



TOWN OF RICHMOND

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MEMORANDUM

TO Selectboard Members – Board of Assessors Role
FROM Jim Chandler, Town Manager *JNC*
COPY Laurie Boucher, Finance Director
Rob Duplisea, Assessor
Darryl Sterling, Economic Development Director
DATE October 7, 2025
REFERENCE 2025 Revaluation Results, Commitment & Setting of Mil Rate for FY2025-2026

Purpose

The Town contracted with RJD Appraisals to act as its Assessor to perform the 2025 Revaluation. The revaluation established the current total taxable assessed value of all properties in the town. This information is presented for your use in setting a Mil Rate for the Commitment and collection of property taxes to meet the fiscal year 2026 budget obligations approved by Richmond residents at the 2025 Annual Town Meeting for funding the Richmond School District and Town municipal services.

Background & Explanation of the Revaluation Process

The Town of Richmond last completed a 100% Revaluation in 2008. The State of Maine requires this process when a town's estimated total value has dropped below 70%. Richmond's total value was approximately 64% in 2024 and estimated to be 55% of total value in 2025. The State requires values be above 70% for a municipality to avoid the loss of State funds.

RJD Appraisals carried out a comprehensive, lot-by-lot appraisal, gathering data on building quality and condition, and then applied a market analysis of current sales of comparable properties to determine the estimated market value for each property as of April 1, 2025. RJD created new Property Tax Cards with updated values for land and buildings on each parcel, which were provided to the town and electronically stored in the Trio software. The outdated physical cards were retired and stored in the Town's Archives.

2025 Valuation, Calculations, Range of Allowable Mil Rates (Per State Law) & TIF Revenues

Upon completion of this process, the 2025 total valuation is \$567,308,700 for real property, which is an increase of \$311,525,698 over the 2024 total valuation of \$255,783,002. An increase of 121.79 percent.

When calculating the total funds needed for Commitment, Personal Property values are added to the Real Estate values for a Total Taxable Value. Personal Property value increased from \$32,918,945 in 2024 to \$32,919,614 in 2025. This is a modest increase of \$669, or .002% increase. The sum of the Real Estate valuation and Personal Property valuation equals \$600,228,314 of total taxable value.

This amount is then adjusted by adding the allowable 76% Homestead Exempt Value and of 50% Reimbursable Business Equipment Tax Exemption (BETE) values, \$16,321,000 and \$5,495,528 respectively, which are set by the State. Then the subtraction of 100% of allowable sheltered tax values from the Downtown and Pipeline TIF Districts that have a combined total value of \$48,791,152.

To summarize, these calculations result in a Total Valuation Base amount of \$573,253,690 to be used in setting the allowable range of mil rates to be considered by the Town.

For fiscal year 2025-2026 the mil rate may be set between the Minimum Rate of 11.09 and a Maximum Rate of 11.65.

This information was combined with the Town's Approved Tax Increment Financing Plan (TIF) calculations for determining what percentage of taxes to recommend be sheltered and the subsequent TIF revenues to be generated for each of the Town's two TIF Districts.

Historically, the Downtown TIF has been set at 100% Capture, and the Pipeline TIF set at 60%. However, due to the changes in residential real property values, as compared to the Original Assessed Values (frozen by State Law) for properties within the two TIF Districts, the ratio and subsequent reduction in mil rate, the TIF Financing Plan Amount of net tax revenues to be captured from both TIF Districts are reduced by 48% to 61%, depending on the mil rate. This reduction will directly affect projects planned for upcoming fiscal year that depended on this TIF Revenue.

Appropriations, County Taxes, Deductions & TIF Program

The Town residents approved the following amounts for Appropriation at the June 2025 Town Meeting, and an additional TIF Financing Plan amount* that's set with the mil rate:

• Richmond School District	\$5,255,016.16
• Municipal Services	\$2,208,862.00
• County Taxes	\$ 698,797.00
• TIF Financing Program (set at Town Meeting)	\$ 359,947.00
• TIF Financing Program* (set by mil rate)	\$ 186,513.90
• Subtotal to be Raised by Taxation	\$8,709,136.06

The above subtotal to be Raised by Taxation is reduced by Allowable Deductions that include revenues paid to municipalities from the State Revenue Sharing program, and Municipal revenues generated by fees, excise taxes, interest earned, and miscellaneous licenses.

• Less Deductions	
○ State Revenue Sharing	\$ 705,539.00
○ Municipal Revenues	\$1,100,000.00
• Net Total to be Raised by Taxation	\$6,903,597.06

Selectboard Direction to Staff for Mil Rate Scenarios

Discussion at the Selectboard Meeting of September 30, 2025, directed staff to develop scenarios for review and consideration that included options for the lowest possible mil rate. One scenario requested a minimum Overlay. The Overlay is tax revenue necessary to fund abatement requests. Per State Statute, this is not to exceed 5% of the total Net to be Raised.

Given the increase in property values, and respective increase in property taxes, the Town should expect a larger number of abatement requests than previously received during the intervening period since 2008, thus the scenarios for minimum Overlay were eventually removed.

The scenarios were evaluated against the impacts of reduced TIF Financing Plan Revenues approved at the 2025 Town Meeting and supplemented by the TIF amount calculated by the mil rate, coupled with the elimination of near zero Overlay has resulted in the recommendation below.

Recommendation

Using the information provided by the 2025 Revaluation, the Town Manager, Finance Director, and Assessor reviewed the 2025 Town Meeting Approved Budget and recommends a mil rate of 11.2. This is the lowest possible rate that sets an Overlay for abatements near 1% of the total, and preserves 48% of the anticipated TIF Financing Plan amount.

Recommended Motion:

Motion to set the 2025 mil rate at 11.2.

Fiscal Impact

Setting the mil rate at 11.2 for the fiscal tax year 2025-2026 will generate sufficient revenues to meet the approved obligations for the Richmond School District, Municipal Services, County Taxes, partially funds the TIF Financing Plan at 48% of the anticipated total, and sets the Overlay amount at 0.87%.

The only variables that are determined by the Selectboard are the amounts for TIF Financing and Overlay.

A mil rate of 11.2 sets the total TIF Financing Plan Revenue at \$546,460.90.

A mil rate of 11.2 sets the Overlay at \$63,305.16.

Staffing, Project & Program Impacts

Potential loss of staff positions, specific positions with specifics to be determined, depending upon mil rate and need for cuts to the TIF Financing Plan revenues. Priority will be given to line items approved at Town Meeting that included supplemental TIF funding.

Regional Impact

To be determined.

Legal Review

This matter does not require input from the Town's legal counsel.