primarily of unqualified personnel and any improvement in the quality of personnel would assist in improving the quality of assessing practices. In order to insure that assessing practices conform as closely as possible to established standards, assessors need formal training in assessment administration and techniques.

The following listing attempts to indicate the minimum knowledge which it would seem desirable for the assessor to possess:

1. Thorough knowledge of real estate law;
2. Thorough knowledge of the substance of the property tax and procedures for property tax administration:
 - a. Statutory and constitutional bases of taxation,
 - b. Tax exemptions and their effect upon the tax base,
 - c. Equalization,
 - d. Appeals,

- e. Assessment calendar,
- f. Maintenance of assessment data, including the use of revaluation programs;
- 3. Thorough knowledge of principles of real estate appraisal:
 - a. Reproduction cost approach,
 - b. Market data approach,
 - c. Income approach;
- 4. Thorough knowledge of personal property valuation;
- 5. Extensive knowledge of state and local government, especially Maine;
- 6. Knowledge of office practices, procedures and machines;
- 7. Some knowledge of building construction and mechanical installation;
- 8. Some knowledge of basic principles of land surveying and ability to read, draw, correct, and use simple maps; and
- 9. Some knowledge of the principles of public relations and public reporting:
 - a. Ability to express thoughts clearly and concisely, both in verbal and written form;
 - b. Ability to work harmoniously with subordinates, associates, supervisors and taxpayers;
 - c. Ability to prepare meaningful public reports.⁵

There is a variety of methods by which some or all of the above desired knowledge could be imparted with varying degrees of success and with different advantages and disadvantages. The several methods are discussed below.

Pre-entry training. The training programs might be classified as to whether they occur previous to, during, or after, entry into the service as an assessor. Pre-entry training would normally operate in some kind of a licensing or minimum standards system under which one is required to secure or demonstrate minimum competence before being allowed to practice the art. It would be possible, moreover, to utilize a testing system to eliminate unqualified persons, thus obviating the need for pre-entry training. But if there is not a sufficient supply of persons to take the examination, then a pre-entry training program could provide some of that supply.

Post-entry training. Post-entry training might be utilized in a jurisdiction when no minimum entrance qualifications are present, or if minimum standards are present, in order to upgrade the quality of those already in the service. Regardless of whether or not a pre-entry training program exists, a post-entry training program should be in operation on a permanent basis. If there is no pre-entry training, the post-entry program would necessitate some elements of both basic and advanced training. However, if a basic pre-entry program exists the post-entry training could concentrate upon up-grading of old skills, retraining, etc.

⁵The report of the Committee on Training of Tax Assessors in New Jersey discussed these requisites. See New Jersey, Committee on Training of Tax Assessors, "Qualified Tax Assessors for New Jersey," Oct., 1964, p. 22.

Because there is no large supply of trained assessors in Maine, it is assumed here that both pre-entry and post-entry training programs will be essential. If a certification program is adopted both types of training would also probably be necessary. These programs can be conducted in any one of the following ways as well as in combinations:

1. Through local assessment agencies,
2. Through a state agency,
3. Through an outside agency (non-governmental),
4. Through self-learning techniques; and
5. Through combinations of these four.

Local training programs. Training programs in Maine conducted by local assessment agencies would probably be ineffective in attempting to ameliorate conditions throughout the state. Local governments with few exceptions have no training facilities, no training staff, and no funds for this purpose. Any such activities would be certain to require experienced staff personnel. Since local personnel would already have other duties, such utilization might be a short-range detriment to the other assessing functions. Moreover, if the assessing function is poorly conducted presently, the attempt to utilize existing personnel might extend a poor quality of assessing and continue the provincial outlook regarding assessment administration. Clearly, the local governments could legally undertake such a program, but it is equally clear that they practically should not do so except in a very few cases, e.g., Portland.

State training program. Although the state might seem to be in a better position than municipalities to operate a training program, it is generally in the same position as the localities. The state has not established training programs for its own employees with any great amount of vigor and it can be questioned whether or not it, too, has facilities for so doing; and it should be especially asked if it has the educational personnel for such a task.

The State Tax Assessor has sponsored week long institutes quite regularly during the summer in an attempt to provide some training. The major deficiencies of such a program are that (1) it is reputed to attract the same 70-80 persons regularly who in turn are not training any great number of other persons; (2) it is staffed in part by persons from the Bureau of Taxation who may not have the freedom of approach nor the educational background which such training program would require; and (3) it probably detracts from the regular functions of the State Bureau of Taxation. The potential of such a program for providing a cadre of trained leaders is recognized, although it is not yet realized. It is, however, questionable whether a desirable psychological attitude for learning can prevail when the operating agency is also responsible for the program of training.

It is possible that if a new department of community or local affairs were created within the State of Maine it could be given a responsibility for training local officials, including assessors as one of its major activities.

Individual learning efforts. Individual learning efforts through correspondence courses and programmed instruction techniques could be promoted. In addition, educational television has some

potential in Maine where the distances would play an important part in the development of a training program. However, these individual efforts would necessitate complementary institutional training.

Outside agencies. The utilization of non-governmental agencies for training assessors might be oriented either toward programs sponsored by professional assessing organizations or toward programs established by institutions of higher education.

The International Association of Assessing Officers sponsors assessing institutes and short courses for assessing personnel. This method, besides being of brief duration, has less sustaining benefit. It might well serve as a catalytic program, but such an agency could not be expected to be responsible for following an initial program with continuing training.

Institutions of higher education, whose primary responsibility is education and training, are potentially well suited for such operations. Such institutions not only have the facilities, but also the personnel and experience to operate successful training programs or a capacity to acquire such personnel. They have the benefit of being somewhat removed from the everyday functional operation of a department. Some may say that the converse is also true, that removal from every day, functional operations, is a disadvantage, but this would not seem particularly important where the institution of higher learning and the operating agencies are cooperating in the development of the program, as they inevitably must.

An institution of higher education has several courses of action which it might take to meet the needs of the situation. It could provide an undergraduate program designed to provide a pool of personnel who might go into the assessing field. However, these institutions are quite often reluctant to establish professional programs at the undergraduate level. It could provide programs either credit or non-credit to alleviate the situation. It could also establish programs of less than four years duration.

A credit program might include a four year course leading to a degree in public administration with an option in assessing or perhaps a professional degree in assessing. In addition, a two year program in assessment administration could be developed. A non-credit program could be undertaken to provide in-service programs for assessing personnel, who do not necessarily have the qualifications which would enable them to participate in a credit program.

Utilization of funds under Title I of the Higher Education Act of 1965 or under Title VIII of the Housing Act of 1964 are certainly possibilities for sharing in the funding of an initial training program. Such utilization would require state matching of federal funds. The state should at a later date plan to fund the program itself.

If some type of professional program were established in Maine, the demand for such a program might be limited, especially if the primary assessing areas are enlarged. However, if the program were established to meet the educational or training needs of Maine it would also serve the needs of a wider area such as New England which would increase the demand and provide some valuable interaction among several taxing areas.

No turnover rates have been established for assessors in Maine because records simply do not

exist to do this, so it is not possible to indicate accurately the potential demand. However, in New Jersey from 1950 to 1963 an average annual turnover rate of 13 percent was established. If this rate held for Maine it might indicate an annual turnover of 195 assessors, assuming the present 1500.

It should not be forgotten that such a training program would have some initial costs in addition to the recognizable costs of instructors, supplies, etc. There would be a cost of replacing the production of existing personnel if they were to be isolated for training purposes. If young people were being trained who had no previous experience in assessing there would be the cost derived from the fact that they might be spending their time differently.

It is also recognized that the actual program allocation between pre-entry and post-entry and in-service training will in some ways be reflected by the final organization which is established for assessing purposes. However, regardless of the cost or who finally undertakes a program, if a formal training program were to be established to upgrade consciously the quality of assessment administration in Maine it might include the following:

1. A definite sequence of courses designed to accomplish the task;
2. A definite content for each course;
3. A uniform standard of examination for each of the courses (as a basis for administration of a licensing or qualifying system); and
4. A system of record maintenance.

The definite sequence of courses which would be established to accomplish the task would be derived from the following potential courses:

1. Property Tax Administration (Introductory)
2. Real Property Appraisal (Introductory)
3. Real Property Appraisal II (Advanced)
4. Property Tax Administration II (Advanced)
5. Personal Property Taxation
6. Appraisal of Rural Property
7. Appraisal of Residential Property
8. Appraisal of Commercial Property

Of course, others could be developed also.

The possible content of some of these courses are outlined here.

PROPERTY TAX ADMINISTRATION I

The Government of Maine	2 hours
The Legal Basis of Property Taxation	4
Tax Exemptions	6
Review and Examination	2
The Assessor's Calendar	2
Map Construction, Use and Maintenance	2
Tax Equalization and Statistical Tools	4
Examination	2
	<hr/> 24 hours

PROPERTY APPRAISAL I (Real)

Approaches to Value	1 hour
Introduction to the Appraisal Manual	1
Land Valuation	6
Building Valuation -- A) Building Construction and Equipment	2
-- B) Reproduction Cost Approach	8
Examination	2
	<u>20 hours</u>

REAL PROPERTY APPRAISAL II

The Market Approach (including gross income multipliers)	4 hours
The Income Approach (including types of leases, methods of capitalization, capitalization rate selection)	6
Appraisal Problems	8
Examination	2
	<u>20 hours</u>

PROPERTY TAX ADMINISTRATION II

Tax Appeals	4 hours
Maintenance of Assessments	6
Office Management	2
Personnel Management and Labor Relations	2
Public Relations	2
Public Reporting	2
Public Speaking and Graphic Presentations	2
Approaches to the Public	2
Examination	2
	<u>24 hours</u>

Certification of Assessors

Improvement of the quality of assessing by improving the quality of assessors through an educational and training program can only be partially effective unless there is some means to limit the performance of the assessing function for tax purposes to persons who are known to be qualified. In other words, only those persons who are found to be competent in matters pertaining to property taxation should be able to determine assessments.

In reforming assessment administration, states tend to install a certification program. The following section examines the certification programs in those few states which appear to have one.

Certification program in the states. Since California's newest problems with property taxation, legislation has been adopted requiring that property tax appraisers, other than elected officials, must have valid appraisal certificates from the State Board of Equalization. Provisions are made for deferring the attainment of certificates until July 1, 1971 for persons already performing assessing functions on October 6, 1966, for persons entering upon such duties between October 6, 1966 and June 30, 1967, and until one year after entrance for persons employed after June 30, 1967. Certificates will remain valid only if the holder exposes himself to at least 24 hours of appraisal training each year.⁶

⁶ International Association of Assessing Officers, Assessors News Letter, February, 1967, p. 34.

Hawaii's staff for assessment administration is under the state's civil service system. However, it should be borne in mind that the property tax system is administered by the state itself.

Illinois counties are authorized to appoint supervisors of assessments in certain instances. County boards are required to choose on the basis of competitive examinations persons who have had experience in the field. Appointment is for a four year term.⁷

Applicants for assessorship in Iowa must pass a written examination given by the State Tax Commission at the request of county examining boards covering a variety of property tax subjects. Passing the exam, one becomes certified for a two year period during which time he may be considered by county boards. If the county appoints an assessor, it is for a six year period on a full-time basis.⁸

Kentucky county tax commissioners are elected for a four year term. However, to be a candidate for office, one must have a certificate issued by the Department of Revenue indicating that the person has qualified for office. The certificate which once was good for life now expires annually. A candidate for reelection does not require a new certificate. The examination is written and oral to test fairly the ability and fitness of the applicant for the position.⁹

In Maryland, the supervisors of assessments in the counties and the city of Baltimore are appointed by the Department of Assessments and Taxation from a list of five submitted by the county commissioners. It may reject the names if it deems them unfit for office. Positions and minimum qualifications for assessing personnel other than the supervisors are established by law. When counties desire to appoint persons to these positions, they submit to the State Department of Assessments and Taxation a list of not less than three applicants for each position who are examined by the Department. Upon passage such persons are certified to the counties.¹⁰

"The Report of the Committee to Study the Training of Tax Assessors in New Jersey" recommended in October, 1964 that a state examination be administered by the State Director of the Division of Taxation at least twice a year. Persons who met legal requirements would be eligible for appointment to office, but no person would be eligible for a second term after June 30, 1965 until he had passed the examination and had been certified. Persons holding various professional designations could be certified without examination.¹¹ The following quotation indicates how the program will work.

⁷ US Advisory Commission on Intergovernmental Relations, The Role of the States in Strengthening the Property Tax, Vol. 2, June, 1963, p. 43.

⁸Ibid., p. 49.

⁹Ibid., p. 58-9.

¹⁰Maryland, State Department of Assessments and Taxation, Tax Laws of Maryland (Annotated and including Regulations), 1965, pp. 158-162.

¹¹New Jersey, Committee on Training of Tax Assessors, op. cit., p. 33.

Beginning on July 1, 1967, a person may take office as tax assessor, either by election or appointment, only if he holds a tax assessor certificate. A tax assessor certificate will be issued only to a person who passes the examination to be administered by the Director. The examination will be open to any citizen of the United States who is 21 years of age and of good health and moral character and who has a high school diploma and college degree or their equivalents.

An applicant for examination will not be required to take the Rutgers training courses for assessors, but there is no doubt that completion of the courses will be the best preparation for examination.

Having secured a tax assessor certificate and then having taken office, the assessor will normally achieve tenure by serving four consecutive years and then winning a second appointment or election.

All provisions of the law apply to part-time assessors as well as full-time assessors. The law makes no distinction between them.¹²

It should be noted that this certification program includes a provision which grants tenure for certified assessors who serve at least four years. There are two important exceptions. An assessor who held office on July 1, 1967 and who continues to hold office either through subsequent reappointment or reelection is not required to take the examination, although he may not receive tenure in such case. Also, between May 4, 1967 and June 30, 1969 an incumbent assessor who has completed a required Rutgers training course will receive a certificate without examination.

Legislation introduced in New York in 1966, but which did not pass, would have required certification of assessors after October 1, 1968 by a state agency after the person successfully completed a prescribed training program during his first year of office.¹³

While the position of assessor in Oregon has no certification requirements, the position of appraiser can only be held by one who has qualified and is employed under county or state civil service requirements or is certified by the State Civil Service Commission as having passed an examination for property appraiser that has been approved by a standing committee of the Oregon State Association of County Assessors.¹⁴

South Dakota passed a law in 1955 establishing a county assessor system with assessors appointed by the counties after qualifying examinations. The act was repealed in 1957. A substitute provided for the establishment of a county director of equalization in all counties to supervise assessments. While the law eliminated the provision for a qualifying examination, it did provide that the person appointed possess knowledge and training in the field.¹⁵

Maine. There is no program of assessor certification presently in Maine. In the 1967 session of the legislature, a joint order was passed on February 1, establishing a committee to consider the

¹²New Jersey Municipalities, "New Horizon for Property Tax Administration," November, 1967, p. 21, et seq.

¹³Print 6129, July 5, 1966.

¹⁴US Advisory Commission on Intergovernmental Relations, Vol. II, op. cit., p. 137.

¹⁵Ibid., p. 150.

problem of qualification, certification and examination of property tax assessors and to report to the legislature by March 1. Apparently in response to that order, a bill (LD 1489) was introduced on April 8 which would have provided for certification in limited cases and would have required qualifying examinations to be given. A tenure provision was written into the bill as was a provision that when a municipality had thus acquired a certified assessor that the work of the assessor would be adequate for establishing the state valuation. The bill, however, was referred to the 104th legislature.

Certification Program

In considering the feasibility of a certification program, one would want to answer the following questions:

1. What is desired to be accomplished by the program;
2. Who will be eligible to be certified and how would they become eligible;
3. Are there exceptions;
4. Does certification carry any privileges; and
5. What is the certifying agency?

Objectives. A certification program for assessors seeks to insure the quality of assessing by staffing the assessment jurisdictions with only qualified assessors who have been properly trained and who have undergone an examination of their competence. A certification program would tend to provide a uniform quality of assessing throughout the state as well as throughout individual jurisdictions.

Eligibility for certification. Persons should only be eligible for full certification if they have passed the necessary qualifying examinations. However, recognizing that there will be a short supply of assessors for a time, it seems desirable to establish two other types of temporary certification. A provisional certificate might be established to permit a person to complete basic training requirements while on the job. However, this proviso probably ought to be of limited duration. In addition, a probationary certificate might be established if the person has acquired formal training but has had no experience.

There probably should be a gradual change over so that there would be no abrupt change in the system. As in New Jersey, a provision could be established whereby on and after a particular date all persons must have a certain proficiency in order to be selected as an assessor, but that a certain grace period be allowed for persons already practicing who might be approved with certain improvements in their skills. It might also be provided that until a specific date, persons presently employed on a full-time basis by any municipality as an assessor and who are continuously employed by that municipality need not be examined or certified. However, if one changes employment, he must then be examined and certified.

Privileges. Certification could be tied to a tenure system as has been done in New Jersey. The purpose, of course, is to give some semblance of permanence or stability to the position as an

inducement for an incumbent to remain. It might be well to defer the initiation of the tenure provisions until sufficient time has been allowed for an evaluation of the education and certification program to insure that the proper skills are being fostered, but this could be accomplished within a flexible experimental period.

Certifying agency. Several possibilities exist from which to choose an agency to operate the certification program and supervise the tenure system. Some of the main alternatives appear to be: (1) the existing Property Tax Division of the State Bureau of Taxation, (2) an independent examining board, (3) a new state agency such as the Department of Community Affairs in New Jersey, and (4) utilizing the state personnel agency.

First, the existing Property Tax Division of the Bureau of Taxation might seem the appropriate place to lodge the function of assessor certification. This is consistent with the state's approach to certification of teachers and superintendents which is lodged with the state department of education. There historically has been a lack of confidence, however, exhibited by local assessors towards the Bureau of Taxation due to a variety of factors, many of which are intangible and difficult to isolate.

Certification by the Property Tax Division might also result in a conflict between the bureau's own necessity for qualified assessors and any certification responsibility for assessors in general.¹⁶ The utilization of the Property Tax Division, on the other hand, might be advantageous from the point of view that the agency is well acquainted with the quality of work of the present assessors in the state, although it cannot presently document such quality adequately.

Since there is a conflict between the role of the State Bureau of Taxation in establishing the state valuation and in supervising local assessment operations, it might initially seem advantageous to establish an independent examining board along the lines of the State Board of Accountancy or some other such professional licensing agency. However, such agencies are normally engaged in regulating a particular profession which is outside government and which is directly affecting the people in the state as clients. Moreover, the individual accountant is not a governmental officer. In the case of the assessor it might not be practical to allow a group of externally oriented individuals determine and regulate the activities of government itself. Overall, such an independent agency would seem unwise.

The third alternative is certification by a state agency serving local governments, whose responsibility is not primarily that of establishing valuation for distributive purposes to local governments. At first glance such a local government oriented agency may seem inappropriate to many; but if one considers the broader picture of the relationship between state and local government in Maine, then it does have a distinct possibility.

Finally, it might be possible to use the existing functions of the State Department of Personnel to handle the examining and record-keeping activities of the certification and tenure operations. Such an agency already has an established testing program and a records system which could be valuable if it were coupled with advice from the supervising tax agency.

¹⁶It should be noted that in the new amendments to the California assessors' law, the state agency certifies its own staff as well as county and municipal assessors.

Selection of Assessors

Assessors in the various states are selected according to a variety of ways. In 23% of the primary assessing areas, assessors are appointed, while in 51% they are elected, and in 22% there is a combination of appointed and elected assessors. Table 12 shows the number of assessing areas in which these methods are used. Appendix A provides a state-by-state listing of this information.

TABLE 12. METHOD OF SELECTING ASSESSORS IN PRIMARY ASSESSING AREAS IN THE UNITED STATES.

Number of Primary Assess- ing Areas in State	Number of Assessing areas in which assessor is			
	Appointed	Appointed & Elected	Elected	Total
1- 100	247	63	1,174	1,484
101- 200	410	169	225	804
201- 300	21	0	713	734
301- 400	0	351	0	351
401- 500	517	0	814	1,331
1- 500	1,195	583	2,926	4,704
501-1,000	1,711	567	0	2,278
1,001-1,500	0	216	3,692	3,908
1,501-2,000	356	1,834	1,416	3,606
Total	3,262	3,200	8,034	14,496

Figure 2 shows the same information graphically.

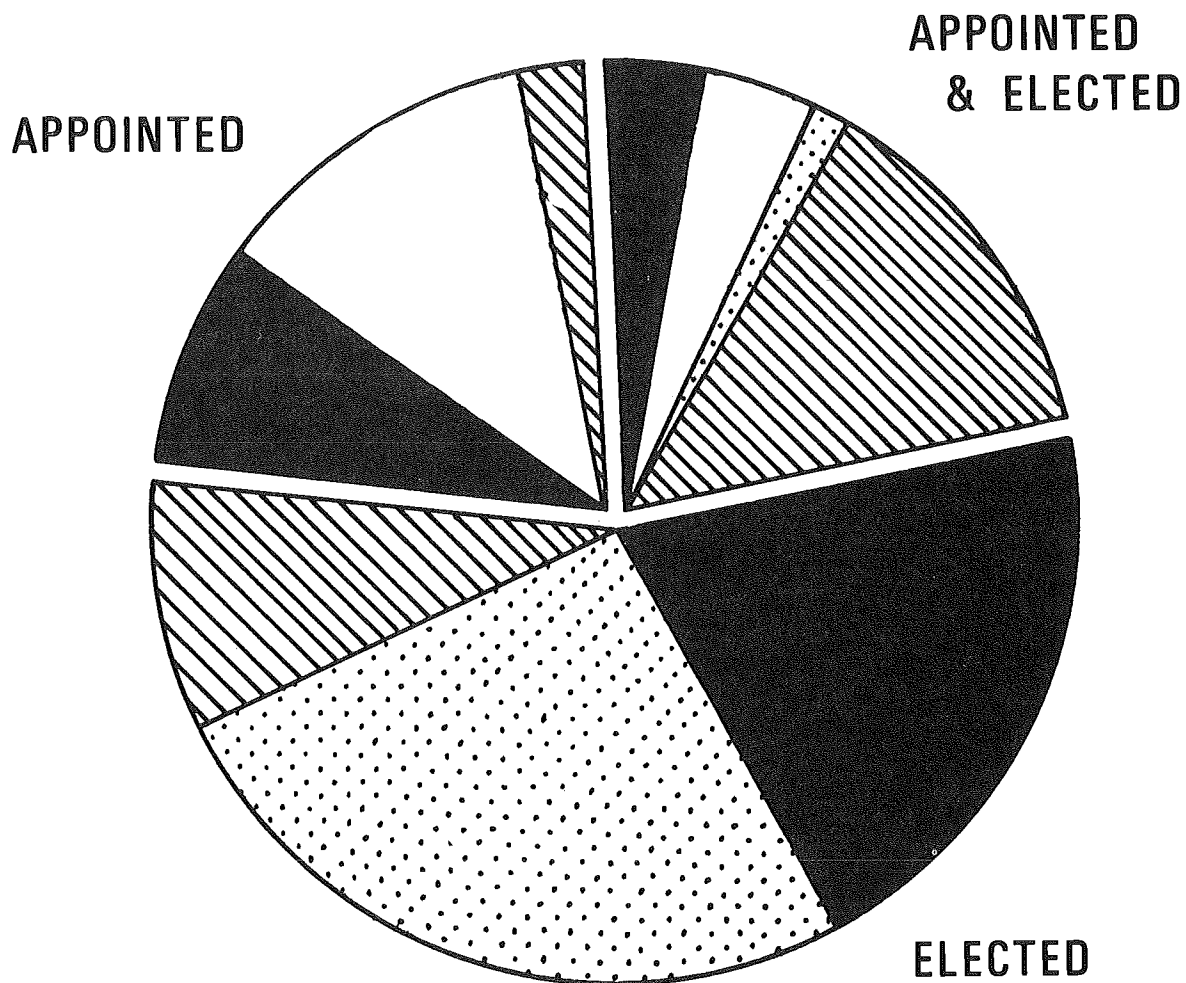
The Maine scene. The selection of assessors in Maine is generally haphazard, except in the cities. Most of the 1500 assessors are part-time persons, who became assessors inadvertently by virtue of the fact that they were elected selectmen and discovered later that they were also the assessors.

The only legal qualifications in Maine for one to hold the office of assessor presently are that he be 21 years of age, a citizen of the United States and of the State of Maine and that if he is also a selectman he must be a voter in the town in which he is elected. However, the 1967 legislature waived the US citizenship requirement in the case of full-time appointed municipal assessors.¹⁷

It is quite evident that the person does not necessarily need to be a resident of the town in which he is an assessor, except in the instance noted. Furthermore, it is noticeable that there are no restrictions presently in terms of the person's competence to perform the job -- there are no qualitative criteria for the position.

Provisions relating to assessing personnel in Maine are detailed either in special charters or in general laws of the state. The greater proportion of the municipalities, are, of course, governed

¹⁷Public Laws, Chap. 47, effective March 9, 1967. See 30 M.R.S.A. 2060.3.



NUMBER OF PRIMARY ASSESSING AREAS

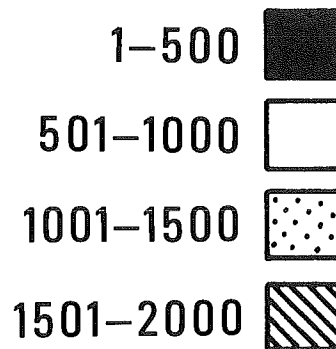


FIGURE 2. PERCENTAGE OF ASSESSORS ELECTED AND APPOINTED.

by the general law which has certain optional provisions which may be actuated in a variety of ways by individual municipalities.

The statute relating to the selection of assessors under general law is at best confusing and perhaps explains partially why so many selectmen perform the assessing function. The applicable statutes are as follows:

5. Assessors. The following provisions apply to assessors:

A. A town may determine at a meeting of its legislative body held at least 30 days before the annual meeting whether a single assessor, or a board of 3, 5, or 7, shall be elected and the term of office of the assessor or assessors. In towns where the legislative body is the town meeting, the determination shall be effective only if the total number of votes cast for and against the determination equals or exceeds 10% of the total vote for all candidates for Governor in the town at the next previous gubernatorial election.

(1) Once a determination has been made, it shall stand until revoked at a meeting held at least 30 days before the annual meeting.

(2) If a town fails to fix the number, 3 shall be elected. If a town fails to fix the term, it shall be for one year.

(3) When a town has chosen a single assessor under paragraph A, the selectmen shall appoint the assessor for a term not exceeding 5 years.

A-1. In addition to the method provided by paragraph A and notwithstanding the provision of any town charter to the contrary, the municipal officers of any town, or the municipal officers of 2 or more towns acting jointly, shall have the power to enact an ordinance providing for a single assessor, who shall be appointed for a term not exceeding 5 years. Seven days' notice of the meeting at which said ordinance is to be proposed shall be given in the manner provided for town meetings. In towns where the legislative body is the town meeting, the ordinance shall be effective immediately after the next regular town meeting if enacted 60 days prior to said meeting and shall stand until revoked by the legislative body or the municipal officers at a meeting held at least 30 days before the annual town meeting.

B. When others have not been elected, the selectmen shall serve as assessors.

C. A town may, if it elects a board of assessors, designate one member as chairman of the board.

(1) If no person is so designated, the board shall elect by ballot a chairman from its own membership, before assuming the duties of office. Where no member receives a majority vote, the clerk shall determine the chairman by lot.

D. If the town fails to fix the compensation of assessors at its annual meeting, they shall be paid \$10 each per day for every day actually and necessarily employed in the service of the town.¹⁸

¹⁸30 M.R.S.A. 2060.

Presently, there are less than ten local assessors in the state who have the professional designation CAE of the International Association of Assessing Officers.¹⁹ There are a few who hold a similar designation from the Society of Professional Assessors, SPA. In terms of the small number of full-time assessors in the state this indicates a relatively high percentage, but in terms of the overall number of local assessors, the percentage of professionally qualified is about 4/10 of one percent (0.45%).

Although the legislature's intent was to allow town meetings to determine the number and terms of assessors and then elect them, it appears that the procedure in actuality prevents the intent from being carried out. The practice in a large number of towns in which the selectmen are also assessors would tend to confirm that assessors are selected by default rather than purposive action.

The dissimilarities between the suggested standards and Maine law stand out starkly. Simply stated Maine has no minimum standards for its local assessors who collectively provide the basis for the exaction of approximately \$120 million of revenue annually. In essence, by providing no minimum standards in qualifications for its local assessors, the state is fostering disuniformity and inequity in practice while maintaining in its basic philosophy that there should be equity and uniformity. The philosophy is an empty facade for what happens in fact and might well provide grounds for a federal court case under the 14th amendment of the United States Constitution.

The recommendations contained in the following section are intended to improve present practices by providing a closer relationship between the philosophy and criteria on the one hand and the practices on the other.

Recommendations Relating to Training, Certification and Selection of Assessors

The following recommendations are intended to provide the basis for improvement in the process of training, certification and selection of persons to serve as assessors in the State of Maine. Recommendations which require legislative action are indicated with an asterisk. Those recommendations without an asterisk are deemed to be within the competence of administrative action.

