



**City of Biddeford
City Council**

April 9, 2026 at 5:30 PM
City Hall Council Chambers & Teams

[Join Teams Meeting Online](#)

Meeting ID: 258 839 208 802 82

Passcode: Ec6rD32n

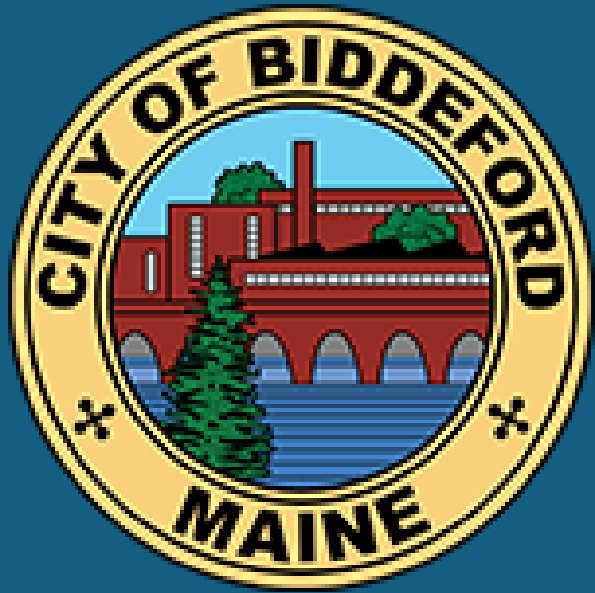
Dial in by phone

+1 872-242-8054, Phone conference ID:114 603 310#

[Teams Instructions](#)

[Fiscal Year 2027 Budget Documents | Biddeford, ME](#)

1. Roll Call
2. Pledge of Allegiance
3. Budget Discussion
 - 3.a State Valuation Presentation - Karen Fortier, Interim Assessor
4. Adjourn



ASSESSING DEPARTMENT

UNDERSTANDING STATE VALUATION

Presented Karen Fortier, CMA

WHAT IS STATE VALUATION?

- Independent, statewide determination of FULL EQUALIZED MARKET VALUE (100% of Just Value) of all taxable real and personal property in each municipality and unorganized territory.
- Required Annually by State Law, 36 M.R.S. section 208 Equalization
- State Tax Assessor/Maine Revenue Services (MRS) develop a sales ratio study for each municipality.
- Ratio studies are used to determine where assessed values are in relation to market value
 - Ex. \$400,000 Assessed Value / \$500,000 Sale Price = \$80% Ratio

HOW IS STATE VALUATION DETERMINED?

- In September, the Assessor completes sales review for sales occurring July 1st to June 30th for the tax commitment that has the effective date of April 1st (valuation date in the State of Maine)
- State auditors complete the sales ratio study in about 18 months
- State auditors adjust City's Valuation Base to 100% Market Value
- State Valuation results lag behind current market by 2 years.
 - 2026 State Valuation uses sales from July 1, 2023, to June 30, 2024, with effective date of April 1, 2024.

DECLARED CERTIFIED RATIO ANALYSIS

- Auditors complete a sales ratio study for Residential (80%), Commercial(77%), Waterfront/Water Influence (73%) & Condominium (81%) properties.
- From the “Residential Study” (single-family and 2-4-unit Residential Buildings) the average ratio is used for the municipality’s overall ratio.
- From the 2026 State Valuation, Biddeford’s ratio is **80%**
- State allows a municipality to be within 20% of the state valuation determined ratio. (36 M.R.S §383(2))
 - **The FY 2027 Declared Certified Ratio can be between 72% and 88%**

STATE VALUATION CALCULATION

The following values are adjusted by the developed sales ratio to equalize the values to 100% of market value:

- Total Taxable Real Estate & Personal Property Assessed Value
- Abatements/Supplements
- + Homestead Exemption Reimbursement Assessed Value (76%)
- + BETE (Business Equipment Tax Exemption) Reimbursement Assessed Value (50%)
- TIF Assessed Value

State Valuation

STATE VALUATION AND STATE FUNDING

- State Valuation serves as a primary measure of the City's fiscal capacity and directly affects how State funds are distributed to municipalities. The main impacts are the following:
 - K-12 Education Funding
 - Municipal Revenue Sharing
 - County Tax Allocation

IMPACT OF THE CERTIFIED RATIO

- All Exemptions are adjusted to the Certified Ratio
 - Homestead, Veteran's, Blind Person's, Parsonage exemptions reduce the assessed value, and State reimburses the City a portion of the loss in taxes

