

PHILIP & LISA YATES vs. TOWN OF PALERMO
NOVEMBER 14, 2006
11:00 A.M.
(TAPE 1 A)

PRESENT: Commissioners John M. Hyk, Charles G. Boetsch and Amy Fowler. Petitioners: Philip & Lisa Yates, Defendants: Palermo Assessors Lee Jackson, Royce Nelson, Calvin Wade and Gary Boyle. Also present were County Clerk Barbara Arseneau and Deputy County Clerk Veronica Stover.

Commissioner Hyk convened the meeting at 11:00 a.m.

J. Hyk read the rules for the hearing and all were sworn in.

PETITIONER:

Chairman J. Hyk opened the meeting and turned the floor over to the Plaintiffs, Philip and Lisa Yates to state their case.

P. Yates: Our tax bill for 2006 basically doubled. We went from paying \$1,393.00 to \$2,800.00. What we feel is happening is that we are being over assessed in comparison to similar properties in the town. We've got some documentation; we've got some tax maps, property records showing what similar properties in our area are paying for taxes. Their tax bills for 2006 went up very miniscule. Ours almost, in effect, doubled. We feel this is unfair, it's inequitable and not on the same playing field, so to speak. We purchased this property in October 2005, and one of the things we were told as to why we were being assessed so much is because we were newly...we had just purchased property in 2005, so basically we were being "gone after" first. We just feel that this is inequitable, kind of like a "Welcome, stranger," assessment. We had an abatement hearing already and basically didn't get the results that we asked for, so that's why we're here.

L. Yates: We will pay our fair share...

P. Yates: We'd like to pay our fair share, but we feel we're paying more than our fair share. For instance, we have a piece of property – the neighbor adjoining us. The square footage of the property is almost identical.

J. Hyk: Do we have that information?

P. Yates: I think you have everything. I faxed over a few documents.

A. Fowler: What's the name of the property, sir?

P. Yates: The Mundy property. This is the one we were comparing to begin with. There is the same amount of acreage and same amount of water frontage. Our square footage on the dwelling is 26' by 32.' I think that [Mundy] dwelling is 24' by 32', so it's pretty similar and I think her taxes, if I'm not mistaken, for 2006 were \$1,380.40. We ended up paying \$2,805.75, which was basically, like I

said, almost double. Our building assessment, basically, went up \$95,000.00 from 2005. I think her [Mundy] land value, the assessed value, reached \$2,000.00 to \$58,000.00. Her building value was basically unchanged from 2005, which was \$37,200.00. Our building value is now \$135,500.00. We did have, like I said, the abatement hearing and we did receive a notice about two weeks after that from the Assessors saying that they did agree that it was over-valued and we did receive a check, but it we still feel it's assessed way to high in comparison to other properties and the abatement wasn't nearly enough that we were hoping for. It basically boils down to that we are being over-assessed and it seems that the only reason why we had the huge increase was because we purchased the property last year, and maybe it was just easier to go after us first; I'm not really sure. I'm not sure of the reasoning on that. It's just inequitable. That is basically what I have at this point. I still feel that my proposed assessed value – I was trying to keep it in line with the Mundy residence, that our land value would increase \$2,000.00 from the previous year, to \$58,000.00 and that our building value would remain unchanged, the same as the other properties, which would leave it at \$40,100.00 so that our total assessed value for 2006 should have been \$98,100.00, resulting in the tax due at \$1,422.45. But when we received the tax bill, it was for \$2,800.05. As I said, I don't mind paying our fair share, it's just that nobody else seems to have paid that much in taxes and we just got hit. Like I said, that property next to us is very similar as far as acreage and square footage, and we just feel that we should be compared to hers [Mundy's property].

J. Hyk: (To A. Fowler) Do you have any questions?

A. Fowler: You say that you purchased your property on October of '05? P. Yates indicated yes. A. Fowler asked if she could ask what they paid for the property.

P. Yates: \$215,000.00.

A. Fowler thanked him.

G. Boetsch: Can I ask, these three lots all seem to have the same acreage. Were they a subdivision, all one lot at one time and they broke them down into these three and possibly there are more lots, but it looks to me that somebody very mathematically divided them all up.

