

Old Orchard Beach Board of Assessment Review
Hearing re: Appeal of Sumner Hoffman
April 12, 2010

Present: Lucien Huot, Kerri-Lyn Hodgkins, Margaret Michaels, Michelle Parkinson –
Board of Assessment Review
George Greene, Town of Old Orchard Beach Assessor
Mr. and Mrs. Sumner Hoffman, applicant

After introductions, Chair Michelle Parkinson read the opening remarks [attached], and confirmed the assessment of \$358,200 and a requested abatement of \$52,700.

The applicant, Mr. Hoffman, outlined his request for the abatement. He stated the valuation had increased 27.5% in 2010 from 2009. He passed out a packet of information to the Board. He stated after he received the assessor's letter, he had Mr. Delcourt do an appraisal of his property. He spoke of the sale of unit 7D, the valuation should be reduced by the sale commission (6%), and the furniture value of \$5,000. Referring back to Mr. Delcourt's appraisal of \$340,000, he now believes his valuation should be \$340,000.

Board member Hodgkins inquired if he was now asking for a reduction in his original request of \$52,700, to \$14,000, and the applicant confirmed.

The assessor then presented his rebuttal. Mr. Greene gave a condominium sale analysis [attached], stating the higher end units have not dropped from year to year in valuation. The sales may have dropped, but the assessment ratio remains the same. Pine Point Vista has not had a lot of sales. He assesses based on the different views (partial view, full view, no view). It's a constant work in progress. He makes all attempts to be fair and equitable. He then showed three sales as presented by Mr. Hoffman as comparables, and why they were not acceptable as such:

191 East Grand Avenue, #302—sold for \$335,000 on September 10, 2009. This was five months after the commitment date. It was assessed for \$334,500. In speaking with the broker, the broker had advised this owner was under duress to sell.

39 West Grand Avenue, #58—sold for \$405,000 on September 28, 2009, again five months after the commitment date. It was assessed for \$337,000, 83% of the sales price.

1 East Grand Avenue, #505—sold for \$435,000 on February 26, 2009. He bought it in May of 2007 for \$575,000, and had a loan on it still for \$517,000. He was not a willing seller. The broker told the assessor the owner wanted to move out of Maine as soon as possible.

The assessor stated that Mr. Hoffman's unit is listed in green on the spreadsheet he passed out. He advised that he is assessed at \$313 per square foot. Mr. Hoffman is not overassessed based on other comparables units in Old Orchard Beach.

Mr. Greene then handed out a list from Nancy Z Moreshead, a real estate agent, for sales from January to December in 2008. He asked the Board to look at the two condominiums in the Diplomat, on the 6th floor that are not oceanfront, but they have an ocean view, similar to Mr. Hoffman's. The square footage is very close. Mr. Hoffman's unit is 1144 square feet and the other units are approximately 1200 square feet. The assessments are lower than the sales price.

Mr. Greene advised that after the initial abatement request, he reviewed the application and replied. On March 10th, 2010, the applicant called, stating he had another appraisal done for \$340,000, and inquired if the valuation could be dropped from \$358,000 to \$340,000 based on the new appraisal. Mr. Greene responded that the appraisal was done ten months after the close of the commitment of April 1, 2009.

Mr. Greene stated he is trying to be 90-95% consistent with values. He read a Supreme Court Case from 1974, and a 1935 case, as well, advising that his assessment is "Fair and Equitable".

Mr. Hoffman's questioned if the Assessor modified his values based on sales commission and furniture. Mr. Greene responded that since there is usually a sales commission on sales, he doesn't modify that. He also advised that he is looking at 2,000 +/- condos, so he doesn't have the time to research every sale. Legally, he can be within 10% +/- of the assessment ratio to be fair, as long as everyone is equitably treated.

Mr. Greene stated there were 12 sales of high end condos in Old Orchard Beach this past year. The state does a valuation every year. Most York County Towns dropped in valuation an average of 2-4%. In Old Orchard Beach, we only dropped 1/10th of 1% from the previous year's state valuation. The values held their own in Old Orchard Beach. Property on the beach not only held their value, but there have been increases.

Chair Parkinson inquired of the Board if anyone wished to schedule a site visit of the property. The Board as in agreement they did not wish to view the property at this time.

Board member Huot stated the assessor can be up to 5% above the valuation of a property. He advised there are two members of the Board of Assessment Review that are brokers, including himself. He stated that just valuation comes into play, allowing the assessor room to work with. The State doesn't want valuations to be less than 70%. He said he will review all the information, and consider the request. He stated although he doesn't wish to view the property at this time, he may reconsider if needed.

Chair Parkinson stated that according to the law, the burden of proof is on the taxpayer. The taxpayer needs to prove the assessment is manifestly wrong. The applicant also needs to prove that:

1. The judgment of the assessor was irrational or so unreasonable in light of the circumstances that the property is substantially overvalued and an injustice results;
2. There was unjust discrimination; or
3. The assessment was fraudulent, dishonest or illegal.

Board member Margaret Michaels believes the assessor had given a just price.

The meeting was then adjourned at 7:35 p.m., and while the applicant was still present, Chair Parkinson stated they would not be making a decision tonight, but take time to review the information. The Board will reconvene on Monday, April 26th, at 6:30 p.m. to deliberate on the appeal, and then Wednesday, April 28th, to approve the findings of fact.

Respectfully Submitted.

Kim McLaughlin
Town Clerk

I, Kim McLaughlin, Town Clerk of Old Orchard Beach, do hereby certify that the foregoing document consisting of three (3) pages is a true copy of the original Minutes of the Board of Assessment Review Meeting held April 12, 2010.

Kim M. McLaughlin