Certified Ratio	100%	88%
	Assessed Value	Assessed Value
• Homestead Exemption	\$25,000	\$22,000
• Veteran's Exemption	\$ 6,000	\$ 5,280
• Paraplegic Veteran Exemption	\$50,000	\$44,000
• Blind Person's Exemption	\$ 4,000	\$ 3,520
• Parsonage	\$20,000	\$17,600

IMPACT OF THE CERTIFIED RATIO

Median Single-Family Home

Declared ratio = 88%

- Current median single-family assessed value is \$402,000.
- \$16.10 estimated mil rate

- \$402,000 Median single family
- -\$22,000 Homestead Ex
- \$380,000 x 0.01610
- = \$6,118.00 estimated tax

Declared ratio = 100%

- If values were adjusted to 100% market value, the median single-family home would be \$502,500.
- \$12.88 estimated mil rate
 - ($\$16.10 \times 0.80 = \12.88)

- \$502,500 Median single family
- -\$25,000 Homestead Ex
- \$477,500 x 0.01288
- = 6,150.20 estimated tax
- + \$32.20

IMPACT OF CERTIFIED RATIO – HOMESTEAD EX

Prior Year Comparison - \$402,000 AV Median SFR

<u>FY 2026 - 98% Certified Ratio</u>	HE Assessed Value	Reduction in Taxes due to HE	Taxes due for median SFR w/ HE
Homestead Ex 14.94 Mil Rate	\$24,500	\$366.03	\$5,639.85
Homestead Ex Proposed \$16.10 Mil Rate	\$24,500	\$394.45	\$6,077.75

<u>FY 2027 - 88% Certified Ratio</u>	HE Assessed Value	Reduction in Taxes due to HE	\$ Change Homestead Ex	Taxes due for median SFR w/ HE
Homestead Ex \$14.94 Mil Rate	\$22,000	\$328.68	-\$37.35	\$5,677.20
Homestead Ex Proposed \$16.10 Mil Rate	\$22,000	\$354.20	-\$40.25	\$6,118.00

IMPACT OF FY 27 BUDGET ON TAX BILL AS PROPOSED

- Median single-family home = \$402,000 assessed value
- Homestead Ex at 88% = \$22,000
- Median SFR w/ HE = \$380,000
- Mil Rate \$16.10
- FY 27 Tax Bill = \$6,118.00
- FY 26 Tax Bill = \$5,639.85

Annual Increase	Semi-Annual Increase	Monthly Increase	% Increase
\$478.15	\$239.08	\$39.85	8.48%

IMPACT OF FY 27 BUDGET ON TAX BILL

- Median single-family home = \$402,000
- Homestead Ex = \$22,000
- Taxed Assessed Value = \$380,000
- Mil Rate \$16.10

Assessed Value of SFR w/ HE	\$380,000	FY 27 Median SFR w/ HE Proposed Tax Bill	\$6,118	
FY 27 Budget Increase	Mil Rate	Median SFR w/ HE Tax Bill	Tax Bill Increase	% Change
\$10,000	\$16.10	\$6,118.00	\$0.00	\$0.00
\$100,000	\$16.12	\$6,125.60	\$7.60	0.12%
\$500,000	\$16.21	\$6,159.80	\$41.80	0.68%
\$1,000,000	\$16.32	\$6,201.60	\$83.60	1.37%

IMPACT OF FY 27 BUDGET ON TAX BILL

- Median single-family home = \$402,000
- Homestead Ex = \$22,000
- Taxed Assessed Value = \$380,000
- Mil Rate \$16.10

Assessed Value of SFR w/ HE	\$380,000	FY 27 Median SFR w/ HE Proposed Tax Bill	\$6,118	
FY 27 Budget Decrease	Mil Rate	Median SFR w/ HE Tax Bill	Tax Bill Decrease	% Change
-\$10,000	\$16.10	\$6,118.00	\$0.00	\$0.00
-\$100,000	\$16.08	\$6,110.40	-\$7.60	-0.12%
-\$500,000	\$15.99	\$6,076.20	-\$41.80	-0.68%
-\$1,000,000	\$15.88	\$6,034.40	-\$83.60	-1.37%

IMPACT OF CERTIFIED RATIO

- Lower revenue from personal property
- Lower homestead exemption and BETE reimbursements