Training. Formal education training programs to provide a pool of qualified assessing personnel should be established in Maine.

¹⁹CAE means Certified Assessment Evaluator. It is probable that those persons who hold the SPA designation also hold the designation CAE.

Recommendation No. 1. THE PROPERTY TAX DIVISION OF THE STATE BUREAU OF TAXATION AND THE GOVERNOR REQUEST THE UNIVERSITY OF MAINE TO ESTABLISH A TWO-YEAR ASSESSORS' EDUCATIONAL PROGRAM IN CONNECTION WITH ITS ASSOCIATE IN ADMINISTRATION PROGRAM AT THE UNIVERSITY OF MAINE IN AUGUSTA.

Such a program should be devoted primarily to providing a future supply of professional assessors. During the establishment of the formal program structure, the Property Tax Division of the State Bureau of Taxation and interested parties from other New England states might appropriately be asked for advice so that the program could be geared to regional needs, where practicable.

The University of Maine in Augusta presently has an Associate degree program in Administration which should be useful to the proposed assessors' program. The graduate public administration program at the Augusta campus, should enhance the location of the assessors' program there.

To assist in upgrading the skills of present assessors and to provide additional support to the proposed assessors' educational program in Augusta, an in-service training program could be developed.

Recommendation No. 2. THE BUREAU OF PUBLIC ADMINISTRATION AT THE UNIVERSITY OF MAINE DEVELOP AN IN-SERVICE TRAINING PROGRAM FOR LOCAL ASSESSORS.

Federal funds are available to support university programs of this type.

An in-service program might be prepared for presentation, in part at least, by educational television or closed circuit television. Such programs require much more intensive preparation than regular classroom instruction and it will be necessary to provide the necessary staff to develop instructional television courses.

The Bureau of Public Administration is currently administering a training program for state and local officials throughout the state and could logically undertake this additional task provided it were funded adequately.

In order to ensure that local assessors take advantage of this type of assistance, local governments should be authorized to expend funds for this purpose. Such expenditures should include tuition, necessary expenses for travel, meals and lodgings, if any, as well as necessary instructional and textbook expenses.

*Recommendation No. 3. PRIMARY ASSESSING UNITS BE SPECIFICALLY AUTHORIZED TO EXPEND FUNDS FOR EDUCATIONAL AND TRAINING ACTIVITIES, INCLUDING REIMBURSEMENT FOR TUITION, TRAVEL, MEALS, LODGING, TEXT-BOOKS AND MISCELLANEOUS INSTRUCTIONAL EXPENSES.

Such authorization should be construed to include educational television and other self-teaching techniques.

Although formal educational and training activities are necessary in the first instance, it will be important to up-date this training from time to time. The primary assessing areas need to allow both time and funds in their budgets for post-entry training of assessors and appraisers. In addition, these areas should be authorized to cooperate jointly where this seems desirable.

*Recommendation No. 4. THE PROPERTY TAX DIVISION BE AUTHORIZED TO PARTICIPATE IN APPROPRIATE INTERSTATE EDUCATION AND TRAINING PROGRAMS AND TO PROVIDE THE CONDITIONS UNDER WHICH SUCH PROGRAMS MEET THE EDUCATIONAL AND TRAINING REQUIREMENTS OF MAINE LAW.

This recommendation would allow the State of Maine to utilize training and education potential of other states where desirable and would also provide the basis for other states participating in the proposed Maine training program.

Where feasible, the New England Center for Continuing Education at Durham, New Hampshire could provide facilities and other arrangements for New England regional programs.

*Recommendation No. 5. THE PROPERTY TAX DIVISION HOLD QUALIFYING EXAMINATIONS PERIODICALLY FOR APPLICANTS SEEKING CERTIFICATION AS ASSESSORS.

If the agency felt a need for additional examinations it would not be prevented from holding them.

*Recommendation No. 6. THE QUALIFICATION REMAIN IN FORCE FOR FIVE YEARS PROVIDED THE ASSESSOR COMPLETES ADDITIONAL TRAINING SPECIFIED BY THE PROPERTY TAX DIVISION.

This recommendation intends the assessor to remain competent by constantly upgrading his training through formal courses.

*Recommendation No. 7. THE PROPERTY TAX DIVISION BE AUTHORIZED TO ISSUE PROVISIONAL CERTIFICATES TO PERMIT PERSONS TO COMPLETE BASIC TRAINING REQUIREMENTS WHILE ON THE JOB. SUCH PROVISIONAL CERTIFICATES SHOULD BE LIMITED TO ONE YEAR, REVIEWABLE FOR A MAXIMUM OF THREE YEARS.

The above recommendation as well as the following one recognizes that for a time there may well be a shortage of qualified assessing personnel and provides for an adjustment period.

*Recommendation No. 8. THE PROPERTY TAX DIVISION BE AUTHORIZED TO ISSUE PROBATIONARY CERTIFICATES TO PERSONS WHO HAVE THE NECESSARY FORMAL EDUCATION, BUT WHO HAVE NO PRACTICAL EXPERIENCE IN ASSESSING. SUCH A PROBATIONARY PERIOD SHOULD BE LIMITED TO ONE YEAR.

The previous recommendation recognizes the fact that some persons may not have the necessary practical experience in assessing and thus might not be able to be fully certified, although they may have the prerequisite formal education or training desirable.

*Recommendation No. 9. THE PROPERTY TAX DIVISION BE THE CERTIFICATION AGENCY FOR THE STATE AND THE RESPONSIBILITY FOR CERTIFICATION BE VESTED IN THE DIRECTOR OF THAT AGENCY.

Vesting the responsibility for this function in the Director of the Property Tax Division assumes that there will continue to be such a position or at least a comparable position, regardless of the location of the state supervisory agency.

*Recommendation No. 10. THE PROPERTY TAX DIVISION BE AUTHORIZED TO RECEIVE FEES FROM APPLICANTS FOR ANY OF THESE THREE CERTIFICATES AS FOLLOWS:

1. Assessor Certificate	\$25.00
2. Provisional Certificate	15.00
3. Probationary Certificate	10.00

IN ADDITION, FOR EACH EXAMINATION A FEE OF \$10 BE AUTHORIZED, SUCH CERTIFICATION AND EXAMINATION FEES TO BE USED TO DEFRAY THE COST OF EXAMINATIONS AND CERTIFICATIONS. SUCH FEES MAY BE PAID BY THE PRIMARY ASSESSING AREAS, BY APPROPRIATE ORDERS.

These fees will tend to discourage frivolous applications and provide some off-setting revenue to the division.

*Recommendation No. 11. AFTER SERVING THREE FULL YEARS AS A FULLY CERTIFIED ASSESSOR IN ANY PRIMARY ASSESSING AREA, THE ASSESSOR OBTAIN TENURE, AFTER WHICH TIME HE MAY NOT BE REMOVED FROM HIS POSITION EXCEPT AS SPECIFIED HEREAFTER.

*Recommendation No. 12. IN ORDER TO BE SELECTED AS AN ASSESSOR FOR ANY PRIMARY ASSESSING AREA IN THE STATE OF MAINE, AN APPLICANT FOR SUCH A POSITION MUST HOLD A VALID CERTIFICATE FROM THE PROPERTY TAX DIVISION.

*Recommendation No. 13. SELECTION OF ASSESSORS BE MADE BY AN EXECUTIVE COMMITTEE FOR THE PRIMARY ASSESSING AREA. OTHER EMPLOYEES OF THE PRIMARY ASSESSING AREA BE APPOINTED BY THE ASSESSOR WITH THE APPROVAL OF THE EXECUTIVE COMMITTEE.

Recommendation No. 11 recognizes the importance of providing permanency to an assessor's position once he has been certified and the primary assessing area is satisfied with his competence. Recommendations 12 and 13 indicate the appointing authority for these positions. The Executive Committee of the primary assessing area will be described later.

*Recommendation No. 14. PERSONS QUALIFIED AS ASSESSORS BE REMOVED: (1) UPON LOSS OF VALID CERTIFICATION, (2) BY VOTE OF THE EXECUTIVE COMMITTEE OF THE PRIMARY ASSESSING AREA, AFTER HEARING THE CASE OF THE ASSESSOR OR (3) BY VOTE OF THE EXECUTIVE COMMITTEE UPON THE RECOMMENDATION OF THE ASSESSOR IN THE CASE OF DEPUTY ASSESSORS AND ASSISTANT ASSESSORS.

*Recommendation No. 15. THE DIRECTOR OF THE PROPERTY TAX DIVISION BE AUTHORIZED TO RE-EXAMINE FOR CAUSE AND AFTER APPROPRIATE NOTICE ANY PERSONS HOLDING A CERTIFICATE PREVIOUSLY ISSUED AT THE REQUEST OF THE INDIVIDUAL INCUMBENT, THE EXECUTIVE COMMITTEE OF ANY PRIMARY ASSESSING AREA, OR UPON THE DIRECTOR'S OWN INITIATIVE. IF THE RE-EXAMINATION INDICATES A PRESENT DISQUALIFICATION, THE HOLDER OF A PREVIOUSLY ISSUED CERTIFICATE SHALL LOSE HIS CERTIFICATION AND HIS TENURE, IF ANY.

Recommendations Number 14 and 15 provide appropriate removal methods for the chief assessor and other assessing personnel, while Recommendation No. 16 below affirms the constitutional principle that the assessor is a state agent when he is performing the assessing function.

*Recommendation No. 16. THE ASSESSOR OF THE PRIMARY ASSESSING AREA BE DECLARED A STATE AGENT.

CHAPTER IV
ORGANIZATION FOR ASSESSING

The problem of reorganization of the assessing function is complicated by two factors. First, judicial interpretation derived from the constitutional concept of sovereignty holds that the "local" tax assessor is an agent of the state not subject to control by the local government when he is performing an official assessing function. Secondly, the myth of local autonomy provides an atmosphere of public misconception of this concept resulting in the general public belief that the assessor is subject to local control. This belief has been reinforced by legislative delegation to towns to select these state agents.

The delegation of certain aspects of the taxing function may be made by the legislature so long as it retains the ultimate taxing authority. Thus, we see in the Maine Constitution that "The Legislature shall never, in any manner, suspend or surrender the power of taxation."¹

The legislature has seen fit in the past to delegate part of its responsibility in relation to the taxing function to persons whom it allows to be chosen locally for specified periods of time. In cases where an election is not made, the legislature provided an alternative automatic selection procedure which has become the rule rather than the exception.

Even though the selection procedure is carried out at the local level, the person selected is partially a state agent and not totally a local official subject to local jurisdiction. As reaffirmed in the case of Sears Roebuck v. Presque Isle et al (1954)

Assessors of taxes, chosen by a city or town, are public officers. There is no relation of principal to agent between them and the municipality. When they act officially the inhabitants have no control over them.²

In this respect the assessors are not unlike the selectmen, overseers, and health officers.

In the past it has been more convenient to perform some state functions, such as assessing, at the local level. The popular misconception of local governmental autonomy has grown and become entrenched as a political reality although it is a legal myth. Even though local government is legally an extension of the state and can be dissolved, reorganized, etc. by the legislature at any time, the myth is a hindrance to reorganization.

¹ Constitution of the State of Maine, Art. IX, Sec. 9.

² 150 Me. 185.

Reorganization of the assessing function must take into account these two important factors if the reorganization is to be both constitutional and politically palatable.

Formation of the System

In the establishment of a reorganized system of assessment administration, one must, in addition to considering the two inhibiting factors noted above, determine the reorganization agent, decide whether the system is to be established on a voluntary or involuntary basis, fix a timetable for accomplishment, prepare criteria for the new system, and outline the new primary assessing areas.

Reorganization agent. Whatever the new primary assessing areas may be, someone has to be responsible for the system's formation. The reorganization agent must be legislatively determined and the legislature must retain the right to revise the system. The three most promising reorganization agents are (1) the legislature itself, (2) an administrative agency of the state under legislative delegation, or (3) several towns through cooperative action.

The legislature could specify in general law whatever reorganization of the assessing function it desired and the system would then be established by a legislative committee, in essence. As a practical consideration, if the legislature is to reorganize the assessing function, it would seem that specific and definitive legislative guidelines would be required. A lack of specific guidelines might result in needless inflexibility, greater expense in making changes, and increased difficulty in making the change.

If the legislature were to delegate the responsibility for the determination of the most feasible organizational possibilities to an administrative agency under general legislative guidelines, it would appear to provide greater flexibility, control and potential for change with changing conditions. It might be disadvantageous from the point of view that a conservative administrator through inaction could hinder change.

The third possibility, namely that the legislature authorize municipalities to reorganize the assessing function cooperatively has several advantages. It would allow local governmental units in which the people glorify the myth of local autonomy to make self-determinations. It would not necessarily require any expansion of state action to supervise the assessing function. From a psychological viewpoint it might produce better long-run results than mandated areas. It would also seem to provide more potential flexibility than either of the two previous possibilities.

This possibility also has some potential disadvantages. It is possible that adjoining municipalities for several reasons might not desire to enter into such cooperative relationships and thus there might be no progress whatsoever. The cooperative arrangements, if consummated, might not meet desirable minimum requirements unless these were built into the authorizing legislation which would to some extent seem to nullify the aim of cooperative relationships.

In the case of administrative determination by a state agency, an important side issue is the

appropriate agency. This question is being considered in another portion of this study. Regardless of which agency might be involved, the method by which the reorganization is to be accomplished is as important a concern as the agent itself.

Reorganization method. The two extremes in reorganization methods might be described as voluntarism versus involuntarism. Should the reorganization of the primary assessing areas be mandated by the legislature or should it encourage municipalities to do so? There are, of course, possible combinations and less extreme points.

The case for involuntary, legislatively mandated reorganization centers around the need for uniformity among areas as well as within individual areas. General equity in tax burden will be far less likely if the municipalities are allowed to cooperate without guidance. In addition, it will be easier to provide for professional assessing under a legislative mandate which establishes areas in which the function has some opportunity to be performed efficiently and effectively.

On the other hand during the past 80 years periodic recommendations to the legislature for enlarging the primary assessing area have seemingly fallen on deaf ears and the legislature has taken no action. The question which arises is whether the legislature will take the necessary action now. If it were not to do so, then cooperative arrangements could seem to be the only feasible alternative to a single state assessing system.

It may possibly be relevant, however, that none of these earlier studies which recommended enlarged assessing areas delineated either specific criteria for the districts or outlined them for legislative consideration. It is possible that such delineation would allow the legislature to take the necessary action.

If compulsion were determined to be the more feasible alternative, it is possible that the use of compulsion could be held in abeyance until there has been an opportunity to see if there is a self-willingness on the part of the municipalities to change. Of course, in order to test the willingness, the cooperative mechanism would have to be established. If the willingness appears to be absent or slow or if it is not developing as the legislature perceives the proper course, then one could compel certain activities after an initial period of voluntarism.

Depending upon the resolution of the question of voluntarism or involuntarism, the timing of the reorganization has several possibilities.

Reorganization timetable. If the reorganization is involuntary, it could be effected (1) immediately (upon the effective date of the act or as soon as feasible thereafter), (2) at some more distantly definite time, or (3) on a district by district basis in gradual fashion. If the reorganization is to be voluntary, the legislature probably would not specify any date. However, it could provide that if there has been no substantial progress by some future date then an alternative involuntary plan might be implemented.

Although the reorganization agent, method and timing are important elements in establishing the system, the more difficult element is the criteria to be utilized in the reorganization process.

Criteria for establishment of assessment areas. Written material about reorganization of the assessing function is very vague about specific criteria to accomplish the task.

The Advisory Commission on Intergovernmental Relations stated that ". . . assessment districts /should be/ so organized and staffed as to make competent local assessing feasible and the setup efficiently regulatable . . ."³ The same source implies that ". . . a full-time assessor, a full-time assistant, and a central office properly equipped with well maintained tax maps and other assessing tools . . ." is minimum for efficient operation and supervision.⁴ This suggestion apparently derives from a 1941 statement of the National Association of Assessing Officers, Assessment Organization and Personnel, which is now 25 years old.

The recommendation of the US Advisory Commission on Intergovernmental Relations relating to organization reads in part as follows:

Recommendation No. 13. The geographical organization of each State's primary local assessment districts should be reconstituted, to the extent required, to give each district the size and resources it needs to become an efficient assessing unit and to produce a well-ordered overall structure that makes successful State supervision feasible.

No assessment district should be less than countywide and when, as in very many instances, counties are too small to comprise efficient districts, multicounty districts should be created.⁵

The Committee on Minimum Assessment Standards of the International Association of Assessing Officers was equally vague. Its suggestions follow:

Whether elected or appointed, a prime requisite for a good assessment office is a trained, qualified assessor to head the office.

Where the assessing district is large enough to have one or more year-round employees in the assessing department, there should be at least one full-time assessor whose training and experience qualify him as a Professional assessor. . . .

Smaller assessment districts are often handicapped in obtaining a qualified assessor because the amount of work involved may not justify the cost of a full-time assessor. Several recommendations have been put forth to alleviate or at least partially overcome this situation.

1. Several small communities or districts may combine to engage a professional assessor to head up and supervise each respective office with a local person employed on either a full-time or part-time basis to act as clerk or assistant assessor.

³US Advisory Commission on Intergovernmental Relations, The Role of the States in Strengthening the Property Tax, Vol. 1, June, 1963, p. 99.

⁴Ibid., p. 103.

⁵Ibid., p. 15.

2. Where this is not feasible because of distances involved or for other reasons, and where there is a board of assessors, one person should be designated as chairman of the board or head of the department. This person should be responsible for the proper handling of all the work in the field and in the office. Where the responsibilities are equally shared, seldom are all phases of the work handled efficiently.⁶

In his study of The Economics of the Property Tax, Dick Netzer suggests that it may be possible to achieve good property tax administration in the larger jurisdictions at a cost of no more than 1.5% of the tax collections, if one assumes the assessment quality achieved in the best performing assessment jurisdiction. He goes on to say:

If the assessment function is to be handled by a full-time professional staff, as has been repeatedly recommended over the years, even a minimal size jurisdiction is likely to have an annual budget of \$60,000 to \$70,000. This budget will be less than 1.5 percent of tax collections only in jurisdictions with revenue of \$4 million or more, which implies an average minimum population size of 40,000-50,000, since per capita property tax revenue currently averages about \$100. . . .⁷

A writing by Frederick L. Bird noted that:

The other means /for obtaining high-standard assessment administration/ relate primarily to administration. They call for assessing areas large enough to support full-time assessing staffs; appointment of well-trained, professional assessors; state assessment of public utility and industrial property lying in more than one local jurisdiction or requiring specialized types of expert appraisal; improvement of provisions for administrative review of original assessments; regular and systematic state equalization of local assessments; and effective state supervision of local assessment work.⁸

Thus, it is evident that while there are some broad outlines of the organizational needs (which in some cases are probably out-dated), there is no specific delineation of criteria. For instance, what does the following statement mean in detail?

The political subdivision serving as an assessment district should have sufficient resources to afford adequate assessment machinery, and should provide an assessment task large enough to realize the economies of large-scale operations and to warrant the employment of one full-time assessor and at least one full-time assistant.⁹

⁶International Association of Assessing Officers, Minimum Assessment Standards, Report of the Committee on Minimum Assessment Standards, January, 1963, pp. 9-10.

⁷Netzer, Dick, Economics of the Property Tax, Washington, D. C., The Brookings Institution, 1966, p. 176.

⁸Bird, F. L., The General Property Tax: Findings of the 1957 Census of Governments, Public Administration Service, 1960, p. 68.

⁹Ibid., p. 87.

What does sufficient resources mean? What is adequate assessment machinery? What is an assessment task large enough to realize the economies of large-scale operations?

The specific criteria which follow have been derived in part from some of the general statements indicated above and might be used in determining the organization for assessing purposes in the state.

*Recommendation No. 17. THE UNORGANIZED TERRITORY OF THE STATE CONTINUE TO BE THE RESPONSIBILITY OF THE STATE OF MAINE AS FAR AS ASSESSING IS CONCERNED AND CONSTITUTE A SINGLE ASSESSING DISTRICT.

Since the unorganized territory is not a political subdivision of the state but merely a territorial subdivision, it appears logical that the assessing function in that area should remain with the state. In addition, since most of the unorganized area is comprised of wild lands or wood lands and requires special assessing techniques it meets one of the conditions for centralized assessment.

*Recommendation No. 18. A MINIMUM OF 1% OF THE REVENUE GENERATED BY THE PROPERTY TAX BE DEDUCTED FROM THE PROCEEDS AND USED FOR ADMINISTRATION OF THE SYSTEM.

It is generally agreed that most tax generators other than the property tax have required somewhere in the vicinity of 1% of the revenue generated to administer the program. This seems to be an adequate assumption to use with the property tax until such time as operations indicate that different rate is more rational. Initial experience with a reorganized assessing system in Nova Scotia shows a cost of 1.5% of revenue generated.

*Recommendation No. 19. A MINIMUM OF \$60,000 to \$100,000 BE AVAILABLE AS A BUDGET IN EACH DISTRICT.

The figure \$60,000 operating cost is cited in several places as a minimum. The assessing budget recommended for the City of Portland (FY 1968) was \$72,436.¹⁰ Of this sum, \$69,394 was to be allocated to personal services:

Assessor of Taxes	(1)	\$10,310
Deputy Assessor	(1)	8,404
Appraiser	(2)	13,547
Engineer Tech. II	(1)	5,977
Assessor's Aide	(1)	4,646
Senior Stenographer	(1)	4,855
Clerk II	(1)	4,072
Clerk I	(4)	14,433
Temporary Assistance		3,150

¹⁰City of Portland, Maine, Annual Budget/Work Program for 1968, Section 2, p. 27.

The 1968 appropriation for Bangor's assessing operation was \$52,550. The number of employees was 8.¹¹

Excluding reassessment the city of Augusta reports an expenditure of \$26,057 in 1968 for a full-time chairman of the board who was also building inspector, two part time assessors, a full-time assessor's clerk, and a second clerk (part-time).¹²

Expenditures for 1968 assessment as a percent of total property tax revenues are as follows for the three cities:

Portland	1.06%
Bangor	0.97
Augusta	0.79

*Recommendation No. 20. THE ASSESSING AREAS BE ESTABLISHED ON THE BASIS OF APPROXIMATELY UNIFORM EQUALIZED VALUATIONS OR UPON UNIFORM POPULATION BASIS WITHOUT REGARD TO EXISTING TOWN OR COUNTY LINES. EQUALIZED VALUATIONS IS THE PREFERABLE BASIS.

In looking at criteria for establishing districts in other functional areas, one normally considers such items as socio-economic areas of influence, trade zones, communication zones, population homogeneity and a variety of others as well as geography. However, in the case of assessing of property for tax purposes, these criteria do not appear to be particularly important or relevant.

In the overall measurement of assessing equity, inter-areal and intra-areal uniformity are considered quite important. In addition, since the value of property in the state is used as the yardstick for determining county taxes, school subsidies, etc., it would seem apparent that uniformity among assessing jurisdictions would be beneficial as well.

Thus, it is suggested that either population or equalized valuation be the basis for the districts. There appears to be a correlation between the size of the population and the extent of the equalized valuation to warrant the statement that either base would provide a roughly uniform system provided deviations were not exceedingly great.

It may be argued that the number of parcels is an important factor in determining the outlines of the district, but this study assumes that if it is an important consideration it can be compensated for by an adjustment in the number of personnel. It could also be argued that geography should be taken into greater account.

¹¹City of Bangor, Annual Budget for 1969, p. 15-01.

¹²Telephone conversation with Edward O'Connell, Chairman, Board of Assessors, City of Augusta, November 19, 1968.

*Recommendation No. 21. THE NUMBER OF PRIMARY ASSESSING AREAS BE BETWEEN 12 AND 20 AND EXISTING COUNTY AREAS BE UTILIZED ONLY WHEN THEY MEET THE REMAINDER OF THE CRITERIA.

The number of districts was derived by taking 1% of the total property tax revenue (\$120 million) and dividing it by \$60,000 and \$100,000. Doing so, one arrives at 12-20 districts. Using 1.5% instead of 1%, the number of districts might be 18 or 30. The size of the districts could just as well be stated in terms of equalized valuation. A later section of this chapter entitled, "Suggested Alternatives," considers specific application of the criteria outlined here.

*Recommendation No. 22. WHERE THERE IS INSUFFICIENT EQUALIZED VALUATION OR UNIFORM POPULATION WITHIN A GIVEN AREA TO SATISFY THE REQUIREMENTS OF Recommendation No. 20, OR WHERE SPECIAL CONDITIONS WARRANT, SPECIAL PROVISION MIGHT BE MADE EITHER FOR STATE ASSESSING OR FOR ASSESSING BY ANOTHER UNIT. IN ADDITION, EXISTING PRIMARY ASSESSING AREAS WHICH ARE LARGER THAN THIS CRITERION SHOULD NOT BE DIVIDED.

This recommendation is intended to take care of unusual conditions which may exist or develop.

*Recommendation No. 23. PRIMARY ASSESSING AREAS WHICH ARE ESTABLISHED IN ACCORDANCE WITH THESE CRITERIA BE EVALUATED AT LEAST EVERY TEN YEARS, EITHER BY OR FOR THE LEGISLATURE.

The intent of the above recommendation is to ensure that the primary assessing areas are reviewed periodically and modified in size and extent when found necessary.

Application of Criteria - Proposed Assessment Districts. Applying the criteria suggested one can arrive at several possible combinations of existing towns and cities into assessment areas. The following section considers the results of 12 districts and 20 districts. The utilization of county lines is also tested against the outlined criteria to determine if an earlier assumption concerning the non-applicability of county lines was valid. The results of such combinations are compared finally.¹³ It should be pointed out that in making the combinations the state's geography was considered beginning in the southernmost portion and working northerly and by beginning in the northermost portion and working southerly. It seemed desirable in the southern portion of the state to take into account initially existing interstate cooperation and, in the northern portion of the state, to consider sparsity of population as a special problem. The equalized valuation of the state was approximately \$4.6 billion at 100% fair market value in 1966.

¹³Appendix D also presents an analysis of the alternative of using as assessment districts proposed planning districts developed by the State Comprehensive Planning Project in August, 1966.

Utilizing twelve districts, (Plan No. 1) would result in an approximate valuation of \$387 million in each district. Figure 3 shows the towns & cities which might be encompassed in each of 12 districts. Appendix E lists towns and cities located in each district in proposed Plan No. 1.

Table 13 shows the total equalized valuation, total population, and deviations for each of the assessment districts in Plan No. 1.

TABLE 13. COMPARISON OF POPULATION AND EQUALIZED VALUATION AMONG TWELVE DISTRICTS

District number	Total equalized valuations ^a (Millions)	Deviation from average equalized valuations (Millions)	1960 population	Deviation from average population
1	\$ 391	\$ 4 (1.0) ^b	73,496	6,317 (7.9) ^b
2	404	17 (4.4)	70,797	9,016 (11.3)
3	382	5 (1.3)	72,566	7,247 (9.1)
4	385	2 (0.5)	67,377	12,436 (15.6)
5	392	5 (1.3)	69,584	10,229 (12.8)
6	387	0 (0.0)	84,501	4,688 (5.9)
7	386	1 (0.3)	82,934	3,121 (3.9)
8	384	3 (0.8)	71,839	7,974 (10.0)
9	387	0 (0.0)	81,483	1,670 (2.1)
10	388	1 (0.3)	100,502	20,689 (25.9)
11	368	19 (4.9)	112,327	32,514 (40.7)
12	393	6 (1.6)	70,344	9,469 (11.9)
Total	\$ 4,647	\$ 63	957,750	125,370
Average	\$ 387	\$ 5.3 (1.4)	79,813	10,448 (13.1)

^a 1966 state valuation at 100% just value, derived from Maine State Valuation 1966.

^b Figure in parenthesis indicates percent deviation.

Under Plan No. 1, the 12 assessment districts average \$387 million valuation at just value and 79,813 in 1960 population. The average deviation is \$5.3 million or 1.4% from the average valuation of the 12 districts (\$387 million) while individual districts deviate from \$0 to 19 million from the average. The average population deviation from the average population of all districts (79,813 people) is 10,448 or 13.1% while the districts' populations vary 1,670 to 32,514 from the average.

All the districts in Plan No. 1 except Districts 3 and 5 cross county lines. The following list indicates the portions of the counties included in the various areas.

- District 1 - York, Cumberland
- 2 - York, Oxford, Cumberland
- 3 - Cumberland
- 4 - Oxford, Franklin, Somerset
- 5 - Cumberland
- 6 - Androscoggin, Kennebec
- 7 - Androscoggin, Kennebec
- 8 - Sagadahoc, Lincoln, Kennebec, Knox
- 9 - Kennebec, Waldo, Hancock
- 10 - Piscataquis, Penobscot
- 11 - Aroostook, Penobscot, Washington
- 12 - Washington, Hancock, Penobscot

Plan No. 2 provides an approximate valuation of \$232 million and an average population of 47,775 in each of its twenty districts. Figure 4 depicts a distribution of towns and cities among the 20 districts. A detailed listing of towns and cities within each of the 20 proposed districts is given in Appendix F. Table 14 indicates total equalized valuation, total population, and deviations for each of the districts in Plan No. 2.

