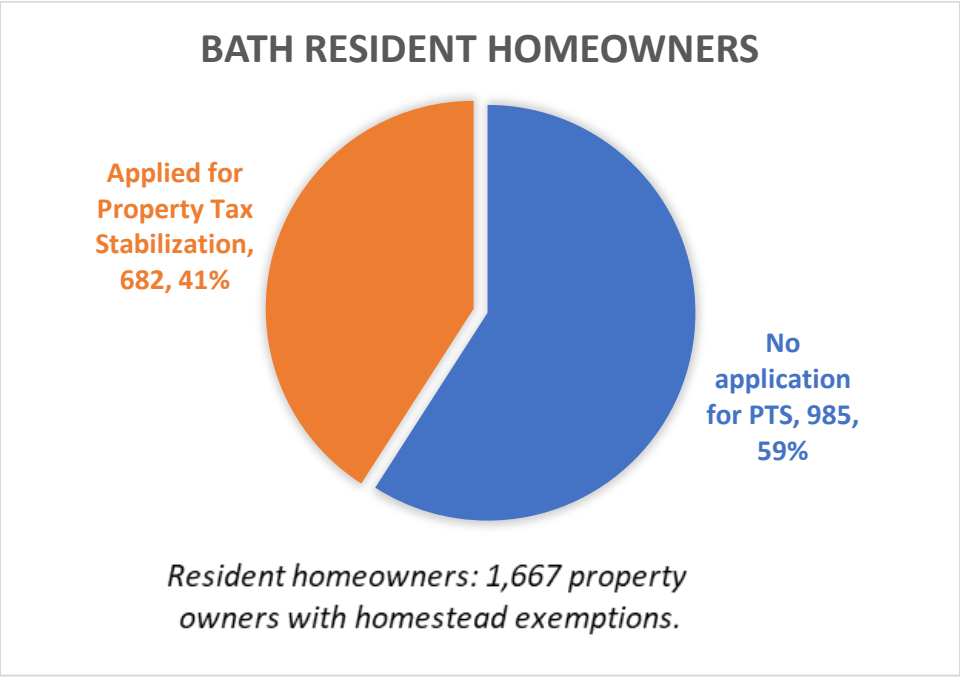
PROPERTY TAX STABILIZATION

AS OF DECEMBER 2, 2022

As the period to apply for Property Tax Stabilization concludes, Bath has received 682 applications from Bath residents for the program.

We estimate that the assessor's office has spent at least 500 hours processing these applications since August, along with doing outreach and answering questions from taxpayers. I've spent considerable time analyzing the data for the program. I've also spent time corresponding with Maine Revenue Services and the assessing community, seeking clarification on the program's regulations and documenting the numerous unintended consequences set in motion by this program.

In 2022, Bath had 1,667 homestead exemptions. The 682 applications represent 41% of these Bath resident homeowners.



BATH APPLICATIONS FOR PROPERTY TAX STABILIZATION

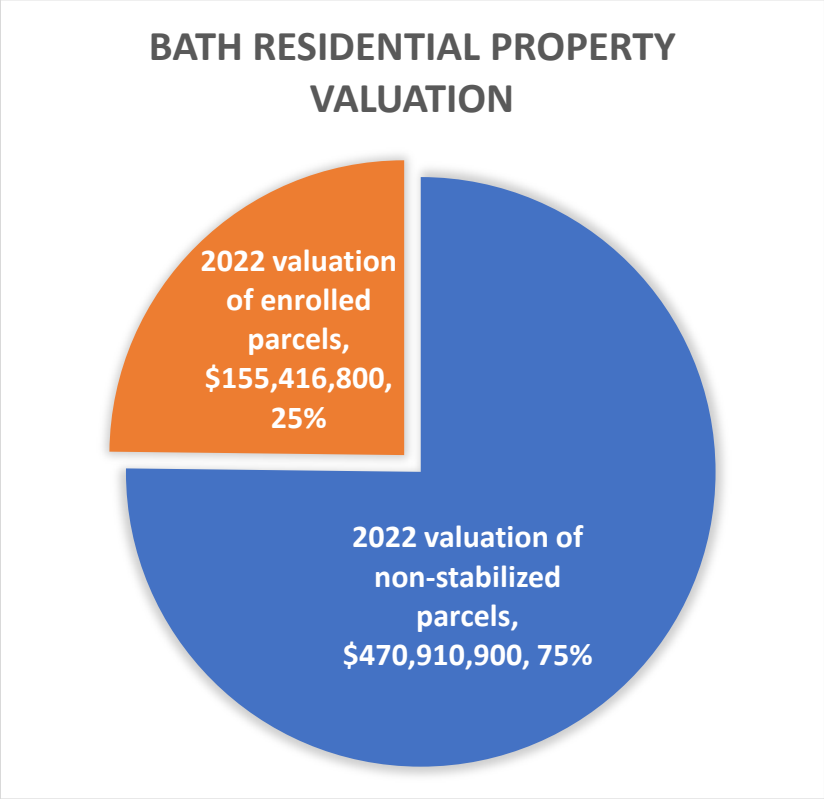
APPLICATIONS BY WARD

Ward	Num. of applicants	2022 valuation of enrolled parcels	Tax $ now stabilized	Highest value property enrolled in PTS	Lowest value property enrolled in PTS	Average value of property enrolled in PTS
1	133	$28,918,600	$523,872.00	$516,800	$73,700	$217,400
2	48	$8,030,900	$139,431.96	$651,300	$103,600	$167,300
3	49	$9,184,400	$162,330.96	$441,400	$95,900	$187,400
4	104	$25,674,500	$469,516.20	$794,900	$112,700	$246,900
5	108	$25,247,100	$456,494.88	$801,800	$115,900	$233,800
6	84	$15,865,400	$281,222.16	$1,166,300	$100,000	$188,900
7	156	$42,495,900	$780,757.05	$1,177,200	$69,300	$272,400
Total	**682**	**$155,416,800.00**	**$2,813,625.21**	**$1,177,200**	**$69,300**	**$227,900**