P. Yates: I'm not sure; that might be possible.

G. Boetsch: Are these houses on each side of you? Are you in the middle, maybe, and one on each side?

P. Yates: The one I was using as a direct comparison is adjacent to us. There's another on the other side, and I wasn't using that as comparison, 395 is on the other side of that – the Goguen's, I believe it is.

G. Boetsch: That looks almost like a two-story house and they, in fact, are valued less than you. Is that property older or something? Why would they...this looks like a bigger residence here.

P. Yates: I'm not sure on that one.

G. Boetsch asked about the house style.

P. Yates: It is a ranch-style, as is the Mundy residence.

J. Hyk: We should have the square footage there, or the stories.

G. Boetsch: I can see a dormer on it, so it is definitely very much bigger, so I'm surprised to see that the value of that is not at least the same value as yours.

(The Commissioners sat reviewing the tax comparisons.)

J. Hyk: The only question I have is, and you haven't said so directly, but I sort of need to ask, I'm having a little trouble with these records – what is your understanding of how the price was computed on the building? Where is the value coming from on the property record card? Maybe I'm not seeing this right. Your property record card is in here, right?

P. Yates: We are 371.

J. Hyk: Here it is – could you take us through this? That's my question.

P. Yates: As far as how the assessed value was reached? Is that what you mean?

J. Hyk: On the building, yes. Was it in this type of construction? This square footage? What's the deal?

P. Yates: Well, I have the copies, and it was arrived at the purchase price x 90% - \$93,500.00 – and then the land was subtracted to arrive at \$135,500.00 for the building. That's what we were told that this was how the assessed value was arrived at.

J. Hyk: In other words...

P. Yates: It was based on the purchase price.

J. Hyk: It was based on the purchase price and the land was compared to the land around it?

P. Yates: All three properties have identical acreage, and that was subtracted from the 90%.

J. Hyk: I'm not trying to put words in your mouth, but what you seem to be saying is that your property was assessed on the basis of the purchase price and the other properties are assessed on the basis of the square footage and the type of construction.

P. Yates: I guess, and what had been existing of the assessed values.

J. Hyk: (Reviewing the previous years of the record,) then stated that he did not have any more questions.

G. Boetsch: [To A. Fowler] Just to make a note, this is the same thing that happened with the Northport/Bayside “business,” with inequitable taxing just because of sale price.

The Commissioners had no further questions and J. Hyk thanked P. Yates, commending him for an excellent explanation.

J. Hyk: [To the Assessors] Gentlemen: Please proceed.

DEFENDANTS:

L. Jackson: He’s 100% right on value. The last three years, that’s what we’ve been doing, bringing up the values or fair market value; that’s what the State values us on. The State values us on full value, his actually was valued on 80%; it was 90% but they did drop it. I did not have the opportunity to meet with these young people [the Yates] but the other four people did, as I was on vacation at that time. So, I don’t know what went on at that meeting, but those gentlemen do. If I give a little brief history as to why this has taken place, is that the town’s valuation is climbing at an astronomical rate. In fact, Palermo has grown in the past three years 70% versus Liberty, Searsmont and all other towns at 35%. Their sales, their values against the sales are identical. We went to the State, they refused to hear us; in fact they hung onto our letter for nine days and then said they could not hear their case because your letter got in here too late. So I went to the Legislature; they passed a law they had to hear us. Well, we got a sale that a real estate agent – and I don’t know if I’m ‘knocking’ real estate agents, but the more they can sell property for, the more they can get in their hip pocket. So, if they overvalue something, somebody comes along and pays that overvalue, then they’re getting hurt pretty bad, and that’s what’s happened. A real estate agent came into town and bought a piece of property for \$36,000.00. Two months later, he turned around and now the fair market value is \$72,000.00. Believe it or not, we got that sale thrown out by that hearing because of the unreasonable amount. It made \$1,300,000.00 difference in the town’s valuation. This sale that these young people [the Yates] made probably made a \$3,000,000.00 in the town’s valuation. Palermo is trying to get up there – we are now in the process of jacking up everybody. (He showed a large stack of paper.) This is what this is, is a list of what we’ve started putting in, so their neighbors are going to be up there. Their property will not increase until such time as they are up to equal with everybody else. We don’t know what our valuation is going to be this year because the State hasn’t told me. They told me two months ago I’d have it right off. I don’t have it yet, but I’ve estimated another \$15,000,000.00. And the State will not answer our questions. They refuse to answer. The only way that we can do this is to hit the sale price at 80% and the reason we went to 80% is because that is what we were basically of the State’s valuation. We realized we were a little over it, so that is why we dropped it down to 80%. We are now in the process of bringing everybody up on the lake and everybody up off the lake. The lake people are going to see a bigger increase because that’s where the value of the Town of Palermo is – Sheepscott Lake. We have no store, you can’t buy an ounce of gas in the Town of Palermo, you can’t buy a loaf of bread in the Town of Palermo; you can buy nothing in town. Searsmont, like I say, has 50 more people than the Town of Palermo. Palermo is, I think, 4 square miles bigger. In that three year period Palermo built two more houses than Searsmont. Three years ago, Palermo was \$6,000,000.00 below the value of Searsmont. Today we are \$8,000,000.00 more than the value of Searsmont. The State will not answer our questions. We sit there for hours and they babbled on for hours. The only person who really asked questions was the attorney general’s person from the Attorney General’s Office, putting words into the State’s