TABLE 14. COMPARISON OF POPULATION AND EQUALIZED VALUATION AMONG TWENTY DISTRICTS

District number	Total equalized valuation (Millions) ^a	Deviation from average equalized valuation (Millions)	1960 popu- lation	Deviation from average population
1	\$ 232	\$ 0 (0.0) ^b	40,754	7,021 (14.7) ^b
2	233	1 (0.4)	50,890	3,115 (6.5)
3	236	4 (1.7)	39,001	8,774 (18.4)
4	382	150 (64.7)	72,566	24,791 (51.9)
5	261	29 (12.5)	42,113	5,662 (11.9)
6	230	2 (0.9)	42,377	5,398 (11.3)
7	234	2 (0.9)	53,171	5,396 (11.3)
8	233	1 (0.4)	50,167	2,392 (5.3)
9	231	1 (0.4)	38,371	9,404 (19.7)
10	234	2 (0.9)	56,696	8,921 (18.7)
11	233	1 (0.4)	43,082	4,693 (9.8)
12	229	3 (1.3)	42,650	5,125 (10.7)
13	232	0 (0.0)	54,254	6,479 (13.6)
14	233	1 (0.4)	51,967	4,192 (8.8)
15	232	0 (0.0)	36,254	11,523 (24.1)
16	236	4 (1.7)	74,190	26,415 (55.3)
17	234	2 (0.9)	66,649	18,874 (39.5)
18	222	10 (4.3)	55,879	8,104 (17.0)
19	111	121 (52.2)	23,541	24,234 (50.7)
20	173	59 (25.4)	20,945	26,830 (56.6)
Total	\$4,641	\$393	955,517	217,343
Average	\$ 232	19.7 (8.6)	47,775	10,867 (22.7)

^a 1966 state valuation at 100% just value, derived from Maine State Valuation 1966.

^b Figure in parenthesis indicates percent deviation.

Table 14 shows that the valuation in the districts deviates an average \$19.7 million or 8.6% from the average equalized valuation of all the districts (\$232 million), and that the range of deviations is from \$0 - 150 million. The population in the districts deviates an average 10,867 or 22.7% from the average population (47,775) and the extent of deviation ranges from 2,392 to 26,830.

All the districts in Plan No. 2 except 1, 2, 4, 5, 10, 16, 18 and 20 cross county lines. The following list indicates the portions of the counties included in each district.

- District 1 - York
- 2 - York
- 3 - York, Cumberland, Oxford
- 4 - Cumberland
- 5 - Cumberland
- 6 - Cumberland, Androscoggin
- 7 - Androscoggin, Oxford
- 8 - Androscoggin, Kennebec
- 9 - Sagadahoc, Lincoln
- 10 - Kennebec
- 11 - Somerset, Franklin, Oxford, Piscataquis
- 12 - Somerset, Franklin, Piscataquis
- 13 - Kennebec, Waldo, Knox, Penobscot
- 14 - Hancock, Waldo, Knox, Lincoln
- 15 - Penobscot, Piscataquis
- 16 - Aroostook
- 17 - Aroostook, Penobscot, Washington, Hancock
- 18 - Penobscot
- 19 - Penobscot, Hancock
- 20 - Hancock

The question might be asked why the existing counties might not be utilized for reorganization purposes. Table 15 shows the total equalized valuations, population and deviations for the existing counties, while figure 5 identifies the counties and their boundaries.

TABLE 15. COMPARISON OF POPULATION AND EQUALIZED VALUATION AMONG SIXTEEN EXISTING COUNTIES

<u>County</u>	<u>Total equalized valuation (Millions)^a</u>	<u>Deviation from average equalized valuation (Millions)</u>	<u>1960 popu- lation</u>	<u>Deviation from average population</u>
Androscoggin	\$ 392	\$ 101 (34.7) ^b	86,312	25,733 (42.5) ^b
Aroostook	341	50 (17.2)	106,064	45,485 (75.1)
Cumberland	1,040	749 (257.4)	182,751	122,172 (201.7)
Franklin	128	163 (56.0)	20,069	40,510 (66.9)
Hancock	218	73 (25.1)	32,293	28,286 (46.7)
Kennebec	410	119 (40.9)	89,150	28,571 (47.2)
Knox	138	153 (52.6)	28,575	32,004 (52.8)
Lincoln	143	148 (50.9)	18,497	42,082 (69.5)
Oxford	227	64 (22.0)	44,345	16,234 (26.8)
Penobscot	596	305 (104.8)	126,346	65,767 (108.6)
Piscataquis	48	243 (83.5)	17,379	43,200 (71.3)
Sagadahoc	101	190 (65.3)	22,793	37,786 (62.4)
Somerset	167	124 (42.6)	39,749	20,830 (34.4)
Waldo	80	211 (72.5)	22,632	37,947 (62.6)
Washington	119	172 (59.1)	32,908	27,671 (45.7)
York	501	210 (72.2)	99,402	38,823 (64.1)
Total	\$4,649	\$3,075	969,265	653,101
Average	\$ 291	\$ 192 (66.0)	60,579	40,819 (67.4)

^a 1966 state valuation at 100% just value, derived from Maine State Valuation, 1966

^b Figure in parenthesis indicates percent deviation.

ANDROSCOGGIN	A
ARODSTOOK	B
CUMBERLAND	C
FRANKLIN	D
HANCOCK	E
KENNEBEC	F
KNOX	G
LINCOLN	H
OXFORD	I
PENOBSCOT	J
PISCATAQUIS	K
SAGadahoc	L
SOMERSET	M
WALDO	N
WASHINGTON	O
YORK	P

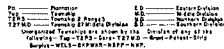


Table 15 shows that if the 16 Maine counties were used as assessment districts the average value of all counties would be \$291 million while the average county population would be 60,579 persons. The average deviation from the average valuation is shown to be \$192 million or 66% while the individual county deviations range from \$50 million to \$749 million. In terms of population, the average deviation from the average county population is 40,819 or 67.4% and individual population deviations range from a low of 16,234 to a high of 122,172.

If one is interested in the greatest amount of uniformity as suggested in the criteria earlier, one can compare the various plans in terms of their deviations from the average. The system with the least amount of deviation among the districts would then be selected as the best.

Deviation analysis. Table 16 compares the deviations from the average equalized valuations under four systems.

TABLE 16. PERCENT DEVIATION FROM AVERAGE DISTRICT EQUALIZED VALUATIONS UNDER FOUR PLANS

Per- cent devia- tion	Plan 1		Plan 2		Counties		Present	
	No.	%	No.	%	No.	%	No.	%
0- 10	12	(100)	16	(80)	0	(0.0)	18	(3.7)
11- 20			1	(5)	1	(6.3)	12	(3.1)
21- 30			1	(5)	2	(12.5)	23	(4.7)
31- 40					1	(6.3)	16	(3.3)
41- 50					2	(12.5)	25	(5.1)
51- 60			1	(5)	4	(25.0)	30	(6.1)
61- 70			1	(5)	1	(6.3)	36	(7.3)
71- 80					2	(12.5)	47	(9.6)
81- 90					1	(6.3)	91	(18.5)
91-100							140	(28.5)
100+					2	(12.5)	54	(11.0)
Total	12		20		16		492	

From the information presented in Table 16 it would appear that Plan No. 1 with twelve districts would have the least amount of variation among equalized valuations. It is evident, of course, that a reduction of the number of districts from 495 to 12 (or a 98% reduction) would provide the basis for greater inter-areal uniformity in assessing practices.

Table 17 portrays the population deviation among three of these plans.

TABLE 17. PERCENT DEVIATION FROM AVERAGE DISTRICT POPULATION UNDER THREE PLANS

Per- cent devia- tion	Plan 1		Plan 2		Counties	
	No.	%	No.	%	No.	%
1- 10	6	(50)	4	(20)	0	(0)
11- 20	4	(33)	10	(50)	0	(0)
21- 30	1	(8)	1	(5)	1	(6)
31- 40			1	(5)	1	(6)
41- 50	1	(8)			4	(25)
51- 60			4	(20)	1	(6)
61- 70					5	(31)
71- 80					2	(13)
81- 90						
91-100						
100+					2	(13)
Total	12		20		16	

From Table 17 it is evident that there is also less diversity in population among the units under the twelve district plan. Although the data for the present system is not shown here, it is more diverse than any of the others.

Suggested Alternatives. The recommendation presented below is that which would seem to be most desirable if uniformity is considered to be an important factor. An alternative solution is suggested also, although it is not the primary recommendation.

*Recommendation No. 24. THE STATE'S ORGANIZED TERRITORY BE
DIVIDED INTO TWELVE AREAS WITH APPROXIMATELY EQUAL VALUATIONS
IN EACH AS OUTLINED IN PLAN NO. 1.

Alternatively, it is suggested that the state be divided into 19 districts (Plan No. 3). In this plan the city of Portland is left as a single assessment district while the remainder of the state's equalized valuation is divided by 18. It makes no sense to split Portland into more than one district and it needs to be treated separately if it is desirable to have as much uniformity as possible among the remainder of the areas.

One other area under this plan would have a greater deviation than desirable, namely, District 17. In addition, Districts 8 and 9 are combined because it is virtually impossible to make two single districts in the area. The map on the following page indicates these districts, and Appendix G gives a listing of the cities and towns included in the various districts.

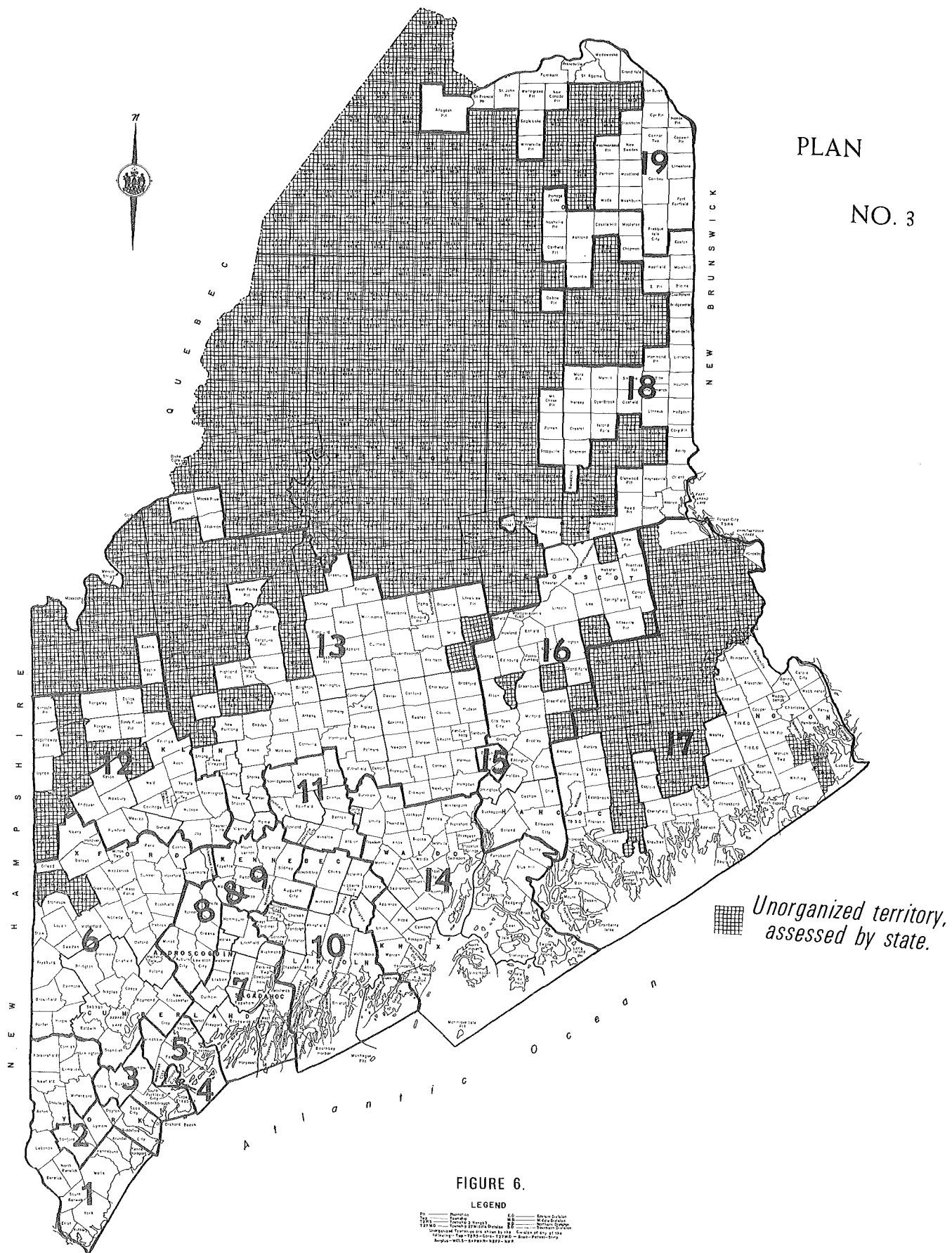


Table 18 shows the equalized valuation and deviations among these districts.

TABLE 18. EQUALIZED VALUATION AND DEVIATION AMONG NINETEEN DISTRICTS

District	Valuation (Millions)	Deviation from Average	
		(Millions)	(Percent)
1	\$ 239	\$ 2	0.8
2	234	3	1.3
3	238	1	0.4
4	382	145	61.2
5	238	1	0.4
6	239	2	0.8
7	240	3	1.3
8 & 9	477	3	1.3
10	231	6	2.5
11	235	2	0.8
12	240	3	1.3
13	237	0	0.0
14	235	2	0.8
15	235	2	0.8
16	243	6	2.5
17	70	167	70.5
18	245	8	3.4
19	236	1	0.4
Total	\$ 4,494	\$ 357	
Average	\$ 237	\$ 19	7.9%

The table shows that under Plan No. 3., the average value of each district would be \$237 million. The average deviation from the average valuation of each district is \$19 million or about 8%. Individual district deviations range from \$0 to \$167 millions.

In a reorganized system the function of assessing would remain a state responsibility performed locally, but the function would not be confined to existing town boundaries. Since assessing under a reorganized system would be performed over an area which is greater than individual towns or cities in most instances some conscious policy for public reporting of the results of the assessing needs to be established for ascertaining the accuracy and quality of assessing in the districts, but more importantly, for imparting this information to the people and not merely local officials.

The appeals process also needs to be modified and there needs to be a determination of what services the state should provide for area assessing purposes and how these services should be financed. Finally, much closer supervision of the assessing function should be assumed by the state.

CHAPTER V
THE APPEALS PROCESS

The Maine Constitution declares that among man's natural, inherent and unalienable rights are those of "enjoying and defending life and liberty, acquiring, possessing and protecting property, and of pursuing and obtaining safety and happiness."¹ It continues later: "No person shall be deprived of life, liberty or property without due process of law, nor be denied the equal protection of the laws, nor be denied the enjoyment of his civil rights or be discriminated against in the exercise thereof."²

Certainly the taxing of a man's property to satisfy the demands of the community for governmental services is a deprivation of property which cannot be countenanced without due process of law. The legal process for extracting those taxes and the appeals process for contesting the actions of governmental agents is what interests us here.

If we are to observe the spirit of the law that there be equal and indiscriminate protection of an individual and his properties, this implies that the process be known, that it be reasonable, that it apply to all equally without regard to race, color, creed or economic station, and that appeals from actions of governmental agents be available to all, rich and poor alike.

The Steps in the Process

On the surface the steps in the process appear to be quite straightforward. They can be summarized as follows:

1. Assessors give notice to persons liable to taxation to furnish true and perfect lists of polls and estates which were not exempt and which were possessed on April 1.³
2. Assessors value property, assess taxes, and make commitments.⁴
3. Within one year from the date of the commitment, on written application stating the

¹Constitution of the State of Maine, Article 1, Section 1.

²Ibid., Section 6-A.

³36 M.R.S.A. 706.

⁴36 M.R.S.A. 708-9.

grounds, assessors may abate such taxes as they deem reasonable.⁵

4. Assessors must give written notice of the board's decision within 10 days after the final decision is taken. If the board fails to give written notice within 90 days of the filing date of the application, the request is deemed to have been denied, unless the applicant gives written consent to further delay.⁶

5. Where a board of assessment review exists, if the assessors refuse abatement the applicant may make written application to the board of assessment review within 30 days after notice of the decision or after the appeal is deemed to have been denied. Either party may appeal from the board's decision directly to the Superior Court.⁷

6. Where there is no board of assessment review, the applicant may apply to the county commissioners at the next meeting after notice of decision or after appeal is deemed to have been denied. Either party may appeal directly to the Superior Court from its decision.⁸

7. Any person entitled to request abatement from a board of assessment review or county commissioners may elect to appeal directly to the Superior Court.⁹

Problems in the Process

The procedures and requirements for abatements and abatement appeals should provide a relatively simple and straight-forward method, fulfilling the constitutional mandate of due process and equal protection through access to judicial determination if the abatement process fails. The problems which arise in abatements and abatement appeals appear to relate to the following items: (1) knowledge of the procedure, (2) legal restrictions and judicial interpretations and (3) costs.

Knowledge of the procedure. If a person is to succeed in an abatement attempt he must have filed a list of his property with the assessors if a list is required.¹⁰ The notice required of the assessors is a public one and not a personal notice to each resident taxpayer.¹¹ Thus, the taxpayer must anticipate that he may want to proceed with an abatement several weeks before he has any facts to make such a determination. However, personal notice by mail is authorized for non-resident taxpayers and on the surface this certainly appears to be discriminatory and unequal protection of the laws. An assumption here is that it is reasonable to suppose that resident taxpayers would see a public notice, but the validity of the assumption is doubtful.

⁵36 M.R.S.A. 841. There is also a provision for abatement by the assessors within two years without application if a collector is satisfied that any portion of a tax committed to him for collection cannot be collected because of a death, absence, poverty, insolvency, bankruptcy, or other inability to pay.

⁶36 M.R.S.A. 842.

⁷36 M.R.S.A. 843.

⁸36 M.R.S.A. 844.

⁹36 M.R.S.A. 845.

¹⁰36 M.R.S.A. 706; 841.

¹¹36 M.R.S.A. 706.

One of the tests of procedural due process is normally the reasonableness of the process. This process seems clearly unreasonable from the point of view of the citizen who must do certain things before he has any reasonable basis for assuming he might appeal. Although it may effectively limit the number of abatements requested or the number of abatement appeals, it does not appear very effective in attaining the purpose for which the process was established. Moreover, this requirement is probably a convenient method to hide low quality assessing.

The only present legal reason for not furnishing a required list is the person's inability to do so at the proper time.¹² For the ordinary citizen who is not aware of the intricacies legal procedure, appeals are really impossible because of a lack of knowledge of the "listing device."

Since the listing device does not necessarily require the taxpayer to indicate value,¹³ it is merely a "discovery tool" and its importance to the appeals process may be questioned as well as its importance to due process, although it undoubtedly serves an administrative purpose. The use of this technique for both judicial and administrative purposes clearly seems to be of small utility. Some other means should be instituted for validating an appeal than coupling it with a listing or discovery technique. More important, the validating technique should be timely -- that is, the action to be taken by the taxpayer should bear some reasonable relation to the ability of the taxpayer to make a decision to take an appeal or seek an abatement.

Legal restrictions and judicial interpretations. Legal restrictions and judicial interpretations refers to the combination of legislative policy and judicial opinion which control the abatement and abatement appeals process. Several items to be considered are (1) assumption of correct assessments, (2) burden of proof, (3) prima facie evidence, (4) intentional violation and (5) over-assessment.

Judicial construction indicates that an assessment on appeal is assumed to be correct.¹⁴ This is in keeping with the general construction that the actions of a governmental officer are legal unless proven otherwise.¹⁵ The facts and data relating to property assessment in Maine demonstrate clearly that this construction in connection with property taxation is without any foundation. When over half the governmental units in the state have dispersion ratios beyond the pale of even what the assessors accept as reasonable, namely a 25-30% deviation from 100%, certainly the court construction as to the validity of these assessments is in itself prejudicial to any practical reform.

The burden or proof of wrongdoing lays with the taxpayer.¹⁶ This construction sounds fine. However, it is patently inequitable since it prevents most persons from appealing because the cost of the burden of proof would be far in excess of the reduction of the taxes in most cases. Through a

¹²Ibid.

¹³36 M.R.S.A. 706.

¹⁴See, for instance, Alfred J. Sweet, Inc. v. City of Auburn (1935) 134 Me. 28, 180 A. 803.

¹⁵See Terry Beach Park Association of Universalists v. City of Saco (1928) 127 Me. 136.

¹⁶Spear v. City of Bath (1925) 125 Me. 27.

judicial construction which is in itself the basis for continued violation of the due process clause and the equal protection clause, it is little wonder that no reform is possible in the taxing system.

On application for abatement the applicant must show adequate reason and prove enough at least to make a prima facie case.¹⁷ He must also prove international violation on the part of the assessors in appeals. The state of the art of assessing in Maine is such that the violations are occurring without intent because of a long refusal to adopt modern methods and techniques. When such is the case it would seem that judicial construction would have to be reviewed and that which does not fit the facts of the situation be abandoned.

Finally, the court holds that to be successful an appeal must show over-assessment. Since under-assessments can be even more pernicious than over-assessment, this construction is of doubtful validity.

The responsibility for the maintenance of equity and due process and equal protection under the laws, in the absence of this function being fulfilled by the legislature and the administrative arms of the state, devolves upon the courts to make a determination that the constitutional requirements be upheld. Hiding behind past decisions, judicial constructions which are outmoded, and the inability of the other branches to clear up the situation does not excuse judicial inaction -- rather, it makes such action all the more necessary.

Modification of the Appeals Process

It seems quite evident that in conjunction with reform in the assessment of property taxes there must be a concomitant reform in the abatement and appeals process.

The reform should include (1) provision for citizens who believe they are aggrieved by the assessor to have a hearing, (2) redefinition of the basis for abatements and abatement appeals, (3) establishment of review agencies with qualified hearing examiners, (4) provision for use of existing data as evidence, (5) authority for the examiners and the courts to order revaluations, and (6) provision for periodic publication of statistics relating to abatement and abatement appeals.

Sections 841, 842, 843, 843-A, 843-B, 844, 845, 846, 847, 848, and 849 of Subchapter VIII, Chapter 105, Title 36, Maine Revised Statutes Annotated should be repealed and replaced by the suggested legislation resulting from this report.

*Recommendation No. 25. THE LEGISLATURE DECLARE IT TO BE THE POLICY OF THE STATE THAT ALL AGGRIEVED PROPERTY TAXPAYERS HAVE AN OPPORTUNITY TO BE HEARD BY AN IMPARTIAL AND QUALIFIED AGENCY TO DETERMINE THE VALIDITY OF THEIR CLAIMS AND THAT ACCESS TO THE ABATEMENT AND ABATEMENT APPEALS PROCESS BE AVAILABLE TO ALL TAXPAYERS WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX OR ECONOMIC STATUS UNDER REASONABLE RULES REASONABLY AND EQUITABLY APPLIED.

¹⁷Shawmut Mfg. Co. v. Town of Benton (1923) 123 Me. 121.

Such a declaration of policy, if supplemented by the administrative mechanisms necessary and the proper criteria for judicial determinations would serve notice that the state will no longer countenance inequity in this area. Moreover, it would serve to remove the economic barrier to justice in assessment appeals situations.

*Recommendation No. 26. THE LEGISLATURE ESTABLISH A BOARD OF ASSESSMENT REVIEW IN ALL PRIMARY ASSESSING AREAS.

Such a board composed of appropriately qualified persons would hear and determine assessment protests and have the power to alter or modify protested assessments so that they conform with law. The board should have the power to order equalizations as necessary and to request the advice and services of any duly certified assessor or appraiser. However, no such assessor or appraiser should sit with the board in connection with any case in which he was the assessor. Local boards should not review property assessments made by the state.

*Recommendation No. 27. THE LEGISLATURE ESTABLISH THE GUIDELINES FOR INITIATION OF PROTESTS TO INCLUDE PROPER NOTICE, FILING, AND HEARING PROCEDURES.

The taxpayer should be allowed to protest the assessment in writing with a statement of the grounds within 30 days of receipt of an assessment notice. Such a protest might be filed with the board of assessment review and the chief officer of the primary assessing area. Within ten days after receipt of the protest the board should establish the date for hearing. The taxpayer should be allowed to appear either in person or by agent.

*Recommendation No. 28. THE LEGISLATURE ESTABLISH A STATE TAX COURT AS AN ADMINISTRATIVE TRIBUNAL.

The state tax court thus established should be given authority to determine all appeals from determinations of the boards of assessment review and the head of the state tax agency relative to protested assessments, subject only to review by the Supreme Judicial Court. The court should provide rules for practice before it and for conduct of its proceedings. It should be authorized to hear and determine all issues of fact and of law de novo, but a determination of a board of assessment review or the head of the state tax agency should be affirmed unless contrary to a preponderance of the evidence. The state should also provide for appropriate subpoena powers for the court and authority for the taxpayer and/or the chief officer of the primary assessing area to obtain court orders to produce necessary papers.

*Recommendation No. 29. THE LEGISLATURE AUTHORIZE THE STATE TAX COURT TO ESTABLISH BY RULE SMALL CLAIMS PROCEDURES FOR PROTESTING TAXPAYERS WHO WOULD INCUR A TAX LIABILITY OF LESS THAN \$1,000 BY REASON OF THE PROTESTED ASSESSMENT.

Such a provision would attempt to provide an informal mechanism for more expeditious consideration of the protest and should be less expensive.

*Recommendation No. 30. THE LEGISLATURE PROVIDE THAT THE REPORTS OF ASSESSMENT RATIOS CONTAINED IN ASSESSMENT RATIO STUDIES OF THE STATE TAX AGENCY BE EVIDENCE OF WHAT THE REPORTED RATIO IS IN FACT, UNLESS A PARTY TO SUCH PROCEEDINGS ESTABLISHES THAT SOME OTHER RATIO IS APPLICABLE.

The preceding recommendation attempts to place the consideration of assessment protests on a more rational basis through the use of objective data and to prevent unreasonable limits being set. In addition, it requires the use of work being performed by a state agency which is relevant at the same time that it will necessitate that work being of higher quality. Together with a publication of suitable data and information by the court concerning assessment protests, these recommendations should improve the appeals process.

It is the object of these recommendations to place the burden of proof of a valid assessment upon the assessor rather than the taxpayer who has no possibility of proving or disproving such assessments in reality and which would be excessively expensive if he could. In those states and Canadian Provinces where substantial progress has been made in improvements of the assessing operations, the modification of the appeals process appears to have been a major factor because it placed the assessor in the position of performing quality work continuously.

CHAPTER VI
STATE PARTICIPATION IN THE ASSESSING FUNCTION

It has been noted earlier that the local assessor is a state agent when he is actually performing the assessment function, according to court interpretations. The State Tax Assessor has been given a broad grant of power to supervise assessment administration. This broad grant of power may be considered as it applies to (1) supervision of local assessors; (2) establishment of the state valuation; and (3) assessment in the unorganized territories.

Supervision of local assessors. The State Tax Assessor has the responsibility of exercising "general supervision over the administration of the assessment and taxation laws of the State, and over local assessors and all other assessing officers in the performance of their duties, to the end that all property shall be assessed at the just value thereof in compliance with the laws of the State."¹

In support of this function the State Tax Assessor can require local assessors, and other town officials, corporation officers, or individuals to be examined and testify under oath. He may also require the production of pertinent records. Compliance may be compelled through the Superior Court upon application of the Attorney General made at the Tax Assessor's written request through contempt procedures.²

He may also hold sessions throughout the state and either he or his agents must meet with the assessors in each county annually.³

In connection with his responsibilities in assisting in the establishment of the state valuation, the State Tax Assessor is required to take certain remedial action indicated by the following statute:

The State Tax Assessor shall, at his own instance or on complaint made to him, diligently investigate all cases of concealment of property from taxation, of undervaluation and of failure to assess property liable to taxation. He shall bring to the attention of town assessors all such cases in their respective towns. He shall direct proceedings, actions and prosecutions to be instituted to enforce all laws relating to the assessment and taxation of property and to the liability of individuals, public officers and

¹36 M.R.S.A. 201.

²36 M.R.S.A. 51.

³36 M.R.S.A. 201.

officers and agents of corporations for failure or negligence to comply with the laws governing the assessment or taxation of property, and the Attorney General and county attorneys, upon the written request of the State Tax Assessor, shall institute such legal proceedings as may be necessary to carry out this Title. The State Tax Assessor shall have power to order the reassessment of any or all real and personal property, or either, in any town where in his judgment such reassessment is advisable or necessary to the end that all classes of property in such town shall be assessed in compliance with the law. Neglect or failure to comply with such orders on the part of any assessor or other official shall be deemed willful neglect of duty and he shall be subject to the penalties provided by law in such cases. Provided a satisfactory reassessment is not made by the local assessors, then the State Tax Assessor may employ assistance from within or without the town where such reassessment is to be made, and said town shall bear all necessary expense incurred. Any person aggrieved because of such reassessment shall have the same right of petition and appeal as from the original assessment.⁴

State valuation. The Board of Equalization is required to equalize state and county taxes among the organized and unorganized towns of the state biennially. In order to accomplish this task the board adjusts the local valuations so that the final figure will represent its just value. However, it should be noted that the figures used by the state represent approximately 50% of just value although there would, of course, be no difference in the result of distributions made on this basis. The equalized valuations thus established become the basis for apportionment of state and county taxes, distribution of certain state aid and apportionment of school district taxes.

