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TAX - MAINE

Angell Family 2012 Prouts Neck Trust v. Town of Scarborough

Supreme Judicial Court of Maine - October 13, 2016 - A.3d - 2016 WL 5940101 - 2016 ME 152

Taxpayers challenged increased property tax assessment levied by town.

The Business and Consumer Court found that taxpayers lacked standing, and taxpayers appealed.

The Supreme Judicial Court of Maine held that:

- Taxpayers had standing to challenge town's excess land program;
- Town's abutting property program violated state constitution;
- Town's board of assessment review was compelled to conclude that abutting property program resulted in an unequal apportionment of tax burden;
- Town's large lot program was not discriminatory;
- Town had legitimate basis for its increased assessments; and
- Town assessor's decision to increase assessments did not constitute unjust discrimination.

Taxpayers had standing to challenge town's excess land assessment programs which provided a method for valuing single residential lots larger than one acre, and permitted owners of multiple contiguous lots to combine those lots for assessment purposes, even though taxpayers did not qualify for the programs, where taxpayers did not benefit from the favorable tax treatment that town gave to owners of qualifying lots.

Town's abutting property program, which permitted owners of multiple contiguous lots to combine those lots for assessment purposes, violated state constitutional requirement that an individual parcel of real estate be assessed separately according to just value.

Town's abutting property program, permitting a taxpayer who owns multiple abutting lots to elect to have the separate lots assessed as a single unit, resulted in an unequal apportionment of the tax burden in violation of the state constitutional requirement that an individual parcel of real estate be assessed separately according to just value, since some taxpayers received a major benefit as a result of the program, and those who did not own abutting lots were subjected to taxes not imposed on owners of lots that happen to be abutting.

Town's large lot program, which applied to the valuation of a single parcel larger than one acre, was not discriminatory against taxpayers who did not qualify for program, where the program resulted in an assessment reflecting the just value of taxpayers' waterfront property.

Town had legitimate basis for its increased assessments of waterfront property owned by taxpayers, where town assessor's reevaluation of properties was grounded in an ongoing analysis of sales data, and although some of the sales used in the analysis were private sales, there was no evidence that those sales were not arm's length transactions.

Town assessor’s decision to increase assessments on waterfront properties in area of property owned by taxpayers, but not to raise assessments of comparable properties in another area, did not constitute unjust discrimination against taxpayers, where the waterfront properties in the comparable area were not similarly situated to those in taxpayer’s area, the other properties were generally larger, and were located a significant distance from the taxpayer’s area’s amenities.

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