

7. MUNICIPAL FINANCES

Historical Valuations and Taxes

Both the Town of Wiscasset and the State of Maine compute valuations for the town (“valuation” in this context is the sum total of the value of all properties in town). The State compiles and adjusts its figures to reflect actual property transactions, and hence market values. Wiscasset’s valuations will reflect market value only in those years in which the Town conducts a revaluation and adjusts values to reflect market conditions (Wiscasset completed a revaluation in 1998). State valuation figures for any given year are two years old, and thus do not reflect recent changes in overall property values. State law requires that when a municipality’s valuation drops below 70% of the State valuation, a revaluation must be undertaken.

Table 1 provides a summary of Wiscasset’s State valuation, municipal valuation, the tax assessment and tax rate for the years 1992 through 2004, as reflected in municipal valuations prepared by the State Bureau of Taxation and in municipal valuation returns. During this period, Wiscasset’s municipal valuation rose from \$353.8 million to \$462.5 million, or 31%, despite the closure of Maine Yankee in 1997. The largest jump in the municipal valuation occurred as a result of the revaluation, when municipal valuation rose from \$377 million in 1997 to \$700 million in 1998. This was followed by a drop the next year to \$314 million, reflecting the loss of Maine Yankee’s valuation.

Table 1				
Historical Valuation And Taxes				
	State Valuation in \$	Municipal Valuation in \$	Wiscasset Tax Assessment in \$	Tax Rate
1992	501,700,000	353,826,989	12,737,772	0.03600
1993	503,100,000	353,582,930	13,082,568	0.03700
1994	575,750,000	367,295,726	13,039,001	0.03550
1995	531,400,000	378,541,937	11,924,071	0.03150
1996	509,000,000	378,603,866	14,008,343	0.03700
1997	509,750,000	376,835,421	13,754,493	0.03650
1998	447,950,000	700,085,900	8,401,031	0.01200
1999	394,600,000	313,647,425	4,704,711	0.01500
2000	344,900,000	316,162,607	5,026,985	0.01590
2001	323,500,000	232,754,320	4,166,302	0.01790
2002	329,100,000	231,395,883	4,512,219	0.01950
2003	254,600,000	448,742,400	7,292,065	0.01625
2004	276,750,000	462,503,300	8,325,059	0.01800

Source: Municipal Valuation Returns Statistical Summary, 1992-2004, State Bureau of Taxation

Valuation Comparisons

State valuation comparisons and full value per capita valuations are two measures of a community’s wealth relative to other communities. Table 2 contains a summary of State valuations and per capita

valuations for Wiscasset and a number of comparison communities. Wiscasset's 2004 State valuation (\$277 million) is higher than that of all comparison communities, in part because the Town has more people than the other communities (hence more houses).

Wiscasset has a lower full value per capita valuation (\$76,811) than the County (\$136,071) and State (\$79,230). Wiscasset's full value per capita valuation is lower than all of the comparison communities shown in the table except Alna (\$76,148). In terms of property taxes levied on a per capita basis, the figure for Wiscasset (\$2,311) is higher than the figures for all other jurisdictions shown in Table 2.

Table 2 Comparative Valuation Figures					
	2000 Population	2004 State Valuation	Full Value Per Capita	2004 Commitment	Local Taxes/ Capita
Wiscasset	3,603	\$276,750,000	\$76,811	\$8,325,059	\$2,311
Alna	675	\$51,400,000	\$76,148	\$965,144	\$1,430
Damariscotta	2,041	\$237,600,000	\$116,414	\$3,348,235	\$1,640
Dresden	1,625	\$84,650,000	\$52,092	\$1,378,494	\$848
Edgecomb	1,090	\$133,400,000	\$122,385	\$1853,548	\$1,701
Newcastle	1,748	\$172,100,000	\$98,455	\$2,759,959	\$1,579
Westport	745	\$119,150,000	\$159,933	\$1,544,068	\$2,073
Woolwich	2,810	\$229,550,000	\$81,690	\$3,258,674	\$1,160
Lincoln Co.	33,616	\$4,574,150,000	\$136,071	\$52,799,461	\$1,571
Maine	1,274,923	\$102,011,650,000	\$79,230	\$1,690,451,340	\$1,326

Source: Municipal Valuation Returns Statistical Summary, 2004, State Bureau of Taxation and U.S. Census, 2000.

Personal Property, Industrial Valuation

Most of Wiscasset's current valuation comes from residential property, as evidenced by relatively low personal property and industrial valuations. Table 3 shows that the total value of personal property in Wiscasset is \$10,889,350 (higher than any community shown in the table). However, the Town does not have any industrial valuation. When personal property and industrial valuations are combined, Wiscasset has the third highest per capita valuation rate (\$3,022) of nearby towns. The Town's per capita rate is somewhat higher than the comparable figure for the County (\$2,985), but it is considerably lower than the State figure (\$12,616).