Assessment in the unorganized towns. The State Bureau of Taxation through its Property Tax Division is also responsible for assessing property in the unorganized towns in the state. This assessment is made biennially. Covering approximately 8.5 million taxable acres of the state's territory, this property accounts for about 4% of the total valuation. The unorganized towns, however, represent about 2/3 of the total forest area in the state and is most difficult to assess.

Administrative organization. To carry out its legal responsibilities relating to property taxation, there is a Property Tax Division within the State Bureau of Taxation. This division has a total staff of 17 -- a director, 11 professionals, and five clerical-secretaries.⁵ The Board of Equalization consists of the State Tax Assessor (Chairman) and two associates appointed by the Governor and Council for four-year terms. The associate members may not be associated with state government otherwise and are supposed to be knowledgeable concerning property valuation. One member must be of the minority party.⁶ The director of the Property Tax Division serves as secretary to the Board.

Before considering what further responsibilities the Property Tax Division might have, if any the administration of the present functions and the organization for so doing is considered in the following sections.

⁴36 M.R.S.A. 384.

⁵The division also administers the bank stock tax under 36 M.R.S.A. 4752.

⁶See 36 M.R.S.A. 291.

Supervision of Local Assessors

It seems quite evident that the State Tax Assessor has the authority to exercise supervision over local assessors to the extent necessary to produce valid assessments.⁷ It also seems quite evident that the necessary amount of supervision has not been exercised. The reasons for the lack of supervision are observable.

Like many other state officers, in this instance the State Tax Assessor has the duty and authority, but does not have the necessary staff. In addition, he does not seem to have any effective sanctions in case the local assessor decides not to accept this supervision. Foremost is the lack of control over the appointment of local assessors and as a result there is no way of assuring competent local assessors.

Effective supervision is stymied by a large turnover of local assessors. It is difficult to establish understanding and rapport with local assessors, untrained in the specialty of assessing, when they are constantly being voted out of office as good assessors tend to be.

It would appear that lack of effective communications also stymies the supervisory function. Local assessors have complained in the past that it has been nearly impossible to get usable answers to their questions from the Property Tax Division of the Bureau of Taxation. Every time that a local tax assessor feels the Property Tax Division did not give a useful answer is another obstacle in the path of mutual understanding.

Misunderstanding also centers around the process of state valuation. The Property Tax Division is responsible for conducting the field work for state valuation purposes. Local officials, especially those not professionally trained, tend to harbor a degree of mistrust of this operation because biennial adjustments in the municipality's state equalized valuation may alter state aid distributions to that municipality.

While the State Tax Assessor does appear to be hampered in effectively supervising local assessors, much more could be accomplished if there were adequate communication between local assessor and the state supervisory agency.

Another important element of effective supervision is good leadership. Where leadership is either lacking or not observable, supervision is much less effective. To require the best level of performance from local assessors requires the best level of performance from the supervising agency.

It seems evident that the supervision of 1500 local assessors is not one of the major functions of the office of the State Tax Assessor when measured by the number of personnel concerned with the matter or by the amount of finances accruing to the state per se.

When one looks at the amount of revenue raised locally, the magnitude of the problems involved, and the complexity of the assessing function, it would seem logical that the person responsible for

⁷See 36 M.R.S.A. 201.

supervising the raising of over \$120 million annually should not have other major responsibilities and that this responsibility should not be diluted by the responsibility for raising state revenues. In order to provide for effective supervision of local assessors, the responsibility for this supervision should rest directly with the head of the Property Tax Division rather than with the State Tax Assessor.

Such a redistribution of the State Tax Assessor's authority might pose some problems. First, if this responsibility is to rest directly with the head of the Property Tax Division, then that division might better be established as an organization not directly under the State Tax Assessor. Secondly, any such reorganization of responsibility would probably necessitate a relocation of the Property Tax Division physically.

There are several possibilities for reorganization. The Property Tax Division could become a part of an office of local government. It could also be established as a separate bureau within the Department of Finance and Administration. Finally, of course, it could be established as a separate agency. In addition, it might then also be desirable to abolish the State Board of Equalization.

The idea of establishing a separate agency for property tax supervision is least appealing. The state now has close to 200 state agencies, boards and commissions which should preferably be reduced rather than increased. It would also be necessary to duplicate some of the existing library on taxation which does not seem desirable.

The transfer of the Property Tax Division to an office of local government would seem to be the best alternative theoretically. In such an organization it would be aligned with other units working directly with local governments. Unfortunately, however, the state has not yet established such an office of local government. When it does, serious consideration should be given to placing the function of property tax supervision in that agency.

The remaining alternative is to establish the function of property tax supervision as an activity of the Department of Finance and Administration separate from the Bureau of Taxation which is concerned primarily with raising and administering state taxes.

*Recommendation No. 31. THE PROPERTY TAX DIVISION OF THE BUREAU OF TAXATION BE RE-NAMED THE BUREAU OF PROPERTY TAXATION AND RETAINED AS A MAJOR UNIT OF THE DEPARTMENT OF FINANCE AND TAXATION. THE HEAD OF THE BUREAU OF PROPERTY TAXATION BE NAMED DIRECTOR OF PROPERTY TAXATION AND BE APPOINTED BY THE COMMISSIONER OF FINANCE AND ADMINISTRATION WITH THE APPROVAL OF THE GOVERNOR.

*Recommendation No. 32. THE DIRECTOR OF THE BUREAU OF PROPERTY TAXATION BE ASSIGNED RESPONSIBILITY FOR THE EXECUTION OF ALL LAWS RELATING TO PROPERTY TAXATION AND FOR SUPERVISION OF ALL ASSESSING PERSONNEL IN THE STATE.

*Recommendation No. 33. RESPONSIBILITY FOR ESTABLISHING THE STATE VALUATION BE TRANSFERRED FROM THE STATE BOARD OF EQUALIZATION TO THE DIRECTOR OF THE PROPERTY TAX BUREAU AND THE STATE BOARD OF EQUALIZATION BE ABOLISHED.

Since the Property Tax Division now, in effect, determines the state valuation and since there will be less necessity for the State Board of Equalization under an enlarged plan of primary assessment areas, the board should be abolished.

State Valuation

The Property Tax Division of the Bureau of Taxation has an established procedure whereby the necessary data is collected and utilized in arriving at the state valuation. This procedure is in the process of revision, but we shall consider the process as it existed in 1967.

Scheduling. Each field man schedules "assessment audits" for the towns in his district so that all towns are covered each biennium. Towns with less than 1000 population are scheduled during odd-numbered years while those over 2000 with managers are scheduled in even-numbered years. Towns from 1000-2000 population without managers are fitted into the two previously described schedules.

Procedures. The field audit notes whether or not a specific appropriation is made for assessing and reviews the use and maintenance of the valuation book for conformity with legal requirements. Exemptions and abatements are scrutinized, particularly for extra-legal exemptions.

The assessment auditor also reviews the general system of assessment records including maps, property cards, cross indexes, photographs, etc.

Sales-ratio study. The basic method used in determining the ratio of assessment to fair market value and the quality of assessing is the sales-ratio study.

Either utilizing existing records established by the local assessors in conjunction with their own efforts or through completely independent acquisition, the field man secures sales information and property transfer data from several sources including the Registry of Deeds' office, newspaper advertisements, local realtors, field appraisals, etc., as well as the local valuation book.

After the transfer data has been acquired, it is examined for unsatisfactory transactions such as interfamily sales, tax sales and various other types which are eliminated from the study because these sales are not transactions between willing buyers and willing sellers in the technical sense of that phrase. The ratio of assessed value to sales price or appraisal value for each remaining item is computed and the items are arrayed in descending ratio order and segregated into quartiles.

The field man undertakes a field survey of the upper and lower quartiles with the local assessor, if possible, primarily to determine whether the sales ratios computed for the upper and lower quartiles are representative of assessment practices.

The average ratio of all the items in the middle group is computed, the deviation of each item from the average established, and finally the average deviation of the middle group is calculated. The average deviation divided by the average ratio provides a "coefficient of dispersion" or "index of error" which is an indicator of the quality of assessment and equalization.

The numerical results of the ratio study are interpreted qualitatively by the Property Tax division as follows:⁸

<u>Quantitative rating</u> <u>(Index of Error)</u>	<u>Qualitative rating</u>
0 - 10	Excellent
11 - 15	Good
16 - 20	Fair
21 - 25	Passable
26 & over	Poor

The division considers ratings from 0 - 20 to be acceptable evidence of equalization of assessments.

When the sales ratio study has been reviewed by the field supervisor and the Director of the Property Tax Division it then becomes the basis for preliminary establishment of the state valuation by the Board of Equalization.

The Board of Equalization consists of the State Tax Assessor as chairman and two other members and the Director of the Property Tax Division of the Bureau of Taxation serves as secretary to the board.

Before a final determination is made by the Board of Equalization, a preliminary notice is given to the towns of what the state valuation is likely to be. The towns then have an opportunity to demonstrate any additional facts to the Board of Equalization before the board equalizes all property at 50% of just value. The final equalized valuations are certified to the Secretary of State for official use during the next biennium.

The several differences in both the methods and the quality of the methods used to establish state as opposed to local valuations provide an area of potential conflict between state and local officials. This conflict which simmers beneath the surface most of the time breaks to the surface sporadically, especially around local taxing dates and when the distribution of state aid is being considered.

Theoretically, if the statutes were being enforced there should be no conflict because the State Tax Assessor has the same amount of authority over both types of assessing and really could exercise the necessary control. Practically, however, the municipalities generally pursue their own policies with very little regard to the state, while at the same time the Property Tax Division is not properly staffed to enforce state law.

Many local assessors feel that the state valuation is in some way a club or a sanction to be used against the localities. This feeling may be particularly acute every two years when increased valuations affect changes in state aid computations. That the feeling may have no basis in fact does not obviate its existence and any procedures which could remove as many differences as possible in the methods employed would probably have a beneficial psychological effect.

The fact that the Bureau of Taxation encourages localities to use 100% fair market value and then uses 50% in its own operations, while not having any substantive effect, does have an undesirable psychological effect upon the local assessors.

⁸See Maine, Bureau of Taxation, "Assessment Audit Program," Feb., 1960, Sec. III-7.

One reason given for continuing the state valuation at approximately 50% of the just value is that the Board of Equalization would otherwise be changing the extent to which the state financially participated in reimbursement for municipal snow removal operations. The applicable part of the statute reads as follows:

Towns, organized plantations and unincorporated townships, having a valuation of more than \$500,000 which clear state aid highways and town ways to the satisfaction of the commission and when necessary apply sand, gravel or other materials to a width of not less than 7 feet through the center of the road within a reasonable length of time after the surface of the road becomes slippery shall be reimbursed for the cost thereof to the extent of \$65 per mile on the highways or town ways designated as provided in section 1002.

Towns, organized plantations and unincorporated townships having a valuation of \$500,000 or less, which clear said highways and town ways to the satisfaction of said commission, and when necessary apply sand, gravel or other materials to a width of not less than 7 feet through the center of the road within a reasonable length of time after surface of the road becomes slippery, on the highways and town ways designated as provided in section 1002 shall bear 50% of the cost thereof not to exceed \$35 per mile and reimbursement shall be made to said towns, plantations and townships accordingly.⁹

Recommendation No. 34. THE BUREAU OF TAXATION UTILIZE 100% FAIR MARKET VALUE IN ALL ITS PUBLICATIONS AND WORK.

If the state valuation were to be converted to 100% the snow removal statute valuation provisions could be revised accordingly or the law could be changed to a population factor. Because there is a high degree of correlation between population and equalized valuations, there would be no major change in the distribution, but it might remove this stumbling block to improved relations between the state and the municipalities.

The assignment of qualitative terms such as good, fair, passable, etc., to the quantitative measure of assessing performance (i.e., index of error) has been unsatisfactory from two points. First, the range that is allowable for a passable qualitative rating is excessive with a possible range of 50 (-25 to + 25). Second, in the past the Bureau has provided at least a 10-point discriminatory differential in the listing of assessment ratios. If the average assessment ratio was over 90% it was listed at 100%, thus providing the 10-point differential. However, one could not tell whether any of those listed at 100% actually exceeded 100% which is important to know also.

*Recommendation No. 35. THE COEFFICIENT OF DISPERSION OR INDEX OF ERROR FOR EACH MUNICIPALITY OR PRIMARY ASSESSING AREA NOT DEVIATE MORE THAN 10. NO INCENTIVES FOR STATE TECHNICAL SERVICES IN THE FIELD OF ASSESSING SHALL BE PROVIDED WHEN THE QUALITY OF ASSESSING AS MEASURED BY THE INDEX OF ERROR FALLS OUTSIDE THIS LIMIT.

Finally, there is no attempt to use the index of error and the comparative quality ratings to prod localities to improve assessing practices. By withholding or at least not publicizing comparative assessing qualities, the Bureau of Taxation is actually fostering less than desirable assessing practices,

⁹23 M.R.S.A., 1001.

regardless of what its individual field men may do to counteract such a negative policy.

It would also appear that much of the work of the field men must be spent in clerical work which is probably unnecessary in today's world of data processing equipment.

The Property Tax Division needs to retain a systems analyst who is familiar with automatic data processing and assessing work to design a data system adequate for both state and local valuation purposes. Such a system should use the same basic data for both purposes without duplication of efforts. It should be planned and coordinated with the development of a state data bank and the state planning project. Such a system will inevitably necessitate the use of a grid coordinate system for identifying individual properties. Fortunately, such a grid system is in the process of being developed for the state.

The establishment of such a system with data equipment could relieve field men of the necessity for doing extensive clerical and computational work, thereby freeing them for more important assessing work. Presently, the field man is checking local work and securing necessary additional information for state valuation purposes. The state field man and local assessors should be working together cooperatively as a team rather than in independent and essentially adversarial roles. The auditing aspect of the field work thereby could be reduced.

Recommendation No. 36. THE STATE OF MAINE DEVELOP A DATA SYSTEM
UTILIZING A BASIC GRID COORDINATE SYSTEM FOR PURPOSES OF STATE
AND LOCAL VALUATION OPERATIONS.

An important problem concerning both state and local valuations is the maintenance of equalized valuations. A method to maintain these valuations at fair market value more or less automatically is needed.

Such a procedure has several advantages:

- (1) It would assist in compliance with state law that assessments be based on just value;
- (2) Uniform treatment of taxpayers resulting in uniform assessments could be more easily accomplished;
- (3) Disproportionate and inequitable tax assessments would be minimized;
- (4) Towns would have fair market valuations somewhat automatically; and
- (5) Such a method might be more efficient than present equalizing attempts.

Each primary assessing area presently makes an annual determination of property values for local purposes, while the state presently establishes its state valuation once every two years. If state and local valuations were coordinated and based on the same verified data, the state would have readily available information upon which it could establish annual state valuations.

If each primary assessing area equalized its real estate annually on a property-by property basis, using the Chandler procedures described below, there should be the basis for more effective control of the quality of assessing in the state. In addition, it is suggested that a valid sample of

the total be reappraised periodically to control the quality of equalization.

Using a base year in which the property in the community or primary assessment area is known to be 100% of fair market value (normally by revaluation), each succeeding year each property is multiplied by an adjustment factor to arrive at an equalized valuation for the new year.

The adjustment factor is determined as follows:

- (1) From the total valid transfers for a given year, determine the total value of the transfers;
- (2) Determine the total value for these properties for the previous year at 100% fair market value;
- (3) Divide (1) by (2) to obtain the adjustment factor.

Example

$$\frac{\text{Total transfer values}}{\text{Total previous year's 100\% value}} = \text{Adjustment factor}$$
$$\frac{\$995,000}{900,000} = 1.105$$

To determine the new 100% valuation of a single property, the previous year's 100% valuation for that property is multiplied by the adjustment factor derived above.

Example

$$(\text{Previous year's 100\% valuation}) \times (\text{Adjustment factor}) = \text{current year's 100\% valuation}$$

$$(\$17,500) \times (1.105) = \$19,337.50$$

When the adjustment factor for a primary assessing area is once determined it is applied to all properties causing an increase, decrease, or constant level of property values. Because actual sales prices are used the adjustment factor automatically considers for each property such things that might effect price as inflation, deflation, demand, supply, improvements, and change in public desire for property in a particular area.

When larger assessment districts are established, it might be necessary to divide the geography into sub-areas and utilize differing adjustment factors in different sub-sectors.

Finally, the Bureau of Taxation's Property Tax Division should have a statistician to provide better statistical methods, initiate statistical analysis of assessing throughout the state, provide the basis for more frequent interpretation of data and its publication, and provide the ability to use various quality control techniques in a continual evaluation of assessing work.

Assessment in the Unorganized Territory

(As of September, 1968)

Maine's unorganized territory is a vast and for the most part unpopulated region in the north and northwest part of the state. The territory spans 11 of the state's 16 counties and has a population of about 6,500 -- 0.7% of the state's estimated 1965 population of 986,000. The population of the unorganized territory is generally centered in a few deorganized towns or unorganized townships. The territory is approximately 90% forest, much of the land owned by commercial interests.

Table 19 shows the 1966 acreage and state valuation of the unorganized territory. The unorganized territory has a total of 9 million acres of taxable and non-taxable land valued at \$97.3 million. This represents about 50% of the total area of the total area of the state and about 4% of the total 1966 state valuation (\$2.4 billion). The table shows that privately owned taxable lands comprise 93.8% of the total acreage and 97.4% of the total value. Public lots comprise 3.5% of the total land area while the value of timber and grass on these lots represents 2.6% of the total state value.

TABLE 19. 1966 ACREAGE AND STATE VALUATION IN THE UNORGANIZED TERRITORY

	Acreage		State valuation ^a	
	Number	% of total	Dollars	% of total
Taxable (Privately Owned)	8,453,973	93.8%	\$94,821,135 ^b	97.4%
Public lot	318,808	3.5	2,518,460 ^c	2.6
Other ^d	242,263	2.7	-0-	-0-
Total	9,015,044	100.0%	\$97,339,595	100.0%

^aState valuation is entered at 50% of just value.

^bValue of acreage and improvements.

^cValue of timber and grass.

^dIncludes state-owned tax delinquent lands, non-taxable property and exempt property, not valued for state valuation purposes.

SOURCE: Maine, Bureau of Taxation, 1966 Maine State Valuation.

Data showing state valuation by type of property (i.e., industrial, forest land, residential, agricultural, etc.) are not readily available for the unorganized territory. However, it is certain that forest land accounts for the bulk. Approximately 54% of the reported timber cut for the period 1962 to 1966 was from the unorganized territory, underscoring the economic importance of the forest land in the unorganized territory.¹⁰

The legislature has recognized the importance of both organized and unorganized forest land to the state. The state's assessment, taxation and appeal policy relative to forest land is stated in

¹⁰Statistics compiled from Forest Department calendar year timber cut data (1962-66) and Bureau of Taxation fiscal year timber cut data (1962-63 to 1966-67).

Section 563. It is declared to be the public policy of the State, by which all officials of the State and of its municipal subdivisions are to be guided in the performance of their official duties, to encourage by the maintenance of adequate incentive the operation of all forest lands on a sustained yield basis by their owners, and to establish and maintain uniformity in methods of assessment for purposes of taxation according to the productivity of the land, giving due weight in the determination of assessed value to location and public facilities as factors contributing to advantage in operation.

Section 564. An assessment of forest land for purposes of taxation shall be held to be in excess of just value by any court of competent jurisdiction, upon proof by the owner that the tax burden imposed by the assessment creates an incentive to abandon the land, or to strip the land, or otherwise to operate contrary to the public policy declared in section 563. In proof of his contention the owner shall show that by reason of the burden of the tax he is unable by efficient operation of the forest land on a sustained yield basis to obtain an adequate annual net return commensurate with the risk involved.

For the purposes of this section forest land shall be held to include any single tract of land exceeding 25 acres under one ownership which is devoted to the growing of trees for the purposes of cutting for commercial use.

Section 565. To further implement sections 563 and 564, there shall be created a Forestry Appeal Board, composed of 3 members; one selected by the aggrieved owner, one selected by the assessors of the municipality wherein the land lies, and one shall be the Forest Commissioner or a person designated by him; all such members to be designated from among persons deemed by the appointing authority to be knowledgeable in forest land values. The board shall elect a chairman. Each member shall be compensated for time spent in service on the board and actual expenses incurred from funds available representing his agency or aggrieved landowner. Prior to any hearing, such owner shall pay to the Forest Commissioner a sum of \$25 to assure his appearance at such hearing, which sum shall be refunded to the owner upon his appearance. The municipality shall pay its share of the costs upon notification of the amount by the Forest Commissioner following the conclusion of the activities of the board. Any amount remaining unpaid may be added to the next state tax levied against such municipality or may be recovered in a civil action brought in the name of the Treasurer of State.

The Forestry Appeal Board was instituted by the legislature in 1965. Previously, no appeals has been litigated pursuant to section 564. This paucity of appeals has been attributed to vague wording in the statute and the probable heavy expense to be incurred by the appellant in securing the data necessary to present a case. As of September, 1968 only one appeal has been heard pursuant to section 565.

Both real and personal property is assessed by the state in the unorganized territory. Real property assessments are made biennially by the State Board of Equalization, when equalizing the state and county taxes among the several towns and the unorganized territory.¹¹ Personal property located within the unorganized territory is annually assessed by the State Tax Assessor.¹² Real and personal property is assessed at 50% of just value.

The Bureau of Taxation's Property Tax Division is the agency which has been delegated the responsibility for administration of the property tax in the unorganized territory. The Division's

¹¹36 M.R.S.A. 292.

¹²36 M.R.S.A. 1231.

property tax administration functions in the unorganized territory include personal and real property appraisal, allocating the property taxes among the townships, preparation of tax bills and collection of taxes.

Appraisal for assessment. Before property can be assessed at any ratio of just value, it is necessary that the property be appraised at its just value. The Property Tax Division is involved in three appraisal activities which are the basis for assessment at 50% of just value: appraisal of personal property, field appraisals of non-forest real property, and participation in forest and forest land appraisal.

State statute established the general procedure for the appraisal and assessment of personal property in the unorganized towns.

Each owner or person in charge or control of personal property such as would not be exempt from taxation if it were located in a city or town of this State, and not otherwise subject to taxation under existing laws of the State, which on the first day in April on each year is situated, whether permanently or temporarily, within an unorganized township, shall, on or before the first day of May in each year return to the State Tax Assessor a complete list of such property upon blanks furnished by said Tax Assessor. Such property shall be assessed by said State Tax Assessor for a just proportion of all state and county taxes. None of the property described in this section shall be included in the state valuation as made for unorganized townships.¹³

The section also provides for a \$100 to \$500 fine for willfully filing a fraudulent return.

The statute clearly vests the State Tax Assessor with authority to assess personal property within the unorganized sector of the state. It also excludes personal property from the state valuation and requires that the State Tax Assessor furnish an inventory form or blank to the property owner.

The exclusion of personal property from the state valuation is inconsistent with state assessment policy in organized municipalities. In organized municipalities personal property is included in the state valuation. Bureau of Taxation officials are hard pressed to explain why personal property is excluded from the state valuation in the unorganized territory. If there once were reason for this exclusion, it does not appear that it still exists.

*Recommendation No. 37. THE LEGISLATURE AMEND EXISTING STATUTES TO PROVIDE FOR THE INCLUSION OF PERSONAL PROPERTY IN THE STATE VALUATION OF THE UNORGANIZED TERRITORY.

Personal property appraisals are conducted by the Property Tax Division appraisal staff. Values are assigned to items listed on personal property inventory sheets submitted by the property owner. Because the Property Tax Division does not generally spot-check or sample personal property inventories, personal property inventories may possibly understate quantity or quality of property. Bureau of Taxation officials feel that it is probable that certain personal property located in the

¹³36 M.R.S.A. 1231.

unorganized territory is being completely overlooked.

Recommendation No. 38. THAT SAMPLE INSPECTIONS BE CONDUCTED DURING THE COURSE OF APPRAISING PERSONAL PROPERTY INVENTORIES SUBMITTED BY THE OWNERS OF PROPERTY SITUATED IN THE UNORGANIZED TERRITORY.

Such inspections would assure the reliability of inventories and facilitate the discovery of personal property heretofore undiscovered.

The appraisal staff of the Property Tax Division conducts field appraisals of non-woodland real estate in the unorganized territory. Non-woodland real estate includes agricultural, commercial, industrial, recreational and residential land and buildings.¹⁴

Such property is often located in deorganized towns, a number of which have all the characteristics of organized towns, or in recreational areas. Field appraisals of these properties are generally conducted each summer.

Two factors have significantly increased the Division's field appraisal workload for the 1968 state valuation. First, because of the growing popularity of the unorganized territory for recreational purposes, there has been significant growth in land sales, land subdivisions and new constructions of cottages, lodges and other recreational facilities.¹⁵ This growth necessitates increasing emphasis upon new appraisal and reappraisal of properties in developing recreational areas. Secondly, effective for the 1968 state valuation, buildings and house trailers situated on leased land in the unorganized territory formerly assessed as personal property will be assessed as real estate. This means that property formerly appraised by means of analyzing owner-submitted personal property inventories will have to be appraised by field visit.

The previous section of this chapter discussed the possibility of increasing the field appraisal output by relieving the existing Property Tax Division appraisal staff from certain clerical responsibilities. The importance of this suggestion is herein reiterated in reference to field appraisals in the unorganized territory.

Woodland appraisal in the unorganized territory is conducted by the James W. Sewall Company, a private forestry and engineering firm, through agreement with the Bureau of Taxation. A private firm is employed to appraise the timberlands because the Property Tax Division does not have the specialized equipment or the staff to do so. The Property Tax Division is only nominally involved in the process

¹⁴Pursuant to Chapter 271 of the Public Laws of 1967, effective November 30, 1968, buildings and house trailers on lease land or on land not owned by the owner of the building are considered real estate. Prior to the 1968 state valuation such property has been taxed as personal property.

¹⁵During the course of this study the Bureau of Public Administration conducted an analysis of increases in parcels of property, numbers of buildings, and valuation for the period 1962 to 1967 in three unorganized townships within a rapidly developing recreational area. The study showed the combined total value of real and personal property in the three townships to have increased by 400% over the five year period. The number of land parcels increased three and one-half times while the number of buildings (including buildings listed as both real property and personal property) increased three and one-third times.

of woodlands appraisal. The Division does participate in the selection of inventory areas and furnishes land transfer data to the Sewall Company for updating tax maps. The Property Tax Division has on file aerial photographs, township cruise reports, and property appraisal cards for each parcel of property.

For illustrative purposes, the process of appraising the unorganized timberlands is simplified to five basic steps.

(1) Selection of inventory area. Because the unorganized timberlands is so vast an area, only part of the timberland area can be surveyed each year. Past experience has been that the entire unorganized area has been surveyed once every 15 years. The present effort is to reduce the cycle to 10 years. The areas to be surveyed are decided upon by the Property Tax Division in conference with the Sewall Company.

(2) Aerial survey of inventory area. The inventory area is photographed aerially. The aerial photographs provide essential information related to land topography, forest characteristics, existing structures and other like information.

(3) Initial map-making. The aerial photographs and previously drawn maps are used in the development of new township maps. These maps show forest type and location, property lines, property improvements, etc.

(4) Cruising. From aerial photographs, township maps and other available data, cruise lines are plotted. A cruise is a field inspection of land and trees conducted on a sampling basis in an inventory area. During the cruise a field survey team records tree quality and specie data, information pertaining to soil quality, tree regeneration, type of terrain, and accessibility and operability of the forest for commercial use. Trees are measured, and estimates of average specie stands per acre are made. During the cruise each parcel of property in the surveyed township is visited.

(5) Preparation of township cruise reports. The data gathered during the cruise is used to re-edit township maps and to develop township cruise reports. The township cruise report details for each parcel of property the type and quality of land, the estimated quantity of timber by specie, and whether or not the timber is operable.¹⁶

Although not specified as a formal part of its agreement with the Bureau of Taxation, the Sewall Company suggests stumpage rate values to the State Board of Equalization. Stumpage rate values, attributed to be 50% of just value, are applied to operable specie volume in order to derive the total value of timber for each parcel of property.

Once stumpage rates are approved by the State Board of Equalization, the rates, quantities of operable timber by specie, and estimated values of timber by specie are entered on a property appraisal card for each parcel of property cruised by Sewall Company. The estimated values of each timber specie are totalled to derive the value of all timber on the parcel of property. One-third to one-half of this total is deducted due to the long period of carrying timber to maturity and the risk of loss from fire, disease, wind, etc., during this growth period. After the deduction for risk and carrying, the total assessed value of the timber remains. To this timber value is added the value of forest land and improvements on the land. The total estimated value of timber, land, and improvements is the assessed value of the property and is shown at the bottom of the card.