mouth. When we got all said and done, the panel didn't even know what they were talking about. One of them made up his mind and said, "If we can have these two people get together, maybe we can get a settlement out of this and maybe we can go home." I go out doors, and he is standing there watching them put in building blocks at the Civic Center. I looks like we probably pushed this, and he said, "I ain't gonna sit here another four or five hours and listen to testimony." So we settled on \$1, 300,000.00. We are trying our best to get everything equal. I realize these people, but they're not alone by any shot; any shot. Everybody in the Town of Palermo in the last three years has been assessed at this value. I believe out of all the people this year, we had something like maybe five people come in, and only two of the them, and we've got a hearing meeting with one of them next week from tomorrow. I've heard, "I don't agree with what you're doing." Well, I wish we didn't have to do it, but we've got to get the valuation up there. And I could say we're jacking everybody up right now. There's land value for a piece of property for a house lot, if you have a house lot, is going to jump \$5,000.00. Everybody off the lake is going to jump 10% on their buildings. Everybody on the lake is going to jump at least 15%. When I get this all calculated and we get the new State [valuation], people on the lake may jump 25%, people off the lake, 15% - I don't know that at this point in time, but we are bringing them up. We realize there is a discrepancy. There's a terrible discrepancy with the State. It happened in just three years. That's basically what the reason that this is what it is, that we've gone with the sale market value, which is one of the first things the State says we can use, is fair market value. On that slip, the fair market value, when you buy a piece of property, if you've seen a tax home, the State says under penalty of the law you'd agree that this is fair market value. How anybody can turn around now and say it's not fair market value is beyond me. I would like to see it, and hopefully within the next year or so, it will be up where we can equal things off; the higher ones will come down and some will come up. This is all being put in a new computer system we got last fall. That's why every piece of land you'll find in the Town of Palermo is identical, because that's the only thing that's in that computer 100%. If you own a piece of property on Sheepscoot Lake, the first 100 feet is worth is \$600.00 or \$60,000.00. Every foot thereafter is \$300.00. If you live on a pond, it drops down to \$400.00 and \$200.00. Every acre of land that is good land is \$300.00 an acre. Blueberry land is \$500.00 an acre, bog land is \$50.00 an acre. Once you put this in here, as I'm sure you people are familiar with computers, we have plan schedules, once you plug in how much land they've got, "Bang." I cannot change it. Eventually square footage will be entered into this computer, and I am under the assumption, and not being a computer person by any stretch of the imagination, it will probably do exactly what we're hoping it's going to do. This is exactly what has happened to this date and, as I say, we have met with several people and that's exactly why we did what we did and why we've done it is because we've got to get that valuation up there. And I'm sorry; I cannot consciously sit there at that desk and put some 80-year-old person out of her house, and that's exactly what's going to happen, because if we have to jack everybody's taxes up to that level, we're going to have a lot of old people that are on fixed incomes that are going to lose their houses. I'm going to tell you, my heart goes out to them - and I know we've got to increase them - but to do it right now, jump that lady, Mrs. Mundy, if you jumped her up to that price, she's out of that house. She's already said so. So we're doing our best to try to get things on an equal basis, and I realize at this point in time that this young couple walked in here at the... (Unintelligible words on tape.) That's it in a nutshell. If you want to know what happened in the meeting, Mr. Boyle and these gentlemen had a meeting with these young people, which I was in Oklahoma, so I was not there. I cannot even begin to tell you about it and if I agreed or disagreed.