	FY 2026	FY 2027 ESTIMATE	\$ CHANGE	% CHANGE
CERTIFIED RATIO	98%	88%	-0.10	-10.20%
LOCAL TAXABLE REAL ESTATE	\$4,302,007,820	\$4,369,007,820	\$67,000,000	1.56%
LOCAL TAXABLE PERSONAL PROPERTY	\$72,768,400	\$65,316,916	-\$7,451,484	-10.24%
TOTAL TAXABLE VALUATION	\$4,374,776,220	\$4,434,324,736	\$59,548,516	1.36%
HOMESTEAD REIMBURSEMENT VALUE	\$59,899,157	\$53,909,241	-\$5,989,916	-10.00%
BETE REIMBURSEMENT	\$27,340,800	\$24,600,720	-\$2,740,080	-10.02%
TOTAL VALUATION BASE	\$4,462,016,177	\$4,512,834,697	\$50,818,520	1.14%

IMPACT OF THE CERTIFIED RATIO

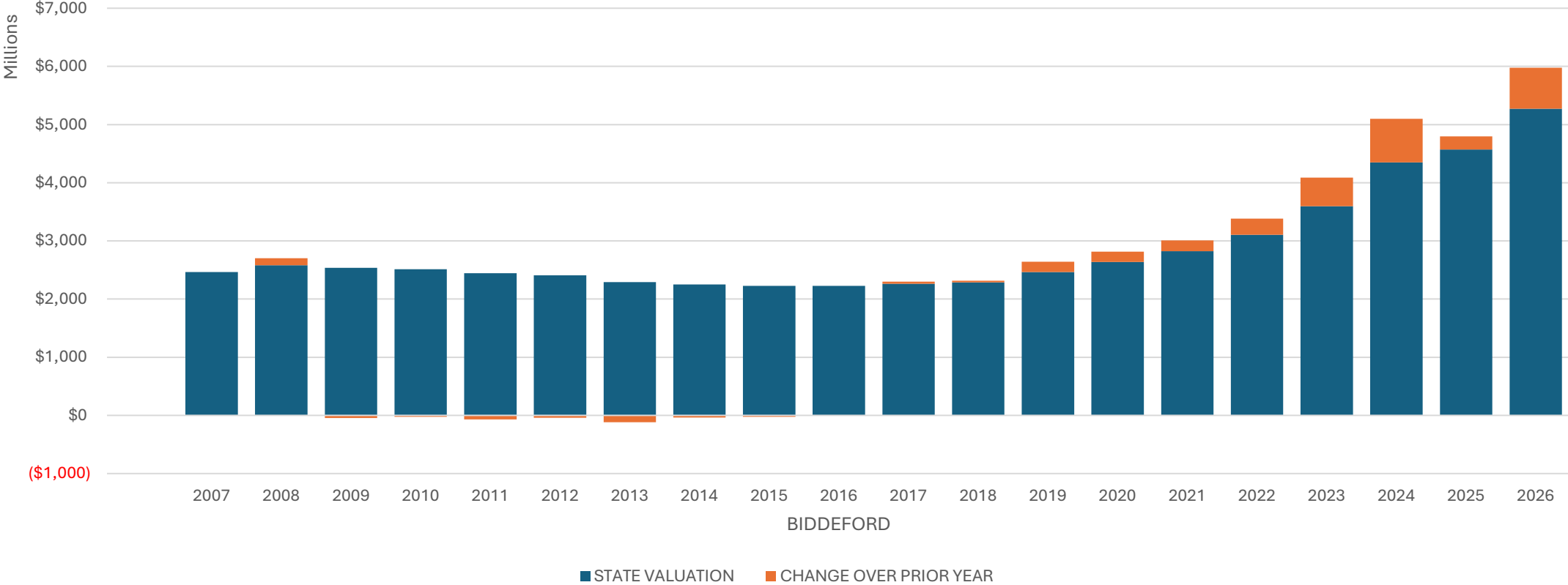
- FY 2025 – 100% Certified Ratio
- FY 2025 – FY 2026 Comparison

	FY 2025	FY 2026	\$ CHANGE	% CHANGE
CERTIFIED RATIO	100%	98%		
LOCAL TAXABLE REAL ESTATE	\$4,191,092,100	\$4,302,007,820	\$110,915,720	2.65%
LOCAL TAXABLE PERSONAL PROPERTY	\$67,954,200	\$72,768,400	\$4,814,200	7.08%
TOTAL TAXABLE VALUATION	\$4,259,046,300	\$4,374,776,220	\$115,729,920	9.73%
HOMESTEAD REIMBURSEMENT VALUE	\$61,572,540	\$59,899,157	-\$1,673,383	-2.72%
BETE REIMBURSEMENT	\$26,261,900	\$27,340,800	\$1,078,900	4.11%
<u>TOTAL VALUATION BASE</u>	<u>\$4,346,880,740</u>	<u>\$4,462,016,177</u>	<u>\$115,135,437</u>	<u>2.65%</u>

