

**City of Bangor Review: BETR to BETE conversion:**

As of December 31, 2014, the deadline for filing for BETR, about 300 applications were received and processed. This filing is for business personal property taxes paid on qualified property in 2013. The Bangor Mil Rate on April 1, 2013 was \$20.80/\$1,000 of valuation. The analysis shows the total value on the qualified BETR property was \$80,000,000. The businesses paid the tax to the City of Bangor and then requested reimbursement from the State of Maine. Note: the local assessing department never receives a report on what payments the State of Maine actually returned to businesses.

<u>Under BETR</u>		<u>BETR Converted to BETE</u>	
Business Property		Business Property	
Value \$80,000,000		Value \$80,000,000	
		State sends payment to Bangor	
<u>100% of tax to Bangor</u>		at least 56.04% of tax	
\$1,664,000	minus	\$932,000	=
			City Loss
			\$732,000
State of Maine		State of Maine	
Reimbursement to		Reimbursement to	
<u>Bangor Businesses @80%</u>		City of Bangor	
\$1,332,000	minus	\$932,000	=
			State Gain
			\$400,000

**\$732,000 (0.31 mils or about 1.5%)**

**Increase municipal tax on businesses and property owners in Bangor of \$732,000** The incremental increase to municipal property taxpayers is an increase of .31 mils. Pushes administrative burden and cost on to municipalities. Impact on the municipal assessing departments: previously the State of Maine staff determined BETR eligible property and now the local assessing department is required to perform this administrative function as required under the BETE statute.

Currently, \$80,000,000 of assessed value, as of April 1, 2013 is enrolled in the BETR program. The source for this information are the BETR applications and 801A and 801B on file in the Assessor's Office.

If BETR were to end, retail business types like those listed below would be impacted:

**Category/Type of Business**  
 Accommodations/Bed&Breakfast/Inns Arts & Cultural,Dealers **Automobile Dealers**  
 Bakeries **Banks/Credit Union/ATM** Beauty Salons/Cosmetic Studio Boat  
 Dealers/Marine Services Book Dealers, Store Boutiques/Specialty Store Campgrounds  
 & RV Campgrounds Car Rental/Leasing/(Automotive) Computer Products & Services  
**Department Stores Dining Drug Store/Pharmacy** Entertainment/Amusement Formal  
 Wear - Sales Furniture sales Glass Graphic Design Greenhouse/Nurseries  
 Grocery/Convenience Stores Hardware/Building Supplies Health/Fitness/Recreation  
 Home Furnishings & Services **Hotels/Motels** Loans, Commercial Manufactured Home  
 Sales Mobile Phones, Other Electronic Stores Monuments & Sandblasting Music  
 Instruments & Supplies Office Equipment/Furnishing Recreational Vehicles Rentals  
**Restaurants Retail Seafood Retail Service** Stations Telecommunications Television  
 Tire Company Trailer Sales, Leasing Trucks - Dealers/Service

The conversion of BETR enrolled property to exempt status would be accomplished over a 4 year period: local jurisdictions are never told what assets actually receive reimbursement. The local assessing office provides taxable values on business personal property with the corresponding tax, however, it is the State that makes the final determination on eligibility. No guidance from Maine Property Tax on how the percentages would be applied.

Generally, a 50% reduction in tax revenue with BETR property. The city has two large TIF districts and two business currently participate in BETR including General Electric with \$16,515,450 in value as of April 1, 2013 and HC Bangor LLC with \$10,415,000 (non-gaming assets).