C. Boetsch: You've got that big pile of updated valuations in your hand. When do you see that coming into being? Will that be in next year's taxes?

L. Jackson: Yes, next year's taxes.

C. Boetsch: So they only have to live with this fair market value business just this bill, here?

L. Jackson: That's going to be the biggest difference. There may still be a little bit of difference.

C. Boetsch: Yeah, but then everybody comes into play next year, so really what we're talking about here is about \$1,000.00 on this year's tax bill, right? That's what we're talking about here is \$1,000.00, because you [the Yates] got a \$300.00 abatement and you figured you wanted \$1,400.00, so let's round this out – it's about \$1,000.00 is what this whole discussion is about. I know I have drawn my conclusion because you [the assessors] have a very good explanation. You [the Yates] had a good explanation, but I understand your [the assessors] explanation.

A. Fowler: My questions that this gentleman answered was you are indeed in the process of a revaluation, which he is. The law says that you are allowed two years to reevaluate a town, which means there's always going to be some people that are getting taxed before the other guy does. I see what you're saying. I also understand how you have to base this on a sales price, no matter how ridiculous they set it or put it. I noticed that the other people had owned them for a significant amount of time, which reflects in it also.

L. Jackson: That's true. Another thing on this one here, I believe, his [the Yates'] place is on a cement footing. I believe the other place is on a post. That would make some considerable difference, to have a cement footing and the other one is on...well, that is what's on the line card. I have not been involved...two of the gentlemen...

J. Hyk: Well, that's all right.

A. Fowler: I think the greatest advice or argument I can give to you is that your [the Yates] "beef" isn't so much with these gentlemen here [the assessors], it's with the great State of Maine, that nails these towns with these ridiculous valuations that they have to come up with a number for and figure it out.

L. Jackson: We've gone from \$92,000,000.00 to \$118,000,000.00 and I was told by the State lady – 'because I met with her – and I told her, because she had asked well, why did this one jump? Some of it was because they built a new garage; some of it was this or this. Others were just fair market value. She said that the State generally likes to have everybody on the same footing and I said I understand that, but it takes time to put everybody on the same footing – you just can't go up in the air. She said O.K.

J. Hyk: Here's what's concerning me about what I'm hearing, and everything that you say is true in terms of the disappointing performance of the State. It's my understanding that taxes are assessed in this state, not on the basis of services received, and not on the basis of ability to pay. So I throw that out, that's what I do, when I think about it. And what seems to be happening in this case is there are

two standards. The one standard is, “Did you just buy it and what did you pay for it?” Then there’s the other standard, when what I believe should be happening is everybody should be paying equitably, that it should be fair. It seems to me that these people are paying more than they should be in comparison to fairly close buildings around them, because they were taxed based on what they paid and the others are being taxed on what they used to be worth.

L. Jackson: Last year, right. Next year they’ll be taxed on the new valuations that we are putting in...

J. Hyk: So you’re not disagreeing with me, you’re just saying, “Give me a year.”

L. Jackson: I can’t disagree.

J. Hyk: You’re saying, “Give me a year to fix it.” I’m not trying to put words in your mouth, but what I’ve thought – let me ask you a question. Did I hear you say that next year the other people in Palermo will be paying more money?