STATE VALUATION – BIDDEFORD

2007 TO 2026

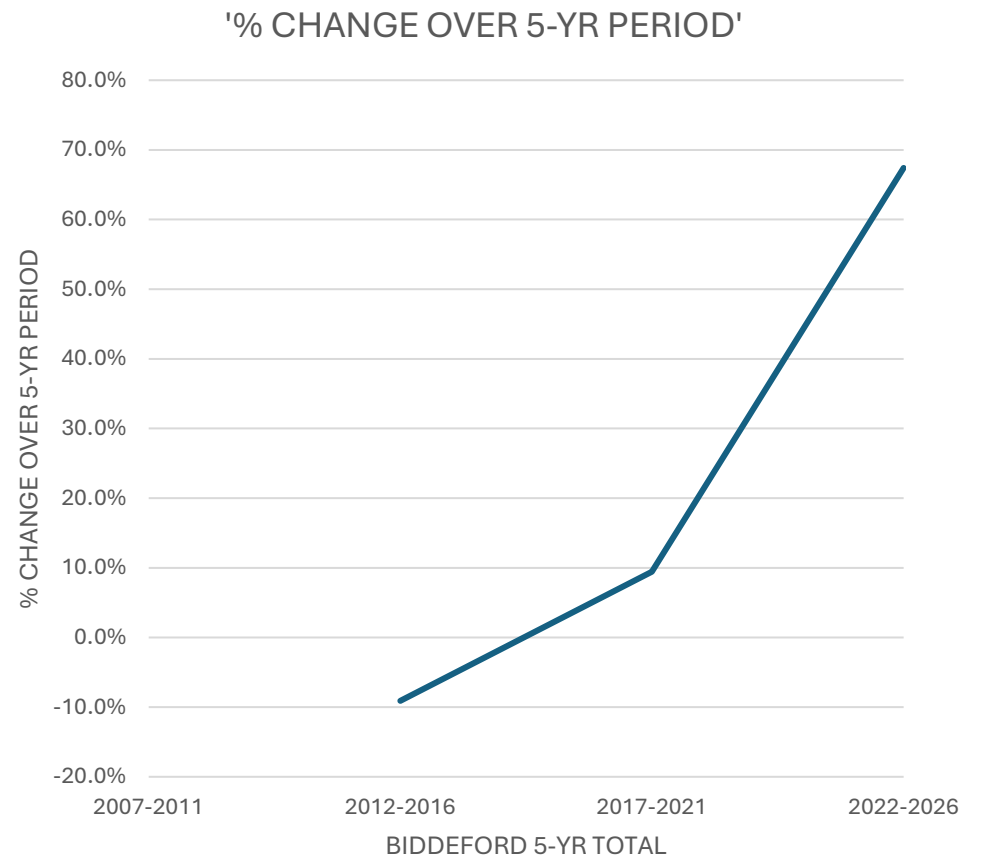
'STATE VALUATION', 'CHANGE OVER PRIOR YEAR' by 'BIDDEFORD'



STATE VALUATION – BIDDEFORD

- 5-Year Snapshot

BIDDEFORD	5-YEAR TOTALS	CHANGE OVER PRIOR 5-YR TOTAL	% CHANGE OVER 5-YR PERIOD
2007-2011	\$12,546,450,000		
2012-2016	\$11,405,250,000	(\$1,141,200,000)	-9.1%
2017-2021	\$12,479,450,000	\$1,074,200,000	9.4%
2022-2026	\$20,891,950,000	\$8,412,500,000	67.4%



ASSESSING STANDARDS

- The purpose of minimum assessing standards is to aid Maine municipalities in the realization of just assessing practices without mandating the different ways municipalities might choose to achieve such equitable assessments. (36 M.R.S § 326)
- Minimum assessment standards (36 M.R.S § 327)
 1. Assessment Ratios – 70% - 110%
 - IAAO Standards: Median Ratio: 90% - 110%
 2. Quality Rating (COD) – maximum rating of 20
 - Lower quality rating indicates more uniformity – how tightly assessments cluster around the median
 - IAAO Standards: Vacant Land: 5-25, Newer Single-Family: 5-10,
Older Single-Family: 5-15, Other Residential: 5-20 Commercial: 5-15