**Table 3
Personal Property and Industrial Property – 2004**

	Total Personal Property	Total Industrial Valuation	Total, PP/IND Valuation	Total PP/IND Per Capita
Wiscasset	\$10,889,350	\$0	\$10,889,350	\$3,022
Alna	\$18,357	\$0	\$18,357	\$27
Damariscotta	\$6,311,200	\$0	\$6,311,200	\$3,092
Dresden	\$394,004	\$0	\$394,004	\$242
Edgecomb	\$673,857	\$0	\$673,857	\$618
Newcastle	\$6,130,217	\$5,430,0430	\$11,560,247	\$6,613
Westport	\$5,386,702	\$0	\$5,386,702	\$7,230
Woolwich	\$6,696,000	\$184,000	\$6,880,000	\$2,448
Lincoln Co.	\$66,512,762	\$33,817,075	\$100,329,837	\$2,985
Maine	\$8,724,350,787	\$7,359,578,969	\$16,083,929,756	\$12,616

Source: Municipal Valuation Returns Statistical Summary, 2004, State Bureau of Taxation and U.S. Census, 2000.

Tree Growth Tax Law

The Maine Legislature passed the Tree Growth Tax Law in 1972 to help Maine landowners maintain their property as productive woodland. Under the provisions of the law, forest land is assessed on the basis of its current use, not its highest and best use. This preferential tax treatment to owners of timber and woodland is given in order to provide an adequate incentive to manage the land on a sustained yield basis and not to strip and sell the land for development. As shown in Table 4, relatively few parcels of land in Wiscasset are enrolled in this program relative to other, nearby communities.

**Table 4
Tree Growth Tax Law, 2004**

	# Parcels	Acreage	Total Value
Wiscasset	10	623	\$81,336
Alna	94	3,608	\$488,611
Damariscotta	21	1,058	\$101,248
Dresden	32	1,252	\$172,765
Edgecomb	25	979	\$130,746
Newcastle	167	7,144	\$955,982
Westport	30	554	\$72,118
Woolwich	48	2,279	\$372,413
Lincoln Co.	629	32,388	\$4,055,104

Source: Municipal Valuation Returns Statistical Summary, 2004, State Bureau of Taxation and U.S. Census, 2000.

Farm and Open Space Tax Law

Maine's Farm and Open Space Tax Law was enacted in the early 1970s to prevent property taxes from forcing productive farms, woodlands and open spaces into tax delinquency or conversion to development. It is a widely used program in other parts of Maine, but in Wiscasset, only 181 acres of land have been enrolled in this program.

Table 5
Land under Farm and Open Space Tax Law 2004

	Farmland Parcels					Open Space Parcels		
	# of Parcels	Ag Acres	Wood-land Acres	Ag Value	Wood-Land Value	# of Parcels	Open Space Acres	Open Space Value
Wiscasset	0	0	0	0	0	4	181	\$79,600
Alna	3	47	0	\$10,900	\$1,178	0	0	0
Damariscotta	5	45	0	\$22,700	0	2	36	\$20,300
Dresden	0	0	0	0	0	2	114	\$16,043
Edgecomb	0	0	0	0	0	0	0	0
Newcastle	29	757	0	\$378,350	0	10	79	\$13,642
Westport	0	0	0	0	0	1	11	\$48,780
Woolwich	2	211	79	\$94,400	\$15,600	10	420	\$218,000
Lincoln Co.	94	8,033	2,536	\$833,754	\$351,359	83	2,867	\$5,659,289

Source: Municipal Valuation Returns Statistical Summary, 2004, State Bureau of Taxation and U.S. Census, 2000.

Exempt Property

Tables 6 and 7 provide an overview of exempt property in Wiscasset. Table 6 contains a summary of the total valuation of exempt property and exempt tax (the value of taxes not collected) for Wiscasset, a number of nearby communities and Lincoln County. Table 7 contains a breakdown of tax exemptions by category. Approximately 68% of the exemptions are for municipal property.

Table 6
Comparative Tax Exemptions - 2004

	Total Municipal Valuation	Total Exemptions	% of Valuation
Wiscasset	\$462,503,300	\$27,487,550	5.9%
Alna	\$49,242,047	\$787,823	1.6%
Damariscotta	\$175,300,275	\$35,555,159	30.2%
Dresden	\$85,617,679	\$4,370,912	5.1%
Edgecomb	\$176,528,387	\$2,984,841	1.7%
Newcastle	\$166,262,583	\$17,418,987	10.5%
Westport	\$105,397,149	\$896,736	0.9%
Woolwich	\$193,968,670	\$9,361,395	4.8%
Lincoln County	\$5,201,720,592	\$266,251,633	5.1%

Source: Municipal Valuation Returns Statistical Summary, State Bureau of Taxation, 2004

Table 7	
Summary of Wiscasset Exemptions - 2004	
Exemption	Amount
U.S. Government	\$252,100
State of Maine	\$69,900
Municipal	\$18,770,100
Fixtures, Hydrants	\$257,400
Airport	\$585,500
Benevolent and Charitable	\$1,642,600
Literary and Scientific	\$2,449,550
Churches	\$2,271,100
Fraternal Organizations	\$439,300
Veterans	\$730,000
Blind	\$20,000
Total	\$27,487,550

Source: Municipal Valuation Returns Statistical Summary, State Bureau of Taxation, 2004