L. Jackson: Definitely.

J. Hyk: O.K. Why?

L. Jackson: Because the value of the Town has gone up by the State’s valuation due to the sales in the Town of Palermo. The sales that people are paying for these places are jacking this town up so far, so high that, to be honest with you, it’s going to be almost impossible to keep up with it.

J. Hyk: So you’re going to raise the valuation because they are presently undervalued.

L. Jackson: That is exactly right.

J. Hyk: His [Yates’] property is not presently undervalued.

L. Jackson: No.

J. Hyk: The other properties are.

L. Jackson: That’s right.

J. Hyk: That’s what he’s saying and you’re agreeing with him.

L. Jackson: Well, yeah!

J. Hyk: O.K. (Laughing) He just agreed with him!

A. Fowler: No, no, because – and this is my take, if I’m putting words in your mouth, I apologize. It’s my thoughts, that, like an example is being made of them [Yates] only because they just purchased this property and you have a fresh figure that the State is basing the Town’s valuation

with. You haven't had the opportunity – Mrs. Mundy has sold her property, therefore it hasn't been bought – but because of you folks [Yates] or anyone else who's bought or purchased or built a home in Palermo an "upped" the valuation that town, thus it gets the ball rolling down the hill.

L. Jackson: That's right. And we're going to do everything in our power. I've got a good portion of this all done. I'm waiting to see what the other valuation of the town is. When I get that, I'm also going to compare it to Searsmont and Liberty because the last three years, I had paperwork that I took to the State proving that Searsmont was selling property. The valuation against that property was dollar for dollar, penny for penny, and they're climbing 35% and Palermo's climbing at 70%, and they [the State] won't answer me.

J. Hyk: Everything you're saying is true, but it's not germane to this specific case. This case before us today is about just one thing, and that's this one piece of property and this one property owner is saying, "My taxes are not fair to the taxes that the people are paying in similar buildings around me. I happen to agree with him [P. Yates]. I'm going to lose this battle, I'm certain, but I'm just saying, [to the assessors] thank you very much for admitting so. (To the other Commissioners) So what do you want to do, here? Do you want to deliberate this thing now?"

G. Boetsch: (To A. Fowler) Do you have an idea?

A. Fowler: Well, as I say, I can totally support and see where you folks [the Yates] are coming from as a huge taxpayer myself in my town. However, as a former Selectman/Tax Assessor, I can also feel these gentlemen who are sitting here who have to adhere to the mandates and the requirements the great State of Maine puts on them, and, unfortunately, you guys [the Yates] bought at the wrong place and wrong time, I guess, is my thought. The State just waits for somebody to come in and pay a high price. You paid \$215,000.00 on a camp that, to Mrs. Mundy, who bought it in '71, it was worth \$40,000.00. We've got to stop looking at it in that frame of mind. As I said, I feel for both sides – I really do – but in all honesty, I am going to have to go with the Town as a former assessor. I see what they're doing.

C. Boetsch: Because I am a kinder, user-friendly person, I have an idea. How many other examples in the Town of Palermo have you got that's liable to crop up with the same predicament? Is this the only one right now?

G. Boyle: No, no, no, no – we had five people.

L. Jackson: Those five are the ones that checked with us, but there are umpteen million sales.... (Unintelligible words, due to more than one person talking.) They called on the phone. I had one lady call me on the phone and ask me, "Why did my taxes go up?"

C. Boetsch: Right, you have a lot of those, but are any of these cases that are liable to come before you for abatement?

G. Boyle: Well, we had five – five abatements that we gave, very similar to the Yates.

C. Boetsch: Were any of them way bigger than this? About the same?

G. Boyle: It was similar.

J. Hyk: But were they the same complaint? Were they recent sales?

G. Boyle: Yes.

C. Boetsch: Is there a big abatement number requested in any of these other four?

G. Boyle: I don't have all the abatements here... (Looking through paperwork.) It looks like one of them was \$390.00, \$311.00 which was the Yates' abatement, and another one was \$315.00, \$292.00...