¹⁶Timber is considered to be in operable quantity when stands of merchantable wood are in sufficient volume to be cut today. Five cords per acre of species having ready markets is often used as the minimum criteria to determine operability of timber. The criteria may vary due to species mix and accessibility.

For subsequent equalizations, the value of timber is updated by adding timber growth and subtracting timber cut.

As may be seen from this description of the process of appraising and assessing timber in the unorganized territory, the Bureau of Taxation and the Property Tax Division of the Bureau have little to do with the process. The Sewall Company independently conducts field work and data analysis and makes timber value recommendations to the State Board of Equalization.

While the Board reviews the Sewall Company recommendations and the supporting data, there are no personnel of the Property Tax Division with competence in the field of forest valuation available to the Board of Equalization who might perform a detailed examination and analysis of these recommendations. The Bureau of Taxation is in the position of having to accept the value recommendations of Sewall Company "on authority."

There is no systematic re-evaluation of the concepts being used in setting woodland values. There is no on-going analysis of the methods and procedures used in appraisal and assessment.

There appears to be an "information gap" between the Property Tax Division and the Sewall Company. Property Tax Division personnel express a lack of understanding of methods and concepts used in woodland valuation. The sales data and other information used as a basis for stumpage rate recommendations are not filed with the Property Tax Division. While the stumpage rate recommendations have not changed over the period 1956 to 1966, the Property Tax Division is not staffed to ascertain whether or not the stumpage rates should have changed.

It is evident that if the Property Tax Division is to be responsible for timberland assessment, the Division should participate in, evaluate, and coordinate the timber appraisal process. Data collected during timber appraisal activities should be readily available, useful and applicable to varied Property Tax Division activities. Such data should undergo systematic analysis. It is believed that all data upon which timberland values are based should be retained and analyzed by the Property Tax Division.

Recommendation No. 39. THE PROPERTY TAX DIVISION HIRE A FOREST PROPERTY APPRAISER TO HAVE GENERAL SUPERVISION OF TIMBERLAND APPRAISAL FUNCTIONS. THE FOREST PROPERTY APPRAISER SHOULD BE RESPONSIBLE FOR DEVELOPING AND OVERSEEING AN ANNUAL TIMBER APPRAISAL PROGRAM. HE SHOULD CONDUCT PERIODIC ANALYSES OF PROCEDURES USED IN TIMBERLAND APPRAISAL AND BE RESPONSIBLE FOR THE DEVELOPMENT OF TIMBER VALUATION INFORMATION FOR EQUALIZATION.

Spreading the property tax. Each year the clerical staff of the Property Tax Division spreads the property tax rates among the 519 townships in the unorganized territory. This involves calculating each township's tax rate based upon the number and variety of tax levies to support particular services rendered. In 1967 some 125 different tax rates were calculated for the following taxes:

- (1) State tax
- (2) County tax
- (3) Forest fire district tax or forest fire tax

- (4) School operating tax
- (5) School capital tax
- (6) Road tax
- (7) Fire protection tax
- (8) Public service tax

Real estate in any unorganized township is subject to state, county, forest fire district or forest fire taxes. If a township has roads, school children, or uses other services, the township tax rate on real estate will reflect the cost of these services. Because unorganized townships may use differing numbers and combinations of these services and because state statute provides for the crediting of the state tax for school and road purposes, tax rates on real estate vary substantially.¹⁷

Personal property in the unorganized territory is assessed only for state and county taxes.¹⁸ The tax rate on personal property is thus lower than the tax rate on real property which is subject to at least three and possibly eight levies. There does not appear to be any justification for the preferential treatment of personal property afforded by the statutes, especially since there is no rate differential between real and personal property in the organized municipalities.

Recommendation No. 40. THE LEGISLATURE CHANGE ALL RELEVANT
STATUTES TO PROVIDE THAT REAL AND PERSONAL PROPERTY IN THE
UNORGANIZED TERRITORY BE TAXED AT UNIFORM RATES.

Tax Bill Preparation. The Property Tax Division clerical staff prepares and sends all tax bills for the unorganized territory. Including real and personal property some 13,000 tax bills were sent in 1967. Real estate bills are mailed in May of each year and personal property bills are mailed in August of each year.

Tax Collection Responsibility. The Division's clerical staff also maintains a file of duplicate tax bills. When tax payments come in the duplicates are pulled from the file and amounts of payments are posted on accounting ledger cards. When tax delinquency occurs, the Division sends delinquency notices and tax lien notifications. The Division may also arrange advertisement for the sale of properties for tax purposes.

Recommendation No. 41. CLERICAL OFFICE PROCEDURES RELATED TO
CALCULATION AND SPREADING OF TAX RATES, TAX BILLING AND COL-
LECTION BE REMOVED FROM THE PROPERTY TAX DIVISION AND BE ASSIGNED
TO A CENTRAL ADMINISTRATIVE SERVICE OFFICE IN THE BUREAU OF
TAXATION.

It is suggested that existing office procedures and techniques be analyzed by a management consultant firm. Such procedures might well be integrated and more efficiently handled by employment of automatic data processing techniques.

¹⁷36 M.R.S.A. 453.

¹⁸36 M.R.S.A. 1231.

Personnel and Administrative Organization

The function of property taxation at the state level is presently administered by the Property Tax Division of the Bureau of Taxation within the Department of Finance and Administration.

The Commissioner of Finance and Administration is appointed by the Governor and Council for a 7-year term, while the State Tax Assessor (head of the Bureau of Taxation) is appointed by the Commissioner of Finance and Administration with the Governor's approval for an indefinite term. The State Tax Assessor appoints the Director of the Property Tax Division, who with the other staff of the division are subject to state personnel laws and regulation.

Personnel. The work of the Property Tax Division is accomplished by three general types of personnel -- (1) contractual employees, (2) state employees from other agencies attached to the Bureau of Taxation, and (3) regular division employees.

The contractual employees are members of James W. Sewall Company which contracts to perform the assessing of the unorganized area of the state. The assistant attorney general assigned to the Bureau of Taxation assists the division in legal matters. Division employees, of course, comprise the majority of the personnel used in the performance of the property tax function.

The main office of the division is located in Augusta although most of the professional employees are in the field. An office has been opened in Lewiston within the past year as an operational area away from beehive of activity in Augusta and the cramped quarters in the state office building.

The following information summarizes the job descriptions of the professional personnel of the division.

Director - Property Tax Division

The job description for this position which has evidently not been revised since 1952 called for a person with extensive background in assessment work and property tax administration and a college degree with specialization in engineering or forestry.

Although it may be desirable to have a forester and an engineer on the staff of the Property Tax Division it would seem that another specialization such as public finance, taxation or administration would be more appropriate.

There is a strong assumption that the job description fits the individual, rather than the position.

Property Assessment Supervisor

The field operations of the Property Tax Division are supervised by the Property Assessment Supervisor who also assists in training conferences and performs appraisals of unusual and difficult cases. The indicated desirable experience includes progressively responsible work in assessment and property tax administration and a college degree specializing in engineering or economics.

Property Assessment Advisors

There are three grades of property assessment advisors with gradually increasing responsibili-

ties, all of which desire college graduates majoring in public or business administration, economics or engineering, including courses in modern property assessment practices and/or appraisal work. The highest grade, III, also requires a professional certificate from the International Association of Assessing Officers designated CAE.

Figure 7 depicts a personnel chart of these major positions.

Compensation. The compensation for the professional positions within the Property Tax Division are indicated in Table 20.

TABLE 20. PAY RANGE FOR PROFESSIONAL PERSONNEL OF THE PROPERTY TAX DIVISION

Title	Time Period	Pay Grade	Regular Compensation		Longevity Compensation	
			Minimum	Maximum	Minimum	Maximum
Director	Weekly	26	\$ 182.00	\$ 222.00	\$ 233.00	\$ 245.00
	Yearly		9464.00	11544.00	12116.00	12740.00
Property Assessment Supervisor	Weekly	25	177.50	216.50	227.50	239.00
	Yearly		9230.00	11258.00	11830.00	12428.00
Property Assessment Advisor III	Weekly	23	161.00	196.00	206.00	216.50
	Yearly		8372.00	10192.00	10712.00	11258.00
Property Assessment Advisor II	Weekly	18	126.00	153.50	161.00	169.00
	Yearly		6552.00	7982.00	8372.00	8788.00
Property Assessment Advisor I	Weekly	15	109.00	132.50	139.00	146.00
	Yearly		5668.00	6890.00	7228.00	7592.00

Source: Maine, Personnel Department, "Schedule of Pay Ranges" (Not dated; but current schedule).

This compensation is ridiculously inadequate in terms of the qualifications desired for experience and educational level. These qualifications would seem to demand that the beginning salaries be at least \$2,000 a year higher to attract and retain qualified candidates in today's labor market.

It is evident that there is very little pay differential between the Director of the Property Tax Division and the Property Assessment Supervisor -- merely from \$4.50 weekly (\$234 yearly) to \$5.50 weekly (\$286 yearly). If this schedule reflects the fact that like jobs receive like pay essentially, then it would seem to imply that the Director of the Property Tax Division is being paid comparable to others with commensurate responsibilities and duties as is the Supervisor of Property Assessment.

However, the job description relating to Director of Property Tax has not been revised since February 7, 1952 and it is probable that no desk audit has been made of these positions.

A recommendation contained elsewhere in this study concerning the reorganization of the property tax function into a separate bureau within the Department of Administration and Finance would achieve changes necessary to properly relate the duties and compensation for these two positions. However, if this reorganization does not occur the job descriptions for these positions should be reviewed for compatibility with existing duties and responsibilities and the various compensations adjusted

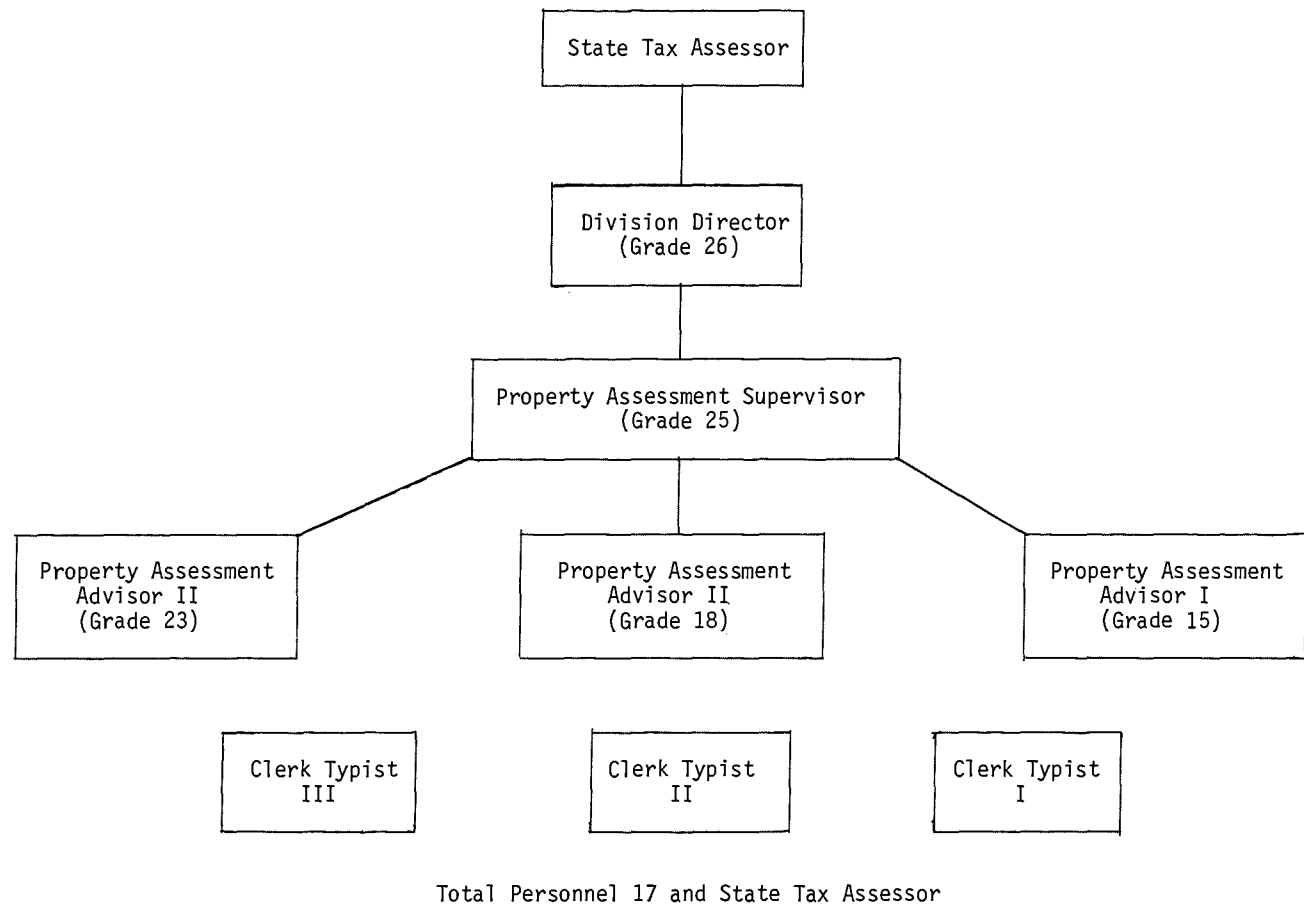


Figure 7.

PERSONNEL CHART - Property Tax Division, State of Maine

accordingly.

Recommendation No. 42. THE JOB DESCRIPTION FOR THE DIRECTOR OF PROPERTY TAXES BE REVIEWED FOR PRESENT SUITABILITY AND BE REVISED AS NECESSARY TO REFLECT CURRENT DUTIES AND RESPONSIBILITIES, AND THE PAY GRADE ADJUSTED ACCORDINGLY.

Recommendation No. 43. DESK AUDITS BE PERFORMED FOR ALL PROFESSIONAL AND OTHER PERSONNEL IN THE PROPERTY TAX DIVISION TO DETERMINE WHETHER PRESENT JOB REQUIREMENTS ARE COMPATIBLE WITH THE JOB DESCRIPTIONS WRITTEN SEVERAL YEARS AGO. JOB DESCRIPTIONS SHOULD BE ADJUSTED AS NECESSARY.

Before discussing unmet personnel needs in the Property Tax Division, one needs to look at the present organization for accomplishing the task of the division and any necessary changes which might affect the organizational pattern.

Organization. The organization of the state's apparatus for tax administration is depicted in Figure 8. The Property Tax Division is the only subdivision of the Bureau of Taxation which is not primarily concerned with raising revenue for state purposes.

The division accomplishes its work within five so-called audit districts which divide the state's territory into smaller areas for administrative purposes. The field personnel are generally supervised by the Property Assessment Supervisor who reports to the director. There appears to be no division of labor according to specialties, although the composition of the audit districts may lead to this specialization. Audit District 1 may have the greatest amount of industrial and commercial properties and thus provide for that type of specialization while some other audit district may be comprised of rural or forest properties essentially.

In districts where special problems are encountered, the Property Assessment Supervisor may make special evaluations to enhance the work of the Assessment Advisors.

In addition to assisting local assessors and performing the basic evaluations for the establishment of the state valuation, the personnel of this division also must appraise personal property in the unorganized territory and perform tax calculation, billing and collection activities for the unorganized townships.

The practice whereby the Property Tax Division performs the actual assessing and then does the billing and collecting of taxes for the unorganized areas of the state does not seem quite proper. Although the function of assessing in the unorganized areas may quite properly belong with this division, it might be more effective if the administrative or management division of the Bureau of Taxation or a central administrative service office of the Bureau actually did the billing and collecting of these taxes (see Recommendation No. 41).

It would also appear that the division needs additional personnel to perform the duties which are outlined by law and which demand attention. This should suggest a review of the administrative organization of the division possibly utilizing specialty lines as the basis for distribution of responsi-

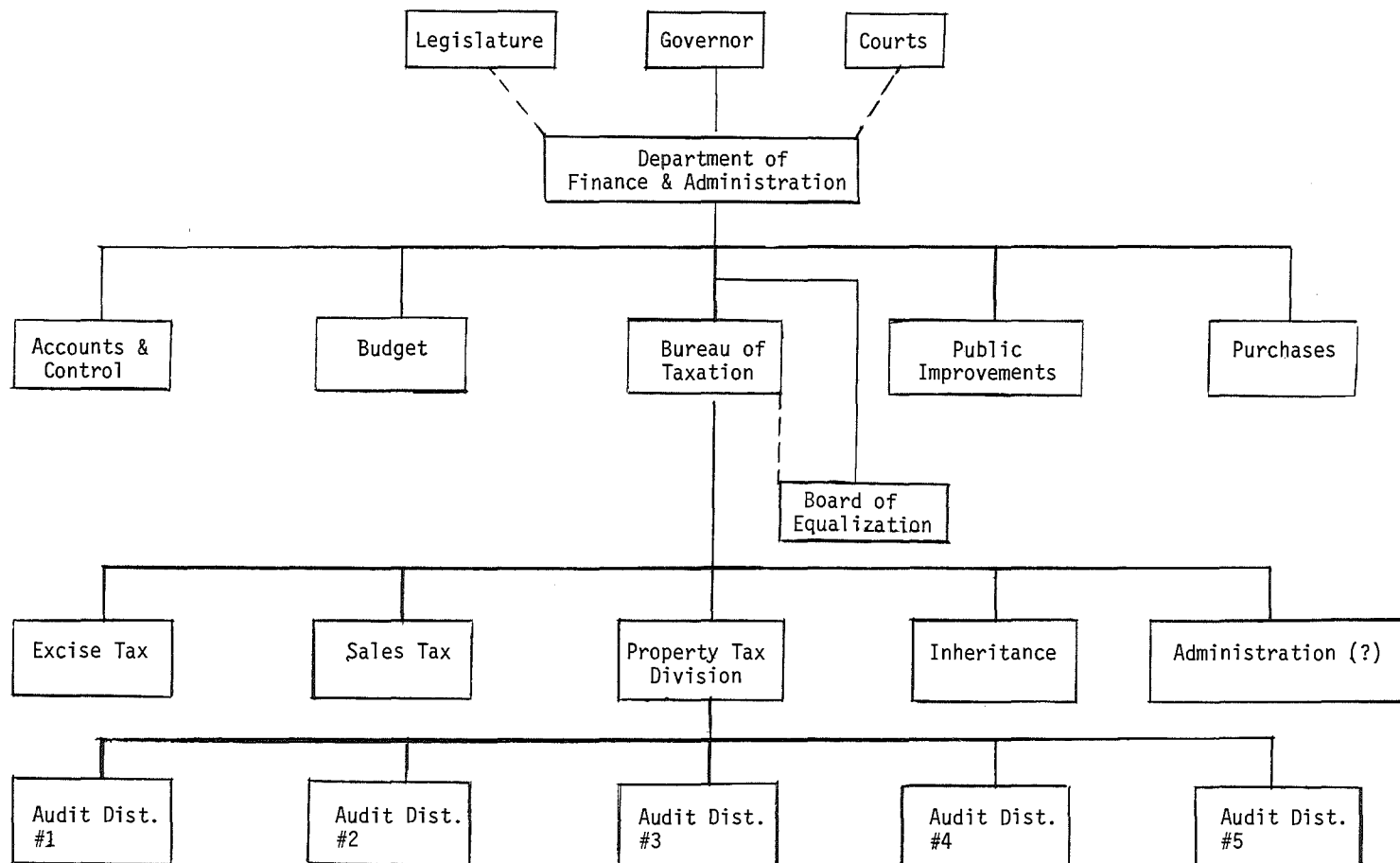


Figure 8.

ORGANIZATIONAL CHART - Bureau of Taxation

bilities. The three major areas of the division's activities suggest a Municipal Valuation Section, a Forest Valuation Section, a Personal Property Section, a Special Problems Section and an Administrative Section. The Municipal Valuation Section would work primarily with the review of local valuations and assistance to organized municipalities. The Forest Valuation Section would be responsible for the valuation of the timber lands of the unorganized territory and advice and assistance to the organized municipalities with forest lands. The Personal Property Section would work with valuing personal property in the unorganized areas of the state and advising and assisting municipalities in the same area. A Special Problems Section would assist in industrial and commercial valuations and other problem matters. An Administrative Section would be responsible for support to the other sections, for establishing the state valuation, for making special studies, and for assisting in the training of assessors throughout the state. In addition, this division would also have the responsibility for the management of the certification program for assessors.

In order to do these things properly the Property Tax Division requires additional personnel of two types: professional and clerical. It needs a tax research analyst, one or more forestry appraisers, an educational training officer, an industrial appraiser, a data processing technician and a technical services specialist to prepare manuals, etc. It also requires additional assessment advisors. To support additional professional personnel and make its present operations more efficient, the division also needs additional clerical staff.

*Recommendation No. 44. THE STAFF OF THE PROPERTY TAX DIVISION BE AUGMENTED BY THE LEGISLATURE THROUGH THE AUTHORIZATION OF ADDITIONAL PROFESSIONAL AND CLERICAL PERSONNEL.

A major problem which is present and which will necessitate solution immediately is space. The division simply does not now have sufficient space for its operations. The director of the division shares a desk with the Property Assessment Supervisor which is located in a former supply closet. But while this is an important consideration, it appears physically impossible to add any additional staff and/or equipment until the division is allocated more space. This is a basic necessity.

Technical Services

The final area which needs to be reviewed is the technical services which the state provides or should provide to the local assessing areas.

Local assessors need to have available a number of technical services if their work is to be most effective. It would not be practical to expect each local assessment area to have the ability to provide these services, so it seems practical that the state provide them.

These technical services might include assistance with the preparation and maintenance of property tax maps, advice and assistance in the maintenance of property records, assistance in the sta-

tistical reporting of data and in the actual billing of taxes. Presently, the Property Tax Division provides as much advice as is possible within its available personnel, but relies for the most part upon commercial firms for the provision of technical services, provided the communities are willing to foot the costs.

It is possible that 1.5% of the revenue obtained locally from property taxation would provide funds for these services. In addition, the legislature should provide a revolving fund under the control of the property tax supervisory agency to be used by towns in providing aerial photographs without interest cost, but with repayment over a period of years and a small user fee.

Data processing. The state should also utilize a centralized data processing system or the assessment districts should coordinate their data processing activities for assessment administration purposes. Local assessors should be required to submit original assessment data and subsequent changes in that data to the data processing system. Such a system could then be used to assist in the establishment of state and local valuations as well as tax billings.

The state should provide annual statistical reports from this data showing for each municipality and class of property the following items at least: (1) ratio of assessed value to sales value, (2) index of error and ranges of deviation, (3) numbers of parcels, (4) total equalized valuation, (5) total exemptions by categories, (6) net value for assessment purposes, (7) tax rate, (8) actual commitments, (9) abatements and (10) illegal transactions. In addition, overall state comparative data should be developed.

Counselative services. The property tax supervisory agency needs the authority to assist local assessors with legal and other advice and to intervene as an interested party in local legal suits.

Manuals and guides. If a research analyst is provided the property tax supervisory agency, information and/or manuals concerning construction values, prices, etc. could be furnished local assessors. Otherwise, the supervisory agency might be given the authority to contract for such services. If a greater flow of useful information were being distributed by the supervisory agency for the use of local assessors, a better communication would be established between the two levels.

Aerial photography, mapping and grid determination. In order to make the best use of the data which might be available from property tax records for several different state purposes, an identification grid is necessary to be able to locate uniformly any parcel of property. When such a grid is established it provides the basis for data collection and retrieval, land use information, and a host of other functions including computer printing of maps. A scheme for identifying real estate in Maine for a grid system is being developed by one of the regional planning agencies.

However, to be useful both for data and tax purposes, aerial photography of the entire state for these purposes would be required. From these photographs, individual properties can be located and identified and finally correlated with the property tax records of the local assessors.

Since it seems probable that larger assessment areas may have to be photographed for property tax purposes, their value could be enhanced immeasurably if the grid identification work is done at the

same time. Significantly, however, if the aerial photography were part of the state comprehensive planning program, it could be partially financed through federal funds, thus reducing the cost to local taxpayers, at least in the form of property taxes.

Specialized assessing. The supervisory agency could provide specialized assessing assistance in industrial and difficult commercial property assessing which should be beneficial in lessening the chance of illegal tax exemptions and improving local assessing.

While the various recommendations which have been made in this report will require careful consideration, their implementation as soon as possible should assist materially in improvement of the assessing function in the State of Maine. They should also provide the basis for equitable assessment in the State of Maine.

CHAPTER VII

GENERAL POLICY MATTERS

The question of what should or should not be taxed has generally been considered outside the scope of this study of the administration of the property tax system in Maine. However, the substance of the tax and its administration are so inexorably intertwined that some consideration of these matters together is needed.

The financial problems local governments are facing result from many years of inattention while such problems were developing. These financial problems also reflect other areas of concern: the excessive number of local governments and special districts, lack of the coordination and integration of governmental services, lack of qualified personnel, increasing demands from citizens for better and more extensive local governmental services, and the increasing demand of the federal government that national problems concerning the individual be attended to at the local level.

Factors which are important to the future development of local governmental financing in addition to basic principles, so-called, include population trends, the number of governments, personal income, state and local governmental revenue and expenditure patterns, as well as the role of the individual citizen in the system.

Population

The total population of the state is slightly less than one million distributed over 33,215 square miles or approximately 19,848,000 acres. The population of the state has increased from 742,000 in 1910 to 969,000 in 1960. The density has increased from 24.8 persons per square mile in 1910 to 31.3 per square mile in 1960, as demonstrated in Table 21.

TABLE 21. POPULATION, POPULATION CHANGE AND DENSITY,
1910-1960, State of Maine

Census year	Population (000)	Percent change	Density ^a
1910	742		24.8
1920	768	3.5	25.7
1930	797	3.8	25.7
1940	847	6.2	27.3
1950	914	7.9	29.4
1960	969	6.1	31.3

^aPopulation divided by square miles

SOURCE: US Bureau of the Census,
Statistical Abstract of the United States, 1966, pp. 12, 13.

Most of the population, however, resides in the organized territory of the state comprising about 50% of the state's total area. The largest concentration of population is in the Portland metropolitan area with a 1960 metropolitan population of about 139,000.¹ Slightly more than 50% of the state's population is classified as urban, while slightly less is rural in character.²

The state's population distribution also shows that there are 97.7 males per 100 females.³ The birth rate increased from 18.6 per 1,000 population in 1940 to a high of 24.0 per 1,000 in 1960 and has since subsided to 20.1 per 1,000 in 1965.⁴ The death rate has decreased from 12.5 per 1,000 persons in 1940 to 10.9 per 1,000 in 1965.⁵ Less than one per cent of the population is non-white and only three tenths of one per cent in 1960 was negro.⁶ In 1960, approximately 40% of the population was under 21 and another 10% was over 65 years of age.⁷ The median age of the population is 29.5 years. Tables 1 and 2 on page 8 ante show the distribution of the state's population by size of municipality.

¹US Bureau of the Census, Statistical Abstract of the United States, 1966, p. 19.

²Ibid., p. 16.

³Ibid., p. 23.

⁴Ibid., p. 47.

⁵Ibid., p. 56.

⁶Ibid., p. 27.

⁷Ibid., p. 23.

Units of Government

The responsibility for providing governmental services to the people of Maine is allocated among many different units. In 1952, the Census of Governments discovered 658 governmental units of which 551 were imbued with the power to tax property. This number (658) is substantially below the real number since the Census Bureau definition of school districts excludes most of the school districts in Maine. Moreover, since 1962 many school administrative districts and other governmental bodies have been established. Table 22 provides a preliminary count of the number of present governmental units.

TABLE 22. NUMBER OF GOVERNMENTAL UNITS IN MAINE^a

Type of Unit	Number	Percent
Towns	415	43.6
Cities	22	2.3
Plantations	58	6.1
School Districts	208	21.8
School Administrative Districts	63	6.6
High School Districts	3	0.3
Water Districts	67	7.0
Sewer Districts	22	2.3
Utility Districts	7	0.7
Parking Districts	5	0.5
Hospital Districts	5	0.5
Recreation Districts	2	0.2
Villages	16	1.7
Cemetery Districts	6	0.6
Miscellaneous ^b	53	5.6
Total	952	

^aThis table represents a preliminary count made on January 31, 1968.

^bIncludes 16 counties, 14 soil conservation districts, state authorities, and interstate authorities.

It is interesting to note from this preliminary count that towns, cities and plantations account for only 52% of the total number of units of government.

Personal Income

Personal income in the state is, of course, an important element in any study of state and local finances. Personal income in Maine has risen from \$1,086 million in 1950 to \$2,229 million in 1965 (estimate). The respective per capita figures are \$1,184 and \$2,245. Personal income for the state in 1970 has been estimated at \$2.9 billion while per capita personal income has been estimated at \$2,829 in 1970.⁸ Table 23 shows the personal income in New England at specified periods from 1950 - 1970.

⁸Council of State Governments, Local School Expenditures: 1970 Projections, November, 1965.