C. Boetsch: In your town, you have an overlay?

G. Boyle: Yes.

C. Boetsch: Can we settle this by splitting the half of the \$1,000.00 that really is the rounded off figure? (To J. Hyk) Can I ask them, would they be willing to abate them \$500.00?

J. Hyk: You sure can.

C. Boetsch: Would you be willing, out of your overlay, to abate them \$500.00?

L. Jackson: Do you want an honest answer? The answer is no. The simple reason; you're setting a precedent for everybody in town to come back and say, "Well, then I want \$500.00 because I'm overvalued, too." The town does not have a half a million dollars or more to give away.

C. Boetsch: Then I've made up my mind.

J. Hyk: Excuse me just a minute. I have a procedural question. Barbara, in the process of doing this, (to the Assessors) since we don't do this every day, please bear with us...

L. Jackson: That's no problem.

J. Hyk: We want to try and get it right the first time. (To B. Arseneau) Do we close the hearing, and then deliberate, or is the deliberation part of the hearing?

B. Arseneau: Good question. I'll be right back.

J. Hyk: We don't even have to make a decision today. (Laughing) We could send everybody home because we don't want to disappoint them and make a decision next month when there's nobody here to watch it. We get to do that, too.

L. Yates: Can I say something?

J. Hyk: It's a little bit out of order, but I'm going to allow it. I think it's more important – you all have to go back and live together in the same town – and I represent everyone in this case, so I'd like to be as thorough and as open as possible, so please do.

L. Yates: I have no problem paying our fair [share], I mean, I really don't. I mean, I'm a Maine resident, my family's a Maine resident, not that that matters – we've grown up here, you know, the whole thing and we both work hard and Mrs. Mundy – love her – I really do. She's a sweet woman. (To the Assessors) What you said about her, I feel bad, but what makes you think that I am not going to be able to have a problem, too? You know what I mean? I might have to sell it, I don't know. I didn't realize it was going to jump up this amount. I might have to rent it, I don't know at this point. It just shocked me when I got the bill. I'm like, "Oh my God – my budget! What am I going to do?" We pay a lot in Maine where we live, too. I feel bad – I know the State – I know – and I don't want to get on anybody's bad side, but I just...

J. Hyk: Hold on, hold on. I'm going to recognize people one at a time, otherwise everybody starts talking at once.

L. Yates: I'm sorry. I'm not used to this – I'm really nervous.

J. Hyk: That's O.K. I wanted to allow you to finish before someone else...

L. Yates: I just want to let you know, we'll pay our fair share and I'll make the best with what I can do. I don't know what else to say.

(J. Hyk recognized L. Jackson.)

L. Jackson: Like I said, we're going to work on it as hard as we can and we're going to get the values up there of the rest of the people and get the value up to where the State is. The tax is going to depend upon what people do in March, so if you're going to be a resident of the Town of Palermo, be at the town meeting because that is where you set your mil rate, basically. We've just got to do it and, like I said, I'm sitting here – I'm not a full-time assessor. I work as often as I can when the office is open. I drive a school bus. I retired from the telephone company and I see this job and I am doing everything I can to make it easy for everybody, and yeah, I'm not going to sit here and say that some of these people that bought aren't paying, but I feel that they're paying, maybe, their fair share of the increase in which is being caused by these big sales. We've got to bring the rest of the people up and we're in that process. Hopefully when we get all said and done they are going to say, "O.K., them guys sat there and told us what they're doing, and, by gracious, they're doing it. I brought this [list] along just to show you that I have the pencil figures on it. It's only a preliminary one because if the valuation comes in and we add this up, we'll say that we're only 85%, then I'm going over this again and put more in there. We've got to get it up there. I just don't know what else to tell you. I feel sorry for a lot of people paying taxes, including myself.

(J. Hyk recognized Assessor Calvin Wade.)

C. Wade: This gentleman and I worked on this particular case right after they first came into the town office. We had a meeting with them, and we tried to go over this thing and I think it was said

that the price was a little bit high, it was overpriced. This gentleman and I went out and we went through the whole place. We measured the inside, the outside, we did a comparison with the lady next door, and we both felt uncomfortable about the fact that – the amount that they paid for this and, unfortunately it was done and paid for, and there was nothing we could do about it. Believe me; we were complete, you know, along with them. It was just an unfortunate thing.