TABLE 23. PERSONAL INCOME IN NEW ENGLAND, 1950 - 1970, IN MILLIONS OF DOLLARS

State	1950	1955	1960	1963	1964	1965	1970
Conn.	\$ 3,776	\$ 5,548	\$ 7,132	\$ 8,430	\$ 8,996	\$ 9,604	\$13,100
Maine	1,086	1,446	1,794	1,923	2,070	2,229	2,900
Mass.	7,676	9,902	12,671	14,488	15,260	16,168	19,900
N. H.	703	983	1,310	1,519	1,613	1,719	2,100
R. I.	1,275	1,623	1,899	2,189	2,335	2,510	2,800
Vt.	434	555	719	799	846	929	1,100
N. E.	\$14,950	\$20,057	\$25,525	\$29,347	\$31,119	\$33,159	\$41,700

SOURCES: US Bureau of the Census, Statistical Abstract of the United States, 1966, P. 330. 1970 projections: Council of State Governments, Local School Expenditures: 1970 Projections, Nov., 1965 (RM-382).

The previous table indicates continued gains in all the New England states in total personal income in 1970, although those projections would have Maine grow only \$670 million in 5 years' time. Table 24 places the same personal income data on a per capita basis.

TABLE 24. PER CAPITA PERSONAL INCOME IN NEW ENGLAND, 1950 - 1970, IN DOLLARS

State	1950	1955	1960	1963	1964	1965	1970
Conn.	\$1,873	\$2,412	\$2,804	\$3,104	\$3,232	\$3,390	\$4,149
Maine	1,184	1,549	1,842	1,952	2,093	2,245	2,829
Mass.	1,638	2,028	2,457	2,735	2,874	3,023	3,607
N. H.	1,322	1,765	2,151	2,354	2,447	2,570	3,146
R. I.	1,623	1,972	2,213	2,496	2,641	2,817	3,004
Vt.	1,145	1,481	1,848	2,012	2,315	2,340	2,732
N. E.	\$1,605	\$1,876	\$2,424	\$2,451	\$2,574	\$2,724	\$3,580

SOURCES: US Bureau of the Census, Statistical Abstract of the United States, 1966, p. 330. 1970 Projections: Council of State Governments, Local School Expenditures: 1970 Projections, Nov., 1965 (RM-382).

From this table it is seen that per capita personal income might be expected to rise in Maine about \$600 from 1965 to 1970.

Revenues and Expenditures

Since the State of Maine keeps no fund of data concerning state and local government, it's nearly impossible to determine either the revenue sources or the expenditure allocations for local government. It is possible, however, to obtain some feeling for these items from various statistics published by the Bureau of the Census. In 1965, it appears that the total general expenditures of local government in Maine were devoted to the following causes: education, 54%; highways, 13%; police and fire, 9%; general control, 5%; welfare, 2%; health and hospitals, 2%; and miscellaneous, 15%.

Of the total general revenue of state and local governments in Maine, 16.5% is derived from the federal government, 44.6% from the state, and 38.9% from local government. Fifty-six per cent of the total state and local general revenue finally ends up with the state and 44% is received by local governments.

In terms of per capita total general state and local revenue, Maine is lower than any New England state except New Hampshire. In terms of per capita state and local revenue derived from taxes, Maine is exceeded by all the New England states except New Hampshire, also. Table 25 shows total general revenue of state and local governments in New England and tax revenue in 1965.

TABLE 25. TOTAL GENERAL REVENUE OF STATE AND LOCAL GOVERNMENT AND TAX REVENUE OF STATE AND LOCAL GOVERNMENT, 1965				
State	Per Capita		Amount per \$1,000 personal income for calendar year 1964	
	Total general revenue 1965	Tax revenue 1965	Total general revenue	Tax revenue
Connecticut	\$ 389.43	\$ 291.04	\$ 121.57	\$ 90.85
Maine	326.41	233.18	153.76	109.84
Massachusetts	396.80	302.03	134.09	102.07
New Hampshire	321.11	220.95	138.15	95.06
Rhode Island	365.97	262.74	141.89	101.87
Vermont	430.61	277.84	197.18	127.22
.....				
US	\$383.56	\$266.11	\$151.41	\$105.04

SOURCE: US Bureau of the Census, Statistical Abstract of the United States, 1966, p. 425.

In terms of total state and local general revenue per \$1,000 of personal income, Maine is only exceeded by Vermont. In terms of total state and local taxes per \$1,000 personal income, Maine is also higher than any state except Vermont. Table 26 portrays this data.

TABLE 26. NEW ENGLAND PER CAPITA STATE AND LOCAL REVENUE FROM PROPERTY TAXATION		
State	Per capita state and local revenue from property taxes, 1965	Amount of state & local property taxes/\$1,000 per- sonal income, 1964
Connecticut	\$151.97	\$47.85
Maine	116.05	55.67
Massachusetts	173.90	60.96
New Hampshire	142.46	59.09
Rhode Island	120.95	46.15
Vermont	115.21	54.06

SOURCE: Derived from computations made using data from the Statistical Abstract of the United States, 1966, pp. 330,425.

In 1965, as shown, Maine received the lowest per capita state and local governmental revenue from property taxation of any of the New England states except Vermont. At the same time the amount of property taxes per \$1,000 personal income in 1964 was higher than Connecticut, Rhode Island and Vermont.

Many other factors besides those briefly touched upon here should be considered and analyzed in any meaningful study of local governmental financing. Such other factors would include: intergovernmental transfer payments; state aid to municipalities; trends in revenues, expenditures and taxes; etc.

Existing government policy and patterns of government organization need to be reviewed for their applicability to present day needs. Several criteria deserve our attention.

1. The organized or reorganized system should be positively-oriented to use the total resources, both human and physical or tangible and intangible, of the state conservationally and most beneficially to promote the best interests of the people;
2. The total system should integrate the governmental and non-governmental aspects of society synchronously to produce the most efficient and effective services desired by the people;
3. Whenever government affects individuals the rights of individuals require equitable administration of its business without regard to race, sex, color, nationality, social status or income status;
4. In all decisions of governmental agents, fairness and reasonableness should prevail;
5. Functions and governmental operations should be established flexibly, reviewed often, and transferred as necessary from one governmental unit to another where they can be best performed;
6. Data generated by all the governmental activities should be placed in retrievable form to assist in future decision-making;
7. A policy of positive public education and information dissemination should be established so that the public can have some chance of knowing what government is doing;
8. Minimum qualitative and quantitative standards should be utilized wherever possible;
9. Governmental functions should not be delegated to a subordinate level of government unless it has sufficient resources to perform the function and retain the necessary competent personnel, well-paid and well-supplied to carry on the state's business;
10. Mobility among governmental personnel ought to be positively encouraged through an integrated state and local personnel system;
11. All three branches of government should be well-staffed with full-time employees and the legislative and judicial branches should be authorized sufficient full-time personnel.

Allocation of Functions

The total governmental functions to be performed in the state should be realigned in three levels: (1) community functions, (2) cooperative community functions, and (3) state functions.

Community functions would include those services which can be most effectively and efficiently performed at the community level such as urban street maintenance, refuse disposal, recreation, local planning, local financial management, fire protection, sewerage operations and elementary education, etc.

The community would be defined as that area and population which has a common interest and which can perform these functions well. Minimum criteria should be established to control the proliferation of community units. One major consideration should be the ability to perform governmental functions financially.

Cooperative community functions would include those functions which can best be performed over a wider area of services such as assessing, elections, law enforcement, planning, water supply, etc. Such functions would not require an additional level of government, but merely a grouping of communities for purposes of joint undertakings which can best be performed in concert.

State functions, as now, would include those best administered from a single central location and in addition would include positive supervision of subordinate functions. The delegation of certain functions would be made directly to the communities with the proviso that certain of these functions, if they are desired, may be performed jointly at the local level, under continuing state supervision.

Experimentation would be fostered if the legislature accepted the concept of disproving a particular action proposed by a community within a fixed time period, rather than approval, before the undertaking can be made. Such a policy would lead to more positive government. The central government then cannot prevent governmental experimentation and progress because it refuses to face problems. Where it does disapprove community proposals, it would do so with the full knowledge that the blame for inactivity can be pinpointed much more readily and placed where it rightfully belongs.

The Availability and Distribution of Financial Resources

The tax base of local government is highly eroded in two ways. First, the proliferation of 952 units of government in Maine (about one government for every 1,000 citizens) would seem to preclude the most effective use of the tax resources. Secondly, the erosion through exemption statutes removes another portion of the tax base and shifts the burden from one person to another inequitably.

The burden of local property taxation is probably most heavily felt by two groups of individuals -- those persons with low incomes, especially the poor, and those elderly persons living on small retirement and fixed incomes -- groups which when considered from the standpoint of ability to pay would perform less well.

Many of the comments made heretofore in this study have indicated the need for an integrated system of state and local taxes combined with a more effective system of integrated state-local services.

The following extract from the report State and Local Taxes -- Significant Features 1968 of the Advisory Commission on Intergovernmental Relations puts these thoughts in perspective.

In a comprehensive study of intergovernmental fiscal problems, the Advisory Commission found "a definite State move in the direction of a more balanced reliance on both forms of taxation" (general sales and personal income taxes). The ever-growing demands for additional revenue to provide the new and expanding public services at the State and local government levels make it abundantly clear that States need to make effective use of both consumer and income taxes. As noted earlier, 30 States now impose both levies.

With this fiscal reality in mind, and in the light of previous Commission reports, it is possible to identify the characteristics of a "high quality" State-local tax system. The following should be emphasized.

State personal income tax. --A State can make effective and equitable use of the personal income tax if it meets at least three critical tests:

--To insure fairness, provides for personal exemptions at least as generous as those under the Federal income tax;

--To promote taxpayer convenience and administrative simplicity, employs withholding at the source and conforms the technical provisions of its law to Federal provisions; and

--To insure productivity, makes effective use of the income tax as evidenced by State tax collections equal to at least 20 percent of the Federal personal income tax collections in that State.

According to a recent calculation, only 11 of the 33 States with broad-based personal income taxes (excluding the newly enacted Michigan and Nebraska taxes) met this last requirement in terms of the ratio of their collections to Federal receipts:

Alaska . . . . .	.25.3%	New York . . . . .	.20.6%
Delaware . . . . .	.21.7	North Carolina . . . . .	.21.1
Hawaii . . . . .	.26.5	Oregon . . . . .	.31.5
Idaho . . . . .	.25.4	Utah . . . . .	.21.4
Minnesota . . . . .	.29.0	Vermont . . . . .	.30.4
		Wisconsin . . . . .	.32.8

Income tax "musts," it should be noted, do not include graduated rates because a broad-based flat rate tax can pack both a heavy revenue punch and provide a substantial degree of progression when combined with personal exemptions. Personal exemptions protect the very poor from the exactions of the tax collector and they automatically adjust tax liability for size of family. The policy on graduated tax rates is best resolved by each State legislature in light of locally prevailing circumstances.

State sales and use tax. --States can make effective and fairly equitable use of a sales tax if three prime conditions are met:

--To insure productivity, the tax base employed covers most personal services as well as retail sale of tangible items;

--To insure fairness, some provision is made for "pulling the regressive stinger" --either an outright exemption of food and drug purchases or a system of income tax credits and cash refunds to shield subsistence income from the sale tax collector's reach; and

--To promote taxpayer convenience and administrative simplicity, States must credit their taxpayers for sales and use taxes paid to other States; eliminate charges for audit or multi-state firms; exchange audit and other information with one another; and permit local governments to "piggy-back" their levy on the State sales tax.

General sales taxes are authorized for local use in 17 States and in most of these there has been widespread adoption by the localities. Unless a State is willing to allow its localities to "piggy-back" a local supplement onto the state tax, it should be wary of extending this type of nonproperty taxing power to localities. States would be well advised to:

--Limit local nonproperty taxing powers to as large taxing areas as possible, ideally coinciding with the boundaries of trading and economic areas;

--Prescribe rules governing taxpayers, tax base, and rates, etc., uniformly applicable to all local taxing jurisdictions; and

--Provide technical assistance in administering and enforcing nonproperty taxes.

Local property tax --Any effort to create a more effective and equitable revenue system for State government must also come to grips with local property tax overburdens. By all odds, this \$26 billion revenue producer stands out as the "sick giant" of our domestic revenue system--a fiscal pathology that can be traced to individual and group property taxpayer overburden situations.

Individual property taxpayer overburden situations can be traced to either:

- (a) Over-assessment due to the lack of uniform valuation practices --an administrative matter; or
- (b) Below average family income that raises an ability to pay issue.

Property owners as a group--those representing an entire local jurisdiction--can also be relatively overburdened by:

- (a) Unusually high governmental costs due to poor management practices;
- (b) An underdeveloped tax base due to the political fractionation of the metropolitan economic entity; or
- (c) An anemic tax base or extraordinary expenditure demand or both caused by the heavy concentration of poor people within the jurisdiction.

Reducing the overburden due to unequal assessments. --Tax overburdens present perennial problems for those concerned with equitable local taxation. Part of the problem stems from the inherently difficult task of estimating the market value of taxable property. This assignment becomes even more difficult in areas experiencing rapid change in property values.

The possibility for over-assessment and under-assessment is greatly increased by two political facts. First, in many jurisdictions assessors are selected on the basis of their popularity on election day rather than for their technical ability in estimating the market value of taxable property. Second, there is the classic conflict between State assessment law and local assessment practice.

The laws of most States clearly imply the property is to be assessed for taxation at estimated market value. . . . These State valuation directives have been flagrantly violated by the time-honored and pervasive practice of fractional valuation. On a nation-wide basis, real estate on the average is probably being assessed at approximately 25 percent of its current market value. To make matters worse, most State tax administrators lack the requisite political backing needed to equalize local assessment levels at any uniform percentage of current market value.

As a result of the inability of most States to enforce a uniform valuation standard, property owners are left in the dark when it comes to judging the fairness of their assessment. The so-called "public" tax roll becomes a convenient graveyard in which local assessors can bury their mistakes --properties both over-assessed and under-assessed.

To facilitate more uniform assessment of property, the Advisory Commission in a report on The Role of the States in Strengthening the Property Tax offered a detailed prescription for reducing the inequities caused by faulty assessment practices. Underpinning the 29 policy recommendations are the following major assumptions:

1. That the prevailing joint State-local system for administering the property tax can work with a reasonable degree of effectiveness only if the State tax department is given sufficient executive support, legal authority, and professional stature to insure local compliance with State law calling for uniformity of tax treatment.
2. That professionalization of the assessment function can be achieved only if the assessor is removed from the elective process and selected on the basis of demonstrated ability to appraise property.
3. That the perennial conflict between State law calling for full value assessment and the local practice of fractional assessment can be resolved most expeditiously by permitting local assessment officials to assess at any uniform percentage of current market value above a specified minimum level provided this policy is reinforced with two important safeguards:
 - a. A full disclosure policy, requiring the State tax department to make annual county assessment ratio studies and to give property owners a full report on the fractional valuation policy adopted by county assessors, and
 - b. An appeal provision to specifically authorize the introduction of State assessment ratio data by the taxpayer as evidence in appeals to review agencies on the issue of whether his assessment is inequitable.

Reducing the overburden due to low family income. --If the local assessor could equalize all property tax assessments at full value, or at some uniform percentage thereof, the collection of this tax would still create special hardships for property owners with low incomes.

Although the value of the family residence serves as a fairly good proxy of ability to pay taxes in a rural society, and still does in suburbia, total household income stands out as a far more precise measure of taxable capacity in our modern urban society. This point can be grasped quickly from examples of the hardship that the payment of residential property taxes imposes on low income households. With retirement, the flow of income drops sharply and a \$300 a year property tax bill that once could be taken in stride becomes a disproportionate claim on the income of an elderly couple living on a pension of \$1,500. By the same token, if the flow of income falls sharply as a result of the death or physical disability of the breadwinner, or due to unemployment, then again payment of the residential property tax can become an extraordinary tax burden.

The most notable attempt to come to the aid of property owners deemed to be carrying excessive tax burden in relation to income can be found in Wisconsin's 1964 tax credit plan that rebates to low income elderly persons--both homeowners and renters--that part of their property tax payment that is in excess of 5 percent of household income. Because this tax relief program is financed from State funds and administered by the State Tax Department it neither erodes the local tax base nor interferes in any way with the local assessment process.

The reduction of tax disparities between high and low income communities within metropolitan areas can be cited as a beneficial side effect of the Wisconsin plan. Because the poor tend to cluster together, the mailman will deliver most of the property tax refund checks to households in the low income communities. Thus, the granting of tax relief to the low income elderly moves in the "right" equalization direction from both the inter-jurisdictional and inter-personal standpoints. Moreover, the tax credit can be viewed as the most efficient tax relief mechanism because it can be so designed to maximize the amount of aid extended to low income homeowners and renters while minimizing loss of revenue.

In a number of States, homestead exemption, a durable by-product of the 1930's depression, offers some protection from undue property tax burdens on low-income occupants of dwellings and farms. This method bestows property tax relief to all homeowners, however, not just those with low incomes, and misses completely the low income families in rented properties. Moreover, as the Commission reported in its 1963 study on The Role of the States in Strengthening the Property Tax, the policy of homestead exemption involves a substantial amount of injustice among individual taxpayers and taxing jurisdictions at a large and usually unwarranted sacrifice of local property tax revenue.

It would seem to be more effective state policy to eliminate all property tax exemptions entirely. If it is determined by the legislature to be in the best interests of the state to continue to subsidize various segments of the population such as veterans, religious organizations, educational institutions, industrial organizations, etc., then the state should do it consciously through the regular state appropriation process and not erode the local tax base for these purposes.

It cannot be considered equitable if the taxpayers in one town where a state institution or protected interest is located are required to support those activities out of proportion to other state inhabitants who benefit from the activity itself.

Property subject to taxation which is derived from the natural resources of the whole state cannot equitably be taxed by the community in which there is a terminus for the resources, such as an electric power plant. Thus, the state should assess and tax power dams for instance and redistribute the taxes throughout the areas of the resource itself.

*Postscript**

Since many of the problems of governmental financing are related to urban areas most particularly at present, metropolitan areas, as defined by the Bureau of the Census, might be authorized to institute a gross

**Comment of Paul C. Dunham, Author of this Report.*

income and wages tax within the municipalities which revenue will be divided among the municipalities in the metropolitan region in proportion to the income generated in each.

No municipal government should be authorized to have less than 1,000 population.

Special districts should be consolidated with municipalities.

No state funds should be allocated to any municipality for public works projects unless the cost-benefit ratio is greater than one.

The state should establish a central insurance fund for performance bonds and study the possibility of self-insuring municipal and state facilities.

The cost of elementary education should be borne totally by the state.

The state should authorize a municipal credit union for the purpose of financing capital construction projects within the state using the total resources of member municipalities to reduce the annual interest costs for these projects. Each community joining the municipal credit union should be authorized by law to contribute funds for shares in the union, which shares should be a minimum of \$1,000. Such municipality could then participate in drawing upon the total assets of the municipal credit union to finance its public works projects. In such a fashion the municipality would be encouraged to plan well in advance of construction time for its projects and could be assured of a relatively minor interest rate while at the same time its funds could be assisting other communities. The state should be authorized to participate directly in the union and should contribute an initial sum of money to place the fund in a position of contributing significantly to the improvement of local government financing quicker than it might otherwise be able to do without it.

The state might consider the institution of a square footage tax on commercial and industrial establishments in order to provide for the cost of inspectional activities associated with those buildings and businesses. Alternatively, municipalities should be authorized to establish certain service use zones in which protection rates would be charged in relation to the extent of services required for police, fire, and inspectional services.

The state should consider the institution of a graduated income tax to replace some portions of the present sales tax through time. Such a graduated income tax system should also consider the advantages of a negative income approach to poverty problems.

The state and local governments should consider the use of excess condemnation principle in their capital improvement projects, where feasible.

The state should allow municipalities to determine whether they desire to tax tangible personal property with the exception of business personalty (inventories, machinery and equipment) or personal property exempt by general law. Such affirmation could be voted at the regular town meeting.

At the same time business personalty should be eliminated from the local property tax base, assessed and collected by the state and returned in full to municipalities minus a small administrative charge.

This proposal might require a constitutional amendment, but it seems desirable from several points of view.

This type of property is very difficult to locate and value. Some states have met the problem by removing all personal property from the tax base. Others like Maine have exempted various categories, but piecemeal elimination by the legislature is unsatisfactory.

The proposal would eliminate some competitive pressure in terms of treatment of business personalty, provide for local participation in the decision of what to tax, and could insure uniform treatment of business personalty throughout the state.

If any of these suggestions for new sources of revenue are deemed practical, they must be coupled with increased effectiveness in the administration of present taxes. Larger administrative areas for assessment of property taxes and a shifting of the assessment of personal property taxation to the state should be considered, which would be imposed only upon certain commercial and industrial stock in trade. The poll tax should be completely removed.

The state should establish a data center for collecting and preparing socio-economic and financial data in retrievable form so that more use may be made of trend analysis in decision-making. Local government affairs should be coordinated and integrated with the overall functions of state government through a Department of Local Affairs. Joint services should be encouraged through incentive devices, but equalized state valuations should be utilized as the basis for cost sharing and also for establishing state districts. The legislature should authorize municipalities to initiate charter changes as they deem desirable, subject to legislative disapproval within 60 days after the opening of a regular session of the legislature. Legislative disapproval should then be limited to provisions conflicting with existing state laws which might have a detrimental effect upon the state as a whole, or to areas in which the legislature is considering the establishment of alternative or differing procedures.

APPENDIX

Appendix A

Training of Assessing Personnel

The following information summarizes various training programs in the states which attempt to assist in increasing the quality of assessors' performance. Information about these programs is limited, however.

Arkansas apparently holds an annual institute for assessors sponsored jointly by the Division of Assessment Coordination of the Arkansas Public Service Commission and the Arkansas Assessors' Institute. Every two years a special two-day seminar is held by newly elected assessors. Approximately 10 regional meetings are held each year bringing together assessors, equalization board members, and county judges in an effort to improve intercounty coordination.

In Connecticut the Institute of Public Service of the University of Connecticut in conjunction with the State Tax Department and the Connecticut Association of Assessing Officers and the International Association of Assessing Officers conducts a series of assessing courses which may partially satisfy requirements for the designation Certified Assessment Evaluator (CAE) or the Connecticut Certified Assessor (CCA).

In Florida there is at least an annual seminar of approximately three days' duration covering certain current items of interest. In addition there used to be a special conference held every four years for new assessors.

The Kansas Department of Property Valuation provides training schools which range from annual statewide sessions to regional meetings. In election years meetings are held to explain duties and responsibilities to county assessor-clerks. In alternate years a school is held mostly for assessor-clerks and local boards of equalization. Part of an annual school held by the University extension division for county clerks deals with the problem.

Kentucky has an annual five-day assessors' school operated in conjunction with the University. The legislature has made attendance at this school compulsory for its county tax commissioners.

In Maryland with only 24 assessment districts, on the job professional training is encouraged by the state and with automatic salary increase for recipients of the designation of CAE. In 1963 it was indicated that Maryland had 30 CAE's out of its 170 assessors -- the highest percentage in the nation. In addition to the department's continuing program of training, a week-long school is held each year at the University of Maryland.

The Massachusetts assessor's school was initiated in 1956 by the Bureau of Government Research of the University of Massachusetts in conjunction with the State. It has generated into a week-long school.

Michigan provides a "Short Course" in assessing each year. Other schools are held at other educational institutions -- one at Michigan State University concentrating on rural assessment problems and one in the Upper Peninsula concentrating on indigenous assessment problems such as mineral and timber.

Minnesota provides that town boards are authorized to reimburse any town assessor for expenses and mileage to attend instructional meetings. The Property Tax Division conducts annual schools for county assessing personnel and regional schools for local assessors, with required attendance. The University provides an annual school with graded examinations and certificates for those passing the three year school. There are also several other types of educational training authorized.

The Missouri Tax Commission holds annual assessors' meetings. A meeting at Jefferson City is held for assessors and clerks and meetings are arranged at county seats for township assessors who receive per diem payment and expense reimbursement.

Orientation programs are conducted by the Nebraska State Tax Commission for new assessors. District assessors' meetings, and annual Conventions of the State Assessors' Association are also held.

New Hampshire State Tax Commission conducts annual meetings to instruct assessing officials in their duties. Some of the assessors participate in the Annual Assessing School held at Bowdoin College under the sponsorship of the Maine State Bureau of Taxation and the Maine Association of Assessing Officers.

In conjunction with the Bureau of Government Research at Rutgers-The State University of New Jersey, the Local Property Tax Bureau has sponsored various in-service training programs for assessors. In October, 1964, the Report of a Committee to Study the Training of Tax Assessors in New Jersey entitled "Qualified Tax Assessors for New Jersey" was released. This is one of the few recent publications looking objectively at the problem in depth.

The first report of the Assessment Advisory Committee to the New York Board of Equalization and Assessment noted an increased amount of assessing training since 1950 but commented: "It is generally recognized that past activities have not provided adequate training facilities and that an improved comprehensive and continuing training program is needed for assessing personnel."

The State Tax Commission in Oklahoma holds an annual assessors' school in cooperation with the University of Oklahoma at Stillwater.

The Oregon State Tax Commission provides an in-service training program for county assessors at its own expense and conducts annual training sessions for members of boards of equalization.

In Rhode Island, the Division of Local and Metropolitan Government sponsors with the Bureau of Government Research at the University an annual 3-day school for assessors and tax boards.

The Property Tax Division of the South Carolina Tax Commission trains county assessors in reassessing, map making and office procedures.

At least four times a year in eight locations in South Dakota, the Property Tax Division holds meetings to assist assessors. The annual 1-week Assessors' School is sponsored jointly by the University and the State Department of Revenue. Legislation in South Dakota appropriates \$1,500 annually toward faculty expenses of the school. Local governments pay mileage, board, room and textbooks.

In Tennessee, the assessors' school is financed partly by the State. The State pays instructional costs and reimburses the expenses of one assessor from each taxing jurisdiction. In addition, the State also holds 1-day conferences.

Training schools are held in Texas by the Association of County Assessors-Collectors, Institute of Public Affairs of the University of Texas in cooperation with the Texas Association of Assessing Officers and the Texas Municipal League. The Texas Association of Assessing Officers also conducts schools.

Utah conducts an annual 2-day assessors' school while in Vermont the State Department of Taxes in cooperation with the University of Vermont and the Vermont Association of Listers and Assessors holds annual meetings in two sections of the State.

In Virginia the second long-range program has been adopted by the Virginia Association of Assessing Officers and the Institute of Government at the University of Virginia to improve assessors' competence through training. The program covers the period 1966 through 1970.