J. Hyk: Well, you can always decide, as apparently you did, you must have decided that they paid too much for it and it was a sale that you might not use in a comparison. I don't know how you dealt with that. It's never easy. This stuff is never easy.

C. Wade: It's been very difficult.

J. Hyk: I did it myself. I was a selectman for 16 years, and I worked for Hamlin and Associates as an assessor. It's always a problem. (To B. Arseneau) Do you have an answer for them?

B. Arseneau: In answer to your question, they don't spell out your procedure very much. There's really only one paragraph that states what you folks do. You basically reach whatever decision you reach, when you reach it and you have 60 days to let them know.

J. Hyk: I would like to ask the other Commissioners if they wish to take action on this at this time.

C. Boetsch: I'm willing to.

A. Fowler: As I say, I don't have a problem with it.

P. Yates: To me it just comes to being fair and equitable. We're paying this tax increase a year ahead of everyone else. I understand that things are changing for next year, but why not wait on ours until next year as well? That way, the playing field is level. We all get hit at the same time. Why are we being singled out a year ahead of everyone else, just because that's when we purchased the property? I mean, yeah, it's unfortunate that we were in the wrong place at the wrong time, like you said, but it's not equitable. Wait the year; raise everyone's taxes at the same time. That's just the equitable thing to do in my opinion.

L. Jackson: If you did that, what he's [P. Yates] saying; the taxes in Palermo would go completely out of sight until you could get a handle on what people are selling their property for and bring these other people up. If you leave the taxes at the rate at which it was at, with these types of sales, Palermo's valuation, instead of being 80-85% of the State would be 12-50%. And we could lose all State subsidies, they'd lose everything. You have to stay within 70 to 110%. Technically we could have tax his [Yates'] at 110% if we'd wanted to, but we didn't. We taxed it at 90%. When we got all done the calculations and people came in, we realized that we were at 80%, so we dropped it 80%; no questions asked, because we knew we had gone 10% over what we were of the State's value. There's no way that we could take all the properties, and if you could see the turnaround sheet, which is a list of all properties that's been sold, it would reach from here to that lady (indicating several feet long.) And every one of them are up there. A piece of property just sold in the Town of Palermo for \$550,000.00. Another piece just sold for \$470,000.00. That one's on the lake. Imagine what that's going to do. She's going to hit hard, ladies and gentlemen. We're in the

process of doing our best to make sure that we can run this up to where everybody is going to be... They're not floating in this boat alone, believe me.

J. Hyk: Thank you. I'm going to close this part of the hearing and move on to deliberations now, and it will just be the Commissioners taking in this, if you want to reach a decision.

A. Fowler: Yes.

C. Boetsch: The State does allow them to use the sales of the property to set their value. Like the man says, they have to play within certain rules in order not to lose subsidies, because they have to be at a certain percentage of the valuation of the house. I'm ready to vote.

A. Fowler: And also, when you do a revaluation, a town is allowed, I believe, two years to complete an entire valuation, which means that some people are going to get hit a year ahead of the other. The fact is, so long as realtors can unload property for ridiculous prices, this is what's going to happen because the State has those figures to use. I'm ready [to vote], also.

J. Hyk: I'm ready to entertain a motion.

****A. Fowler moved to deny the abatement. G. Boetsch seconded.**

Discussion:

J. Hyk: I think that there was no equity here, that the taxes are supposed to be assessed on an equal basis. This is not. This is based on somebody paid a bunch of money for a house, therefore, they'll pay more and everybody living in a similar house is going to pay less. That's not equity, in my mind. But this is the great thing about a democracy; we have our say, we cast our vote, and we move on in a friendly manner. So, I'm going to call the vote. All in favor?

(Motion passed by two with J. Hyk opposed.)

J. Hyk thanked everyone. B. Arseneau informed the group that a decree would be sent out in about a week and the minutes would be transcribed out as soon as possible.

Respectfully submitted by: Barbara L. Arseneau
Barbara L. Arseneau, County Clerk