APPENDIX B

Coefficients of Dispersion and Average Assessment Ratios
for Maine Municipalities

Counties	Coefficients of Dispersion		Assessment Ratio		
	1967	1965	1967	1966	1965
<u>Androscoggin County</u>					
Auburn	13	29	100	33	36
Durham	40	33	25	25	29
Greene	35	45	21	22	23
Leeds	55	77	20	18	21
Lewiston	9	10	103	100	100
Lisbon	15	14	97	100	100
Livermore	30	26	51	49	55
Livermore Falls	26	26	24	23	24
Mechanic Falls	25	23	100	100	100
Minot	13	20	143	100	100
Poland	21	28	104	100	100
Turner	35	39	20	20	23
Wales	13	16	128	100	34
Webster	30	35	26	26	28
<u>Aroostook County</u>					
Amity	36	40	50	20	20
Ashland	36	23	44	41	39
Bancroft	--	--	35	34	40
Benedicta	--	--	35	35	36
Blaine	32	50	35	32	32
Bridgewater	66		37	35	36
Caribou	16	13	92	89	87
Castle Hill	50	56	48	47	47
Chapman	27	68	31	31	31
Crystal	50	50	36	36	33
Dyer Brook	50	35	27	25	24
Eagle Lake	34	26	73	72	80
Easton	25	71	34	22	26
Fort Fairfield	23	21	103	100	100
Fort Kent	20	15	125	100	100
Frenchville	41	38	35	34	35
Grand Isle	40	47	35	34	32
Haynesville	--	--	39	36	36
Hersey	--	--	29	29	28
Hodgdon	34	52	43	42	41
Houlton	35	36	42	41	42
Island Falls	12	41	139	35	37
Limestone	16	16	94	100	100
Linneus	46	19	38	34	36
Littleton	47	40	42	41	43
Ludlow	64	44	28	27	26
Madawaska	37		44	41	43
Mapleton	24	28	129	100	100
Mars Hill	24	23	103	100	100
Masardis	24	35	31	31	30

Counties	Coefficients of Dispersion		Assessment Ratio		
<u>Aroostook County (cont'd.)</u>	<u>1967</u>	<u>1965</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>
Merrill	56	45	26	26	27
Monticello	40	49	48	46	49
New Limerick	30	28	25	22	26
New Sweden	28	38	52	50	50
Oakfield	47	55	21	21	21
Orient	29		19	19	21
Perham	29	53	43	43	46
Portage Lake	30	28	57	57	59
Presque Isle	19	17	83	82	85
St. Agatha	27	20	86	86	81
Sherman	33	28	43	43	43
Smyrna	32	37	28	28	27
Stockholm	--	46	52	51	51
Van Buren	24	39	135	100	100
Wade	--	24	60	60	66
Washburn	29	26	43	41	42
Westfield	20	34	64	63	63
Weston	61	--	20	19	21
Woodland	31	38	31	30	31
Allagash Plt.	--	--	38	37	36
Cary Plt.	--	--	29	29	29
Caswell Plt.	75	67	26	27	27
Cyr Plt.	--	--	19	19	19
E. Plt.	--	--	34	34	34
Garfield Plt.	--	--	17	17	17
Glenwood Plt.	--	--	16	16	16
Hamlin Plt.	42	22	24	24	23
Hammond Plt.	--	--	34	34	34
Macawahoc Plt.	24	--	34	32	32
Moro Plt.	--	--	32	32	34
Nashville Plt.	--	--	14	13	20
New Canada Plt.	35	--	113	100	100
Oxbow Plt.	--	--			
Reed Plt.	--	--	25	25	25
St. Francis Plt.	38	47	17	17	17
St. John Plt.	54	25	30	30	31
Wallagrass Plt.	31	39	37	35	36
Westmanland Plt.	--	--	40	36	40
Winterville Plt.	45	--	23	25	26
<u>Cumberland County</u>					
Baldwin	30	62	18	18	19
Bridgton	16	28	134	44	46
Brunswick	7	18	114	72	73
Cape Elizabeth	10	9	95	100	100
Casco	30	44	138	100	100
Cumberland	13	20	53	49	54
Falmouth	16	12	101	100	100
Freeport	32	36	65	63	68
Gorham	20	19	90	87	100
Gray	36	29	57	56	65
Harpswell	25	33	83	16	20
Harrison	13	31	98	100	52
Naples	28	41	45	43	57
New Gloucester	16	31	132	20	23
North Yarmouth	8	13	122	100	28

Counties	Coefficients of Dispersion		Assessment Ratio		
	1967	1965	1967	1966	1965
<u>Cumberland County (con't.)</u>					
Otisfield	31	50	24	22	26
Portland	17	10	84	83	81
Pownal	24	15	25	25	30
Raymond	19	27	24	23	28
Scarborough	17	20	93	100	100
Sebago	43	43	18	17	19
South Portland	11	11	97	100	100
Standish	24	28	14	13	15
Westbrook	12	14	100	100	100
Windham	15	20	105	100	100
Yarmouth	21	22	75	74	100
<u>Franklin County</u>					
Avon	25	33	47	46	46
Carthage	22	37	49	51	48
Chesterville	32	48	30	30	39
Eustis	32	19	36	36	39
Farmington	12	26	111	26	28
Industry	38	62	28	28	32
Jay	42	23	31	24	60
Kingfield	19	22	109	100	100
Madrid	15	22	36	34	35
New Sharon	29	36	30	30	35
New Vineyard	30	41	49	44	48
Phillips	28	37	46	42	41
Rangeley	22	24	107	100	55
Strong	31	32	43	43	42
Temple	42	43	41	41	44
Weld	18	27	38	37	38
Wilton	33	27	55	50	52
Coplin Plt.	27	42	60	57	53
Dallas Plt.	47	57	52	47	47
Rangeley Plt.	26	25	39	37	42
Sandy River Plt.	15	15	45	43	42
<u>Hancock County</u>					
Amherst	50	28	32	31	33
Aurora	60	36	29	30	30
Bar Harbor	32	20	101	100	100
Blue Hill	45	43	16	16	16
Brooklin	20	19	105	100	100
Brooksville	62	39	103	100	100
Bucksport	29	35	16	15	18
Castine	20	17	105	100	100
Cranberry Isles	48	33	28	28	28
Dedham	39	49	17	16	19
Deer Isle	38	60	38	37	45
Eastbrook	38	52	32	31	33
Ellsworth	25	19	100	100	100
Franklin	35		37	34	41
Gouldsboro	46	32	25	23	25
Hancock	49	30	22	22	25
Lamoine	37	38	17	16	18
Mariaville	44	37	25	25	26

Counties	Coefficients of Dispersion		Assessment Ratio		
<u>Hancock County (cont'd.)</u>	<u>1967</u>	<u>1965</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>
Mount Desert	87	77	21	20	21
Orland	34	22	76	75	78
Otis	33	29	27	26	25
Penobscot	31	33	33	32	40
Sedgwick	11	14	149	100	72
Sorrento	57	48	27	27	29
Southwest Harbor	25	13	40	39	43
Stonington	41	39	45	44	50
Sullivan	47	40	63	63	76
Surry	38	34	28	27	31
Swans Island	65	29	42	39	41
Tremont	21		132	100	19
Trenton	33	32	63	19	23
Verona	21	26	93	100	100
Waltham	17	--	37	35	37
Winter Harbor	23	29	38	33	38
Long Island Plt.	62	--	27	27	34
Osborn Plt.	--	--	21	21	21
No. 33 Plt.	--	--	20	20	24
<u>Kennebec County</u>					
Albion	13	25	20	20	24
Augusta	19	19	74	72	72
Belgrade	29	37	35	34	41
Benton	33	25	16	15	20
Chelsea	35	40	63	62	65
China	19	20	97	100	100
Clinton	47	40	18	17	19
Farmingdale	16	10	49	47	49
Fayette	41	55	37	35	38
Gardiner	12	31	102	38	36
Hallowell	9	12	100	100	100
Litchfield	25	49	70	64	75
Manchester	18	20	105	100	100
Mommouth	19	33	96	100	100
Mount Vernon	30	25	96	100	100
Oakland	23	24	38	37	42
Randolph	29	18	40	38	40
Readfield	23	17	100	100	100
Rome	32	28	22	21	20
Sidney	30	30	60	59	64
Vassalboro	32	30	79	78	81
Vienna	45	40	26	25	26
Waterville	14	11	92	100	100
Wayne	25	39	24	24	26
West Gardiner	21	35	23	22	26
Windsor	27	40	23	22	28
Winslow	10	15	44	43	48
Winthrop	19	28	72	69	75
Pittston	23	40			
<u>Knox County</u>					
Appleton	38	29	69	68	66
Camden	22	29	34	34	36
Cushing	52	37	53	51	61

Counties	Coefficients of Dispersion		Assessment Ratio		
	1967	1965	1967	1966	1965
<u>Knox County (cont'd.)</u>					
Friendship	19	44	110	18	20
Hope	30	25	25	24	26
Isle au Haut	69	46	24	24	28
North Haven	30	40	30	29	31
Owls Head	31		22	21	22
Rockland	20	18	91	88	100
Rockport	35	44	76	74	82
St. George	21	13	123	100	100
South Thomaston	29	30	31	31	36
Thomaston	26	22	92	100	100
Union	22	24	33	31	37
Vinal Haven	24	29	39	38	47
Warren	36	23	101	100	100
Washington	46	33	31	30	34
Matinicus Isle	9	--	31	30	36
<u>Lincoln County</u>					
Alna	31	38	36	35	39
Boothbay	19	23	121	100	30
Boothbay Harbor	36	31	17	17	20
Bremen	9	18	149	100	100
Bristol	28	32	76	73	86
Damariscotta	22	25	98	100	19
Dresden	16	29	30	30	23
Edgecomb	25	29	21	20	23
Jefferson	24	33	16	15	17
Newcastle	14	10	110	100	23
Nobleboro	22	20	19	18	19
South Bristol	21	28	21	20	21
Southport	28	28	45	45	54
Waldoboro	33	40	15	15	17
Westport	24	50	23	22	24
Whitefield	30	30	37	37	41
Wiscasset	28	33	41	14	14
Monhegan Plt.	N/A	29	18	18	19
Somerville Plt.	24	29	35	34	37
<u>Oxford County</u>					
Andover	30	17	62	39	39
Bethel	31	32	95	81	85
Brownfield	27	47	30	30	30
Buckfield	26	36	103	100	51
Byron	39	44	52	51	57
Canton	26	32	41	39	39
Denmark	39	47	25	21	24
Dixfield	17	20	81	80	85
Fryeburg	36	32	31	31	34
Gilead	45	34	33	32	27
Greenwood	32	53	40	38	25
Hanover	8	16	48	47	50
Hartford	29	36	37	34	38
Hebron	31	33	34	33	34
Hiram	48	47	41	41	50
Lovell	34	40	22	22	24
Mexico	22	18	88	85	89

Counties	Coefficient of Dispersion		Assessment Ratio		
	1967	1965	1967	1966	1965
<u>Oxford County (cont'd)</u>					
Newry	69	73	33	33	34
Norway	23	29	70	69	72
Oxford	27	30	58	54	55
Paris	20	21	42	42	46
Peru	30	29	42	40	42
Porter	19	22	19	19	20
Roxbury	21	38	33	33	35
Rumford	14	20	76	75	80
Stoneham	20	19	39	38	37
Stow	33	39	29	29	31
Sumner	30	29	53	51	53
Sweden	36	53	50	45	45
Upton	34	35	53	50	52
Waterford	30	36	29	25	29
West Paris	17	16	59	58	61
Woodstock	33	39	41	40	43
Lincoln Plt.	93	--	47	46	48
Magalloway Plt.	30	--	63	63	62
<u>Penobscot County</u>					
Alton	32	30	15	15	17
Bangor	18	16	91	100	100
Bradford	36	34	66	63	67
Bradley	41	29	29	29	32
Brewer	12	12	32	32	33
Burlington	59	52	34	33	34
Carmel	19	54	149	37	39
Charleston	35	38	35	34	38
Chester	60	65	29	29	29
Clifton	20	42	24	23	20
Corinna	38	39	14	14	13
Corinth	24	35	24	24	24
Dexter	26	36	50	48	51
Dixmont	28	23	41	36	42
East Millinocket	19	19	32	32	32
Eddington	32	23	58	57	66
Edinburgh	25	--	30	22	23
Enfield	42	35	26	21	23
Etna	36	34	54	51	50
Exeter	52	49	28	27	27
Garland	49	43	34	33	34
Glenburn	25	37	142	29	39
Greenbush	42	49	26	26	26
Greenfield	--	38	33	26	24
Hampden	17	23	38	37	39
Hermon	24		34	33	35
Holden	36	32	95	100	100
Howland	37	31	61	60	59
Hudson	30	50	35	35	34
Kenduskeag	23	21	46	45	46
La Grange	46	58	26	26	27
Lee	30	27	31	30	31
Levant	28	25	107	100	100
Lincoln	31	33	35	34	34
Lowell	50	43	24	24	24
Mattawamkeag	67	57	17	17	18
Maxfield	--	--	49	50	50

Counties	Coefficients of Dispersion		Assessment Ratio		
<u>Penobscot County (cont'd.)</u>	<u>1967</u>	<u>1965</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>
Medway	67	50	19	19	19
Milford	33	33	33	33	35
Millinocket	23	28	38	38	41
Newburgh	53	27	39	39	36
Newport	41	39	22	21	22
Old Town	19	21	102	100	100
Orono	15	12	98	100	100
Orrington	24	17	58	60	66
Passadumkeag	52	31	26	25	26
Patten	14	22	94	100	82
Plymouth	65	82	24	24	26
Springfield	25	35	30	29	31
Stacyville	23	35	42	41	45
Stetson	40	70	31	31	32
Veazie	15	14	92	100	100
Winn	42	47	18	18	19
Woodville	--	--	27	27	27
Carroll Plt.	50	53	25	25	26
Drew Plt.	--	--	26	26	27
Grand Falls Plt.	--	--	22	22	25
Lakeville Plt.	--	--	20	20	20
Mount Chase Plt.	26	53	50	46	48
Prentiss Plt.	--	--	24	24	22
Seboeis Plt.	--	--	25	26	29
Webster Plt.	--	--	23	23	21
<u>Piscataquis County</u>					
Abbott	33	46	30	30	31
Atkinson	45	27	35	35	35
Bowerbank	14	29	29	28	31
Brownville	32	50	34	33	32
Dover Foxcroft	23	28	89	100	100
Greenville	22	29	87	87	100
Guilford	40	37	23	22	23
Milo	17	32	99	24	24
Monson	38	32	37	37	39
Parkman	38	49	38	37	32
Sangerville	38	48	32	31	32
Sebec	37	54	34	29	29
Shirley	42	28	33	32	34
Wellington	32	33	36	33	35
Willimantic	33	36	31	30	31
Barnard Plt.	--	--	42	45	45
Blanchard Plt.	50	45	28	28	28
Elliottsville Plt.	56	--	29	28	29
Kingsbury Plt.	50	65	31	31	31
Lake View Plt.	--	--	31	30	32
<u>Sagadahoc County</u>					
Arrowsic	33	24	67	62	49
Bath	9	39	100	39	41
Bowdoin	33	38	23	22	24
Bowdoinham	33	33	26	26	33

Counties	Coefficients of Dispersion		Assessment Ratio		
<u>Sagadahoc County (cont'd.)</u>	<u>1967</u>	<u>1965</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>
Georgetown	36	36	21	20	23
Phippsburg	35	27	32	31	35
Richmond	28	30	27	24	28
Topsham	11	12	101	100	100
West Bath	22	25	84	81	89
Woolwich	21	35	45	44	56
<u>Somerset County</u>					
Anson	15	15	80	80	80
Athens	47	48	58	58	60
Bingham	7	15	116	100	100
Cambridge	26	27	37	37	39
Canaan	29	21	27	27	28
Cornville	34	45	70	34	35
Detroit	25	43	29	26	26
Embden	46	50	20	19	20
Fairfield	19	20	99	100	100
Harmony	36	53	36	36	37
Hartland	31	22	55	53	61
Jackman	18	29	103	46	45
Madison	30	36	24	25	25
Mercer	29	45	33	33	32
Moose River	24	18	42	37	41
Moscow	29	60	29	29	29
New Portland	25	25	44	44	48
Norridgewock	28	34	21	21	22
Palmyra	22	28	26	25	27
Pittsfield	29	30	38	37	37
Ripley	31	32	36	35	38
St. Albans	36	34	42	41	48
Skowhegan	19	14	86	85	86
Smithfield	21	23	27	26	28
Solon	33	43	30	30	31
Starks	46	39	45	45	46
Brighton Plt.	--	11	24	24	24
Caratunk Plt.	42	63	29	29	30
Dennistown Plt.	--	--	45	45	45
Highland Plt.	40	48	22	21	22
Pleasant Ridge Plt.	20	33	24	24	25
The Forks Plt.	34	19	31	31	31
West Forks Plt.	--	39	42	35	34
<u>Waldo County</u>					
Belfast	23	18	92	100	100
Belmont	34	34	47	44	44
Brooks	42	44	29	29	30
Burnham	38	50	21	20	20
Frankfort	30	27	33	33	36
Freedom	36	52	29	28	32
Islesboro	53	57	23	22	27
Jackson	47	30	31	31	30
Knox	39	32	57	55	57
Liberty	43	35	35	34	35
Lincolntonville	32	29	23	22	23
Monroe	24	28	68	65	71

Counties	Coefficients of Dispersion		Assessment Ratio		
	1967	1965	1967	1966	1965
<u>Waldo County (cont'd.)</u>					
Montville	48	38	30	30	30
Morrill	22	22	51	61	54
Northport	30	38	21	21	21
Palermo	40	34	25	24	26
Prospect	50	52	31	30	26
Searsmont	38	31	27	26	29
Searsport	21	34	96	100	100
Stockton Springs	37	32	67	68	70
Swanville	22	22	41	40	42
Thorndike	50	34	32	29	31
Troy	35	45	39	38	43
Unity	22	34	58	57	59
Waldo	27	51	34	34	34
Winterport	37	45	43	44	44
<u>Washington County</u>					
Addison	26	21	39	37	36
Alexander	26	24	45	44	46
Baileyville	29		20	13	13
Beals	--	26	28	27	29
Beddington	--	--	18	18	18
Calais	20	30	100	100	100
Centerville	--	--	38	37	41
Charlotte	39	21	43	40	40
Cherryfield	23	35	67	65	70
Columbia	--	61	32	31	30
Columbia Falls	28	33	39	38	39
Cooper	22	32	48	47	49
Crawford	--	--	20	20	20
Cutler	36	33	48	47	47
Danforth	38	43	60	59	66
Deblois	--	--	19	19	19
Dennyville	16	26	71	71	66
East Machias	32	46	84	22	22
Eastport	21	20	86	84	82
Harrington	50	34	32	32	32
Jonesboro	32	32	49	48	48
Jonesport	24	28	48	47	45
Lubec	20	28	91	100	100
Machias	27	26	17	17	18
Machiasport	39	51	31	31	37
Marshfield	74	25	34	33	36
Meddybemps	--	--	33	34	18
Milbridge	37	37	39	36	49
Northfield	--	34	25	24	26
Pembroke	35	35	23	23	24
Perry	32	27	51	51	53
Princeton	35	23	41	38	39
Robbinston	37	35	25	25	25
Roque Bluffs	55	35	17	16	17
Steuben	17	29	118	100	100
Talmadge	--	--	35	35	35
Topsfield	22	--	100	100	100
Vanceboro	19	25	32	28	28
Waite	--	--	28	27	31
Wesley	--	--	27	26	27
Whiting	25	18	76	77	89

Counties	Coefficients of Dispersion		Assessment Ratio		
<u>Washington County (cont'd.)</u>	<u>1967</u>	<u>1965</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>
Whitneyville	--	22	17	18	19
Baring Plt.	--	--	45	49	52
Codyville Plt.	--	--	35	34	34
Grand Lake Stream Plt.	16	19	36	36	39
No. 14 Plt.	36	36	22	22	23
No. 21 Plt.	33	47	20	19	20
<u>York County</u>					
Acton	36	33	14	14	16
Alfred	20	26	96	100	100
Arundel	31	53	74	36	39
Berwick	35	25	44	42	41
Biddeford	14	19	98	100	100
Buxton	31	34	32	31	32
Cornish	26	35	20	19	23
Dayton	40	54	21	21	21
Eliot	22	15	60	59	63
Hollis	10	43	31	31	32
Kennebunk	19	23	90	34	38
Kennebunkport	24	19	52	51	54
Kittery	25	27	61	33	36
Lebanon	33	29	23	22	25
Limerick	18	20	24	23	23
Limington	45	45	17	16	18
Lyman	35	45	24	23	24
Newfield	32	36	20	20	24
North Berwick	39	34	34	38	41
Old Orchard Beach	28	30	41	40	41
Parsonsfield	44	44	20	20	20
Saco	11	32	119	75	36
Sanford	16	18	100	100	100
Shapleigh	40	33	13	12	15
South Berwick	12	34	118	31	30
Waterboro	21	33	54	53	61
Wells	40	31	33	32	35
York	27	27	64	63	68

APPENDIX C

Distribution of Municipalities by Size of Municipality and Sales Ratio, 1965 and 1966

		Size of Municipalities																
Sales Ratio	Yr.	0-100	101-250	251-500	501-750	751-1000	1001-1250	1251-1500	1501-1750	1751-2000	2001-2500	2501-5000	5001-10000	10001-20000	20001-30000	30001 & over	Total	Percent
0 - 10	1966	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	----	----
	1965	----	----	----	----	----	----	----	----	----	----	----	----	----	---	---	----	----
11 - 20	1966	10	6	7	6	11	2	3	3	4	3	4	----	----	---	---	59	11.9
	1965	10	5	5	5	7	4	2	2	3	3	3	----	----	---	---	49	10.0
21 - 30	1966	23	17	28	21	15	9	3	2	1	2	4	1	----	---	---	126	25.5
	1965	19	22	24	17	17	10	3	4	2	2	5	1	----	---	---	126	25.6
31 - 40	1966	13	16	24	19	12	11	3	3	2	3	9	3	2	1	---	121	24.5
	1965	15	12	29	21	12	7	2	3	2	3	6	2	2	1	---	117	23.8
41 - 50	1966	7	6	7	9	5	3	3	1	2	2	6	2	1	---	---	54	10.9
	1965	8	7	10	11	6	8	3	1	2	2	5	4	1	---	---	68	13.8
51 - 60	1966	1	2	6	3	4	2	2	1	1	1	2	----	----	---	---	25	5.1
	1965	2	1	6	3	2	2	3	1	1	----	4	----	----	---	---	25	5.1
61 - 70	1966	1	1	2	4	2	1	----	----	1	----	4	----	----	---	---	16	3.2
	1965	1	1	2	3	5	2	1	----	1	1	4	----	----	---	---	21	4.3
71 - 80	1966	----	----	2	----	----	2	1	----	1	3	1	----	3	1	---	14	2.8
	1965	----	----	1	2	----	3	----	----	----	1	2	----	2	1	---	12	2.4
81 - 90	1966	----	----	----	----	1	1	----	----	----	2	1	4	2	---	1	12	2.4
	1965	----	----	1	----	1	1	2	----	1	3	1	2	2	---	1	15	3.0
91 -100	1966	----	1	4	5	6	9	4	6	2	2	11	9	5	1	2	67	13.6
	1965	----	----	3	4	5	3	3	5	2	4	11	11	5	1	2	59	12.0
Total	1966	55	49	80	67	56	40	19	16	14	18	42	19	13	3	3	494	100.0
	1965	55	48	81	66	55	40	19	16	14	19	41	20	12	3	3	492	100.0
Percent of Total	1966	11.1	9.9	16.2	13.6	11.3	8.1	3.8	3.2	2.8	3.6	8.5	3.8	2.6	0.6	0.6	100	
	1965	11.2	9.7	16.4	13.6	11.2	8.1	3.9	3.2	2.8	3.7	8.5	4.1	2.4	0.6	0.6	100	

APPENDIX D

Feasibility of Preliminary Planning Districts as Assessment Districts

Another possible assessment district organization scheme which deserves examination is whether or not the proposed planning districts for Maine would be suitable for assessment administration. These districts were outlined in a Preliminary Review Edition prepared by the State Comprehensive Planning Project in August, 1966. The statistical data considered here is based on that preliminary plan which to date has not been substantially modified.

In this preliminary proposal the state was divided into 41 areas which comprise of 17 regions and these regions subsequently make up 5 districts.

Table D-1 presents 1964 state valuation and 1960 population data for the preliminary planning districts, regions and areas. The map which follows the table indicates the final system of planning regions and economic areas as of January, 1967.

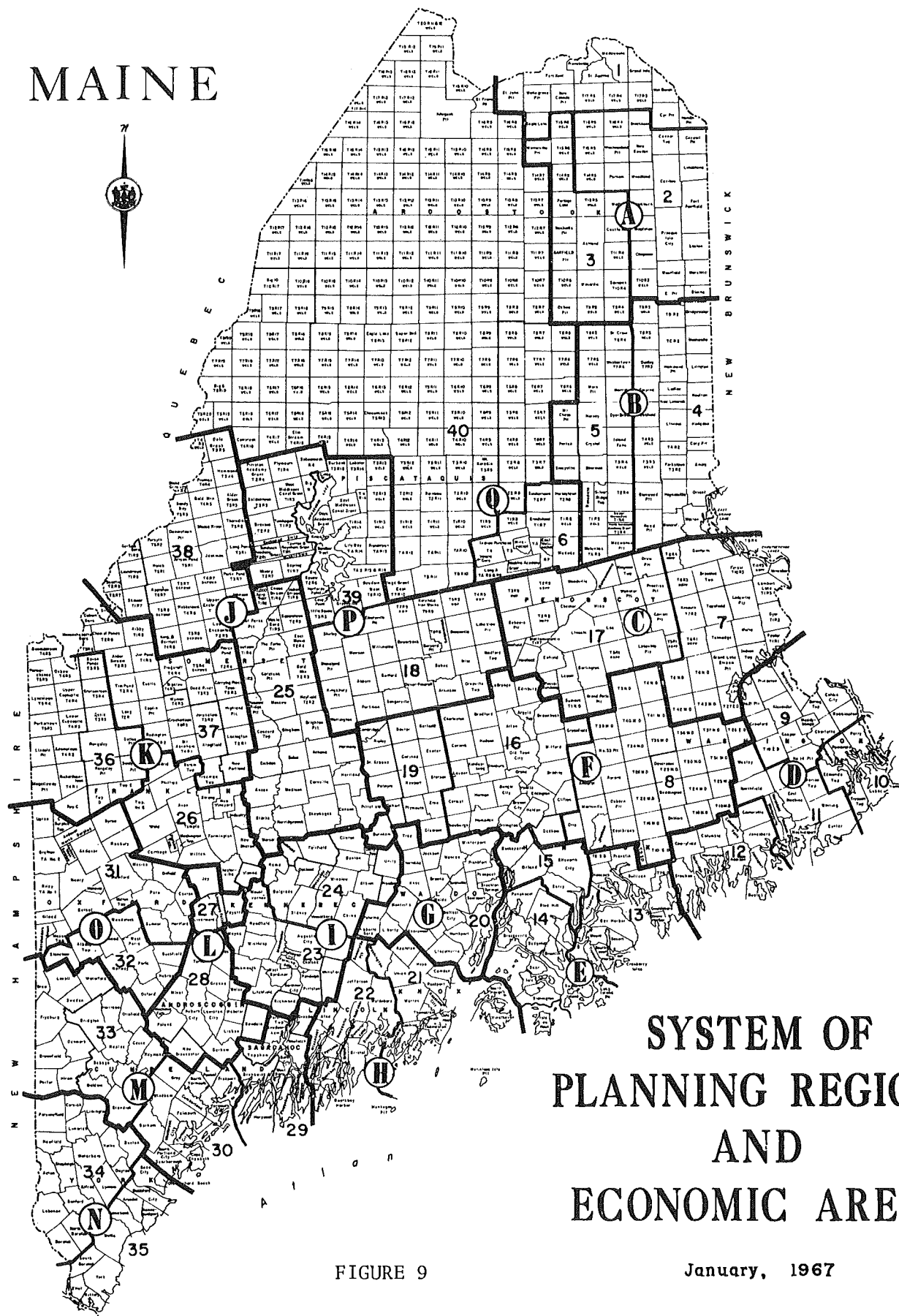
TABLE D-1. 1964 STATE VALUATION AND 1960 POPULATION: MAINE PRELIMINARY PLANNING DISTRICTS

Area	1964 Equalized State Valuation						1960 Population					
	Area		Region		District		Area		Region		District	
	Valu- ation (\$000)	Per- cent	Valu- ation (\$000)	Per cent	Valu- ation (\$000)	Per- cent	Popula- tion	Per- cent	Popula- tion	Per- cent	Popula- tion	Per- cent
DISTRICT I					2,358,756	69.4					496,684	51.4
Region A			479,100	14.1					99,402	10.3		
Area 1 (1)*	343,300	10.1					66,784	6.9				
Area 2 (2)	135,800	4.0					32,618	3.4				
Region B			1,082,940	31.9					205,554	21.2		
Area 1 (3)	809,900	23.8					147,722	15.2				
Area 2 (4)	101,080	3.0					15,245	1.6				
Area 3 (5)	171,960	5.1					42,587	4.4				
Region C			390,000	11.4					93,602	9.7		
Area 1 (6)	340,160	9.9					85,321	8.8				
Area 2 (7)	49,840	1.5					8,281	0.9				
Region D			406,716	12.0					98,126	10.2		
Area 1 (8)	201,300	6.0					53,880	5.6				
Area 2 (9)	205,416	6.0					44,246	4.6				
DISTRICT II					297,436	8.9					128,762	13.5
Region A			123,105	3.6					45,204	4.7		
Area 1 (10)	60,833	1.8					16,629	1.7				
Area 2 (11)	62,272	1.8					28,575	3.0				

*Number in parenthesis is an identification code.

TABLE D-1., (Continued)

1964 Equalized State Valuation							1960 Population					
Area			Region		District		Area		Region		District	
Area	Valu- ation (\$000)	Per- cent	Valu- ation (\$000)	Per- cent	Valu- ation (\$000)	Per- cent	Popula- tion	Per- cent	Popula- tion	Per- cent	Popula- tion	Per- cent
DISTRICT II (Continued)												
Region B			38,490	1.3					22,632	2.3		
Area 1 (12)	34,640	1.1					19,562	2.0				
Area 2 (13)	3,850	0.2					3,070	0.3				
Region C			88,655	2.6					30,920	3.3		
Area 1 (14)	35,880	1.0					10,087	1.1				
Area 2 (15)	14,720	0.4					7,498	0.8				
Area 3 (16)	38,055	1.2					13,335	1.4				
Region D			47,186	1.4					30,006	3.2		
Area 1 (17)	7,860	0.2					7,354	0.8				
Area 2 (18)	4,029	0.1					6,706	0.7				
Area 3 (19)	9,165	0.3					7,544	0.8				
Area 4 (20)	26,132	0.8					8,402	0.9				
DISTRICT III					203,488	6.1					84,756	8.6
Region A			88,430	2.6					38,039	3.8		
Area 1 (21)	24,171	0.7					13,430	1.4				
Area 2 (22)	64,259	1.9					24,609	2.4				
Region B			39,307	1.2					18,730	1.9		
Area 1 (23)	22,718	0.7					13,934	1.4				
Area 2 (24)	10,207	0.3					1,530	0.2				
Area 3 (25)	6,382	0.2					3,266	0.3				
Region C			75,751	2.3					27,987	2.9		
Area 1 (26)	69,876	2.1					26,715	2.8				
Area 2 (27)	5,875	0.2					1,272	0.1				
DISTRICT IV					373,599	11.1					148,436	15.3
Region A			198,579	5.9					105,336	10.8		
Area 1 (28)	19,660	0.6					14,565	1.5				
Area 2 (29)	171,409	5.0					89,342	9.2				
Area 3 (30)	7,510	0.3					1,429	0.1				
Region B			34,747	1.1					14,058	1.5		
Area 1 (31)	29,613	0.9					11,514	1.2				
Area 2 (32)	5,134	0.2					2,474	0.3				
Region C			31,960	0.9					17,497	1.8		
Area 1 (33)	20,807	0.6					15,173	1.6				
Area 2 (34)	11,153	0.3					2,324	0.2				
Region D			108,313	3.2					11,545	1.2		
Area 1 (35)	67,530	2.0					10,190	1.1				
Area 2 (36)	40,783	1.2					1,355	0.1				
DISTRICT V					169,754	5.0					107,354	11.2
Region A			36,406	1.1					22,202	2.3		
Area 1 (37)	8,896	0.3					5,745	0.6				
Area 2 (38)	27,510	0.8					16,457	1.7				
Region B			133,348	3.9					85,152	8.9		
Area 1 (39)	7,034	0.2					3,664	0.4				
Area 2 (40)	87,278	2.6					57,771	6.0				
Area 3 (41)	39,036	1.1					23,717	2.5				



Analyzing population within the districts, one discovers that in each of the districts the percent of total state population is 51%, 14%, 9%, 15% and 11% respectively. The 17 regions range from 1% to 21% of the total population of the state, while the 41 areas vary from 0.1% to 15% of the total.

The mean valuation or population reflects in one figure the average of all 41 areas. The mean population for the 41 areas is 23,570, while the mean valuation is \$82,993,000. The range is a statistic found by subtracting the smallest from the largest of a set of data. Thus, the population range of the 41 areas is 147,722 - 1,272 + 146,450 while the range of the valuations is \$809,900,000 - \$3,850,000 + \$806,050,000.

For comparative purposes one might want to know how the data for each district varied from the mean (average) for all districts. Thus, if we compute the deviations of each district from the mean and find the average of the deviations, we arrive at one figure which represents all these. The average population deviation of the 41 areas is 20,374, while the average valuation deviation of the 41 areas is \$84,757,000.

The standard deviation of a set of data is generally considered to be a more meaningful measure of variation than the average deviation. It is computed by formula. The standard deviation of the population of our 41 areas is 29,941, while the standard deviation of the valuation of the same areas is \$75,667,000.

The coefficient of variation is a percentage which can be derived by dividing the standard deviation of a set of data by its mean and multiplying by 100. The coefficient of variation of the population of the 41 areas is 127 while the coefficient of the valuations of the 41 areas is 91. All this really indicates is that the mean population of the 41 areas is smaller than the standard deviation, while the mean valuation of the 41 districts is larger than the standard deviation and thus there is much diversity between the two sets of data.

If these proposed areas were to be utilized for governmental purposes, particularly taxation, a more detailed analysis should be made of the deviational patterns or the pattern of variation among the areas. The reason for doing so is that any great diversity in the tax base of an area will ultimately affect governmental services, burden of taxation, and the distribution of state aid to the local municipalities. Thus, if it were possible, the theoretical goal would be as great a degree of uniformity as possible among the areas.

Table D-2 classifies the number of planning areas according to the percentage of deviation from the mean population and also shows cumulative totals.

Table D-2. Deviation Analysis of Population, By Area

Percent of deviation	Number of areas	Cumulative number	Percent of total	Cumulative percent
0- 10	2	2	4.9	4.9
11- 20	2	4	4.9	9.8
21- 30	3	7	7.3	17.1
31- 40	4	11	9.7	26.8
41- 50	3	14	7.3	34.1
51- 60	3	17	7.3	41.4
61- 70	5	22	12.2	53.6
71- 80	2	24	4.9	58.5
81- 90	7	31	17.1	75.6
91-100	4	35	9.7	85.3
100+	6	41	14.6	99.9

From Table D-2 it is evident that 7 areas have more than 80 per cent deviation from the mean, an additional 4 have more than 90 per cent deviation, while 6 areas have greater than 100% deviation.

Table D-3 shows the number of these planning areas which have less than a specified per cent deviation from the mean. Only 2 areas have less than 10% deviation and 14 areas have less than 50% deviation.

Table D-3. "Less Than" Analysis of Population Deviation

"Less than" percent of deviation	Number of areas	Percent of total
100	35	85.4
90	31	75.7
80	24	58.6
70	22	53.7
60	17	41.5
50	14	34.2
40	11	26.9
30	7	17.2
20	4	9.9
10	2	5.0

Similarly, one can look at the numbers of areas that have more than a specified percent of deviation from the mean. Table D-4 portrays the data in this fashion.

Table D-4. "More Than" Analysis of Population Deviation

"More than" percent of deviation	Number of areas	Percent of total
10	39	95.1
20	37	90.2
30	34	82.9
40	30	73.2
50	27	65.9
60	24	58.6
70	19	46.4
80	17	41.5
90	10	24.4
100	6	14.7

From Table D-4 it is evident that 39 areas deviate more than 10% from the mean, while 37 areas deviate more than 20% from the mean, which it might be noted is a greater deviation than the Supreme Court has allowed in reapportionment cases.

One can similarly look at the degree of deviation from the mean valuation in the 41 areas. Table D-5 presents this data.

Table D-5. Analysis of Valuation Deviation, By Area

Percent of deviation	Number of areas	Cumulative number	Percent of total	Cumulative percent
0- 10	1	1	2.4	2.4
11- 20	2	3	4.9	7.3
21- 30	4	7	9.7	17.0
31- 40	1	8	2.4	19.4
41- 50	0	8	0.0	19.4
51- 60	5	13	12.2	31.6
61- 70	4	17	9.7	41.3
71- 80	4	21	9.7	51.0
81- 90	5	26	12.2	63.2
91-100	8	34	19.5	82.7
100+	7	41	17.1	99.8

Looking at these data we observe that 40 of the areas have more than 10% deviation; 33 of the areas have more than 50% deviation from the mean valuation; 20 areas have more than 80% deviation and 7 areas have more than 100% deviation. Looking at the reverse side of the picture, one district has less than 10% deviation; 8 districts have less than 30% deviation; 17 districts have less than 60% deviation and 26 districts have less than 90% deviation.

Again, this indicates a great disparity among the districts and helps to pinpoint the degree of disparity to a finer degree.

We could also look at the land area which is involved in each of these 41 areas. From such an analysis one derives a mean (average) square mileage in the areas of 735.6 with an average deviation of 408.2. The standard deviation is 273.2 while the range is 6152.0 - 138.2 = 6013.8. The coefficient of variation is 37.1%.

Table D-6. Analysis of Square Mileage, By Area

Percent of deviation	Number of areas	Cumulative number	Percent of total	Cumulative percent
0- 10	6	6	14.6	14.6
11- 20	3	9	7.3	21.9
21- 30	5	14	12.2	34.1
31- 40	6	20	14.6	48.7
41- 50	8	38	19.5	68.2
51- 60	6	34	14.6	82.8
61- 70	3	37	7.3	90.1
71- 80	2	39	4.9	95.0
81- 90	1	40	2.4	97.4
90-100	0	40	0.0	97.4
100+	1	41	2.4	99.8

Thirty-five of the 41 areas have deviations greater than 10% of the average land area, while 13 areas have more than 50% deviation. Conversely, only 6 areas have less than 10% deviation and only 9 areas have less than 20% deviation.

A final factor which might be considered is the population density of the areas. The mean (average) density of the 41 areas is 49.6 persons per square mile while the range is $402.7 - 0.2 = 402.5$. The average deviation is 43.2 while the standard deviation is 27.2. The coefficient of variation is 54.8%. Table D-7 portrays this data.

Table D-7. Analysis of Population Density, By Area

Percent of deviation	Number of areas	Cumulative number	Percent of total	Cumulative percent
0- 10	1	1	2.4	2.4
11- 20	3	4	7.3	9.7
21- 30	3	7	7.3	17.0
31- 40	4	11	9.8	26.8
41- 50	2	13	4.9	31.7
51- 60	7	20	17.1	48.8
61- 70	2	22	4.9	53.7
71- 80	2	24	4.9	58.6
81- 90	3	27	7.3	65.9
91-100	10	37	24.4	90.3
100+	4	41	9.7	100.0

Only four areas have less than 20% deviation from the mean in population density, while 13 areas have less than 50% deviation. Conversely, 40 areas have more than 10% deviation, 28 areas have more than 50% deviation, and 14 areas have more than 90% deviation.

Thus, although it would be desirable to use these planning areas if they suited the needs of assessment administration, the above analysis would indicate an unsuitability if one is interested in the greatest amount of uniformity possible.

APPENDIX E

Municipalities Included in 12 District Plan
(Plan I)

- District 1 - Kittery, Eliot, South Berwick, York, Wells, Kennebunk, Arundel, Kennebunkport, Biddeford, Saco, Old Orchard Beach and Scarborough
- District 2 - Berwick, North Berwick, Lebanon, Sanford, Acton, Alfred, Shapleigh, Newfield, Parsonsfield, Cornish, Limerick, Limington, Hollis, Waterboro, Lyman, Dayton, Buxton, Porter, Hiram, Baldwin, Standish, Raymond, Casco, Brownfield, Denmark, Fryeburg, Stow, Lovell, Sweden, Bridgton, Harrison, Otisfield, Gorham, Westbrook and Windham
- District 3 - Portland
- District 4 - Dennistown, Moose River, Jackman, West Forks, The Forks, Caratunk, Bingham, Magalloway, Upton, Lincoln Plantation, Eustis, Coplin, Rangeley, Dallas, Kingfield, Rangeley Plantation, Sandy River, Madrid, Phillips, Weld, Avon, Strong, New Vineyard, Industry, New Sharon, Farmington, Temple, Carthage, Wilton, Jay, Chesterville, Byron, Andover, Roxbury, Newry, Gilead, Bethel, Hanover, Rumford, Mexico, Dixfield, Peru, Canton, Stoneham, Waterford, Norway, Greenwood, Woodstock, West Paris, Paris, Oxford, Sumner, Hartford, Buckfield, Hebron, New Portland, Embden, Solon, Athens, Harmony, Anson and Starks
- District 5 - Cape Elizabeth, South Portland, Falmouth, Cumberland, Yarmouth, North Yarmouth, Gray, New Gloucester, Pownal, Freeport, Brunswick and Harpswell
- District 6 - Poland, Mechanic Falls, Minot, Auburn, Lewiston, Durham, Leeds, Lisbon, Webster, Wales, Greene, Turner, Monmouth and Litchfield
- District 7 - Livermore, Livermore Falls, Fayette, Wayne, Vienna, Mount Vernon, Readfield, Winthrop, Rome, Belgrade, Oakland, Waterville, Sidney, Manchester, Augusta, Winslow, Vassalboro, Hallowell, Farmingdale, Chelsea, West Gardiner, Gardiner and Randolph
- District 8 - Phippsburg, Arrowsic, Woolwich, Bath, West Bath, Topsham, Bowdoin, Bowdoinham, Richmond, Georgetown, Southport, Boothbay Harbor, Boothbay, Westport, Edgecomb, Wiscasset, Dresden, Alna, Newcastle, Bristol, South Bristol, Monhegan, Bremen, Damariscotta, Nobleboro, Waldoboro, Jefferson, Whitefield, Somerville, Pittston, Windsor, China, Friendship, Cush-
ing, St. George, South Thomaston, Owl's Head, Thomaston, Rockland, Warren, Rockport,
Camden, Hope, Union, Appleton, Washington and Matinicus
- District 9 - Skowhegan, Mercer, Norridgewock, Smithfield, Madison, Cornville, Fairfield, Canaan, Hart-
land, Pittsfield, Cambridge, Ripley, St. Albans, Palmyra, Detroit, Clinton, Benton, Albion,
Burnham, Unity, Troy, Thorndike, Knox, Freedom, Palermo, Montville, Liberty, Searsmont,
Stockton Springs, Prospect, Frankfort, Brooks, Jackson, Swanville, Monroe, Waldo, Winter-
port, Swans Island, Long Island, Stonington, Deer Isle, Tremont, Southwest Harbor, Cran-
berry Isles, Mount Desert, Bar Harbor, Brooksville, Sedgewick, Castine, Brooklin,
Penobscot, Blue Hill, Sorrento, Lamoine, Hancock, Trenton, Surry, Orland, Verona and
Bucksport
- District 10 - Wellington, Parkman, Sangerville, Dover-Foxcroft, Atkinson, Milo, Sebec, Guilford, Abbott,
Kingsbury, Blanchard, Monson, Willimantic, Bowerbank, Brownville, Lake View, Elliottsville,
Shirley, Greenville, Dexter, Garland, Charleston, Bradford, La Grange, Corinna, Exeter,
Corinth, Hudson, Alton, Newport, Plymouth, Etna, Dixmont, Stetson, Levant, Kenduskeag,
Glenburn, Carmel, Hermon, Newburg, Hampden, Bangor, Brewer, Veazie, Barnard and Orono

- District 11 - Allagash, St. Francis, St. John, Wallagrass, Fort Kent, Frenchville, Madawaska, St. Agatha, Grand Isle, Van Buren, Cyr, Hamlin, Caswell, Limestone, Caribou, Fort Fairfield, Eagle Lake, Stockholm, Winterville, Westmanland, New Sweden, Woodland, Perham, Portage Lake, Wade, Washburn, Nashville, Garfield, Ashland, Castle Hill, Mapleton, Presque Isle, Easton, Mars Hill, Westfield, Chapman, Blaine, Bridgewater, E Plantation, Masardis, Oxbow, Monticello, Hammond, Littleton, Houlton, Ludlow, New Limerick, Smyrna, Merrill, Moro, Hersey, Dyer Brook, Oakfield, Linneus, Hodgdon, Cary, Island Falls, Crystal, Sherman, Patten, Stacyville, Mount Chase, Benedicta, Glenwood, Amity, Orient, Weston, Mattawamkeag, Drew, Webster Plantation, Haynesville, Macwahoc, Reed, Bancroft, Prentiss, Winn, Springfield, Lakeville, Carroll, Danforth, Topsfield, Vanceboro, Codyville, Talmadge, Waite, Grand Lake Stream, Baring, Lee, Chester, Woodville and Medway
- District 12 - Millinocket, East Millinocket, Sebois, Lincoln, Maxfield, Howland, Enfield, Burlington, Passadumkeag, Lowell, Edinburg, Greenbush, Grand Falls, Greenfield, Milford, Old Town, Bradley, Eddington, Clifton, Holden, Dedham, Otis, Ellsworth, Amherst, Mariaville, Waltham, Eastbrook, Osborn, Aurora, Franklin, Sullivan, Gouldsboro, Winter Harbor, Steuben, Cherryfield, Deblois, Beddington, Milbridge, Harrington, Addison, Beals, Jonesport, Columbia, Columbia Falls, Jonesboro, Roque Bluffs, Centerville, Wesley, Northfield, Whitneyville, Marshfield, Machias, Machiasport, Cutler, Whiting, Lubec, East Machias, No. 14 Plantation, Cooper, Charlotte, Dennysville, Eastport, Pembroke, Perry, Robbinston, Calais, Meddybemps, Alexander, Crawford, Baileyville, Princeton and No. 21 Plantation.

APPENDIX F

Municipalities Included in 20 District Plan
(Plan II)

- District 1 - Kittery, Eliot, South Berwick, York, Wells, Kennebunk, Arundel, Kennebunkport, Berwick, North Berwick, Lebanon, Acton, Shapleigh, Newfield and Parsonsfield
- District 2 - Sanford, Alfred, Lyman, Waterboro, Dayton, Biddeford, Hollis, Saco, Limerick and Cornish
- District 3 - Buxton, Old Orchard Beach, Scarborough, Gorham, Limington, Standish, Baldwin, Windham, Porter, Hiram, Brownfield, Denmark, Sebago, Fryeburg, Bridgton, Naples, Harrison, Otisfield, Casco and Raymond
- District 4 - Portland
- District 5 - Cape Elizabeth, South Portland and Westbrook
- District 6 - Falmouth, Cumberland, Yarmouth, North Yarmouth, Gray, New Gloucester, Pownal, Freeport, Harpswell, Brunswick and Durham
- District 7 - Poland, Auburn, Mechanic Falls, Minot, Turner, Oxford, Hebron, Buckfield, Paris, Norway, Waterford, Sweden, Stow, Lovell, Stoneham, Greenwood, West Paris, Woodstock, Sumner, Hartford, Livermore, Livermore Falls, Canton and Peru
- District 8 - Lewiston, Lisbon, Webster, Greene, Leeds, Wales and Wayne
- District 9 - Arrowsic, Bath, Bowdoin, Bowdoinham, Georgetown, Phippsburg, Richmond, Topsham, West Bath, Woolwich, Alna, Boothbay, Boothbay Harbor, Bremen, Bristol, Damariscotta, Dresden, Edgecomb, Jefferson, Newcastle, Nobleboro, South Bristol, Southport, Westport, Whitefield, Wiscasset, Monhegan, and Somerville,
- District 10 - Litchfield, Monmouth, West Gardiner, Gardiner, Pittston, Randolph, Farmingdale, Hallowell, Chelsea, Augusta, Manchester, Winthrop, Windsor, Readfield, Fayette, Vienna, Mount Vernon, Rome, Belgrade, Sidney, Vassalboro and China
- District 11 - Dennistown, Moose River, Jackman, West Forks, The Forks, Caratunk, Lincoln Plantation, Magalloway, Upton, Highland, Pleasant Ridge, Moscow, Eustis, Coplin, Rangeley, Dallas, Rangeley Plantation, Sandy River, Madrid, Kingfield, Gilead, Bethel, Newry, Hanover, Rumford, Andover, Mexico, Roxbury, Byron, Dixfield, Weld, Carthage, Phillips, Avon, Temple, Wilton, Greenville, Shirley, Blanchard, Kingsbury, Elliottsville, Monson, Willimantic, Bowerbank, Brownville, Lakeview, Milo, Sebec, Abbott and Guilford
- District 12 - Jay, Chesterville, Farmington, New Sharon, Industry, New Vineyard, Strong, New Portland, Embden, Anson, Starks, Mercer, Smithfield, Norridgewock, Madison, Solon, Bingham, Brighton, Athens, Cornville, Skowhegan, Canaan, Pittsfield, Hartland, Harmony, Wellington, Parkman, Cambridge, Ripley, St. Albans, Palmyra and Detroit.
- District 13 - Oakland, Waterville, Winslow, Albion, Benton, Clinton, Burnham, Troy, Unity, Freedom, Palermo, Liberty, Montville, Knox, Thorndike, Washington, Jackson, Monroe, Brooks, Swanville, Waldo, Morrill, Dixmont, Newburg, Plymouth, Etna, Carmel, Hermon, Newport, Stetson, Levant, Kenduskeag, Exeter, Corinth, Hudson, Glenburn and Alton
- District 14 - Friendship, St. George, Cushing, Warren, Thomaston, South Thomaston, Owl's Head, Rockland, Rockport, Camden, Union, Hope, Appleton, Waldoboro, Lincolnville, Searsmont, Belmont, Belfast, Northport, Islesboro, Searsport, North Haven, Vinalhaven, Winterport, Frankfort, Prospect, Stockton Springs, Isle Au Haut, Stonington, Deer Isle, Swans Island, Long Island, Brooklin, Sedgewick, Brooksville, Castine and Penobscot

- District 15 - Millinocket, East Millinocket, Medway, Woodville, Mattawamkeag, Drew, Seboeis, Chester, Winn, Webster Plantation, Prentiss, Carroll, Springfield, Lee, Lincoln, Maxfield, Lakeville, Burlington, Lowell, Enfield, Howland, Passadumkeag, Edinburg, La Grange, Dover-Foxcroft, Sangerville, Atkinson, Dexter, Garland, Charleston, Bradford and Corinna
- District 16 - Allagash, St. Francis, St. John, Wallagrass, Fort Kent, New Canada, Frenchville, St. Agatha, Madawaska, Grand Isle, Van Buren, Eagle Lake, Winterville, Stockholm, Cyr, Hamlin, Caswell, New Sweden, Westmanland, Perham, Woodland, Caribou, Limestone, Fort Fairfield, Presque Isle, Wade and Washburn
- District 17 - Portage Lake, Nashville, Garfield, Ashland, Castle Hill, Mapleton, Chapman, Masardis, Westfield, Mars Hill, E Plantation, Blaine, Bridgewater, Oxbow, Monticello, Hammond, Littleton, Houlton, Ludlow, New Limerick, Smyrna, Merrill, Moro, Mount Chase, Hersey, Dyer Brook, Oakfield, Linneus, Hodgdon, Patten, Crystal, Island Falls, Cary, Amity, Sherman, Stacyville, Orient, Weston, Bancroft, Reed, Macwahoc, Danforth, Vanceboro, Codyville, Topsfield, Talmadge, Waite, Grand Lake Stream, No. 21 Plantation, Princeton, Baileyville, Alexander, Crawford, Baring, Calais, Robbinston, Charlotte, Meddybemps, Cooper, Perry, Pembroke, Dennysville, No. 14 Plantation, Eastport, Lubec, Cutler, Whiting, Machiasport, Machias, East Machias, Marshfield, Whitneyville, Wesley, Northfield, Centerville, Jonesboro, Roque Bluffs, Jonesport, Beals, Addison, Columbia, Columbia Falls, Harrington, Milbridge, Beddington, Deblois, Cherryfield, Steuben, Winter Harbor, Gouldsboro, Sorrento, Sullivan, Franklin, Lamoine, and Hancock
- District 18 - Old Town, Orono, and Bangor
- District 19 - Bradley, Veazie, Eddington, Brewer, Holden, Clifton, Orrington, No. 33 Plantation, Aurora, Amherst, Milford, Greenfield, Grand Falls, Greenbush and Hampden
- District 20 - Cranberry Isles, Tremont, Southwest Harbor, Mount Desert, Bar Harbor, Trenton, Blue Hill, Surry, Verona, Orland, Ellsworth, Bucksport, Dedham, Otis, Mariaville, Eastbrook, Osborne and Waltham

APPENDIX G

Municipalities Included in 19 District Plan
(Plan III)

- District 1 - Kittery, Eliot, York, Berwick, Lebanon, North Berwick, Wells, Kennebunk, Arundel, Kennebunkport, Acton, Shapleigh, Newfield, Parsonsfield, Cornish, Limerick, Limington and Waterboro
- District 2 - Sanford, Alfred, Lyman, Dayton, Biddeford, Saco and Old Orchard Beach
- District 3 - Scarborough, Cape Elizabeth, South Portland, Gorham, Buxton and Hollis
- District 4 - Portland
- District 5 - Westbrook, Falmouth, Windham, Cumberland, Yarmouth and North Yarmouth
- District 6 - Standish, Baldwin, Hiram, Porter, Brownfield, Denmark, Fryeburg, Sebago, Bridgton, Naples, Stow, Stoneham, Lovell, Sweden, Waterford, Harrison, Otisfield, Casco, Raymond, Gray, New Gloucester, Poland, Mechanic Falls, Oxford, Hebron, Norway, Paris, Greenwood, West Paris, Woodstock, Buckfield, Sumner, Hartford, Peru, Canton, Bethel, Gilead, Newry, Livermore and Livermore Falls
- District 7 -- Freeport, Pownal, Durham, Brunswick, Harpswell, Arrowsic, Bath, Bowdoin, Bowdoinham, Georgetown, Phippsburg, Richmond, Topsham, West Bath, Woolwich, Lisbon, Webster, Litchfield, Wales and Monmouth
- District 8 - Lewiston, Auburn, Minot, Greene, Turner, Leeds, Wayne, Fayette, Winthrop, Readfield, Manchester, Augusta, Mount Vernon, Belgrade and Sidney
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- District 10 - Hallowell, Farmingdale, West Gardiner, Gardiner, Randolph, Pittston, Alna, Boothbay, Boothbay Harbor, Bremen, Bristol, Darmariscotta, Dresden, Edgecomb, Jefferson, Newcastle, Nobleboro, South Bristol, Southport, Waldoboro, Westport, Whitefield, Wiscasset, Monhegan Plantation, Somerville Plantation, Windsor, Vassalboro, China, Palermo, Cushing, Friendship, St. George, Liberty and Washington
- District 11 - Oakland, Waterville, Winslow, Albion, Benton, Clinton, Fairfield, Smithfield, Skowhegan, Norridgewock, and Canaan
- District 12 - Farmington, Chesterville, Jay, Wilton, Dixfield, Temple, Carthage, Mexico, Rumford, Andover, Roxbury, Byron, Weld, Upton, Magalloway Plantation, Lincoln Plantation, Avon, Phillips, Eustis, Coplin Plantation, Rangeley, Dallas Plantation, Rangeley Plantation, Sandy River Plantation and Madrid
- District 13 - Dennistown Plantation, Moose River, Jackman, Vienna, Rome, Mercer, New Sharon, Starks, Industry, Strong, New Vineyard, Anson, New Portland, Embden, Kingfield, Highland Plantation, Pleasant Ridge Plantation, Moscow, Caratunk Plantation, West Forks Plantation, The Forks Plantation, Bingham, Solon, Madison, Cornville, Athens, Brighton Plantation, Greenville, Elliottsville Plantation, Shirley, Blanchard Plantation, Monson, Kingsbury, Plantation, Abbott, Parkman, Wellington, Harmony, Hartland, Cambridge, Ripley, St. Albans, Willimantic, Bowerbank, Guilford, Sangerville, Dover-Foxcroft, Pittsfield, Detroit, Palmyra, Dexter, Garland, Corinna, Exeter, Newport, Stetson, Plymouth, Etna, Lakeview Plantation, Brownville, Milo, Hudson, Glenburn, Kenduskeag, Levant, Hermon, Carmel, Newburg, Dixmont and Hampden

- District 14 - Appleton, Camden, Hope, Isle Au Haut, North Haven, Owl's Head, Rockland, Rockport, South Thomaston, Thomaston, Union, Vinalhaven, Warren, Matinicus Isle Plantation, Belfast, Belmont, Brooks, Burnham, Frankfort, Freedom, Islesboro, Jackson, Knox, Liberty, Lincolnville, Monroe, Montville, Morrill, Northport, Palermo, Prospect, Searsmont, Searsport, Stockton Springs, Swanville, Thorndike, Troy, Unity, Waldo, Winterport, Stonington, Deer Isle, Swans Island, Long Island Plantation, Brooklin, Sedgewick, Brooksville, Blue Hill, Penobscot and Surry
- District 15 - Bangor, Brewer and Veazie
- District 16 - Drew Plantation, Mattawamkeag, Woodville, Prentiss Plantation, Webster Plantation, Winn, Chester, Seboeis Plantation, Carroll Plantation, Springfield, Lee, Lincoln, Maxfield, La Grange, Howland, Edinburg, Enfield, Passadumkeag, Lowell, Burlington, Lakeville Plantation, Grand Falls Plantation, Greenbush, Alton, Old Town, Milford, Bradley, Orono, Eddington, Clifton, Otis, Dedham, Holden, Orrington, Bucksport, Verona, Orland and Ellsworth
- District 17 - No. 33 Plantation, Amherst, Aurora, Mariaville, Osborn Plantation, Waltham, Eastbrook, Franklin, Hancock, Lamoine, Sullivan, Sorrento, Gouldsboro, Winter Harbor, Beddington, Deblois, Cherryfield, Steuben, Milbridge, Harrington, Columbia, Columbia Falls, Addison, Beals, Jonesport, Jonesboro, Centerville, Northfield, Wesley, Marshfield, Whitneyville, Machias, Roque Bluffs, East Machias, Machiasport, Cutler, Whiting, Lubec, Eastport, Perry, Pembroke, Dennysville, No. 14 Plantation, Cooper, Charlotte, Meddybemps, Robbins-ton, Calais, Baring, Alexander, Crawford, No. 21 Plantation, Princeton, Baileyville, Grand Lake Stream Plantation, Talmadge, Waite, Topsfield, Codyville Plantation, Vanceboro and Danforth
- District 18 - Portage Lake, Nashville Plantation, Garfield Plantation, Oxbow Plantation, Masardis, Ashland, Castle Hill, Mapleton, Chapman, Westfield, Easton, Mars Hill, E Plantation, Blaine, Bridgewater, Monticello, Littleton, Hammond Plantation, Houlton, Ludlow, New Limerick, Smyrna, Oakfield, Merrill, Dyer Brook, Island Falls, Moro Plantation, Patten, Stacyville, Linneus, Hodgdon, Cary Plantation, Amity, Orient, Haynesville, Glenwood Plantation, Weston, Bancroft, Reed Plantation, Macwahoc Plantation, Millinocket, East Millinocket, Medway, Hersey, Crystal, Sherman, Benedicta and Mount Chase Plantation
- District 19 - Allagash Plantation, St. Francis Plantation, St. Johns Plantation, Fort Kent, Wallagrass Plantation, Eagle Lake, Winterville Plantation, New Canada Plantation, Frenchville, St. Agatha, Madawaska, Grand Isle, Van Buren, Hamlin Plantation, Cyr Plantation, Stockholm, Caswell Plantation, New Sweden, Westmanland Plantation, Limestone, Caribou, Woodland, Perham, Wade, Washburn, Fort Fairfield and Presque Isle.