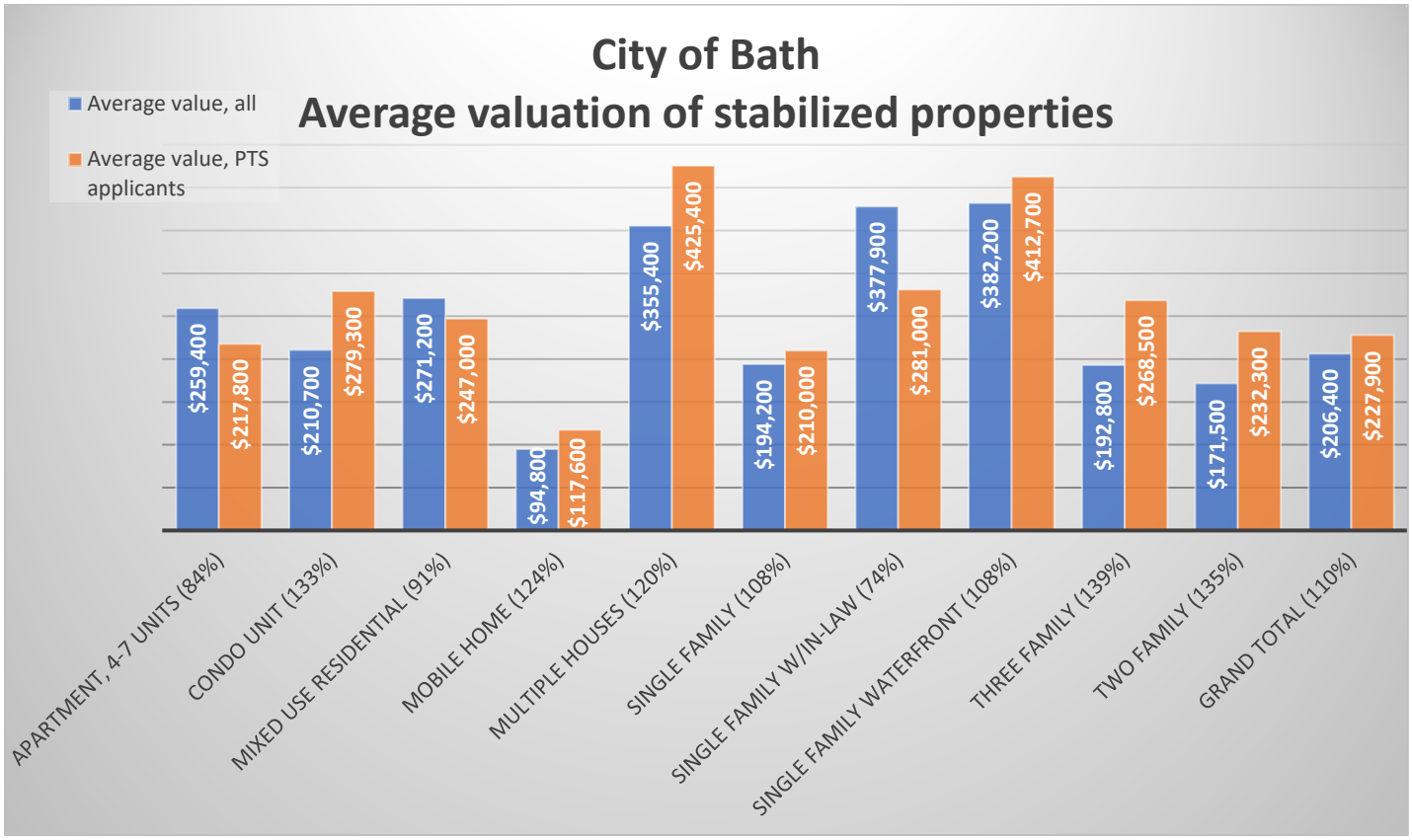
APPLICATIONS BY PROPERTY TYPE

Property Types	Num. of applicants	2022 valuation of enrolled parcels	Tax $ now stabilized	Highest value property enrolled in PTS	Lowest value property enrolled in PTS	Average value of property enrolled in PTS
Apartments 4-7 units	2	$435,600	$7,866.24	$259,800	$175,800	$217,800
Condo Unit	35	$9,776,800	$183,167.52	$785,900	$124,100	$279,300
Mixed Use	12	$2,963,900	$55,118.76	$393,000	$81,100	$247,000
Mobile home	10	$1,175,600	$18,902.64	$165,600	$69,300	$117,600
Multiple houses	11	$4,679,300	$90,395.05	$1,177,200	$163,300	$425,400
Single family w/in law	5	$1,405,200	$25,810.08	$344,500	$217,600	$281,000
Single family waterfront	33	$13,617,900	$258,924.44	$779,200	$132,100	$412,700
Single family	544	$114,213,700	$2,042,231.76	$1,166,300	$95,900	$210,000
Three family	5	$1,342,500	$25,224.60	$651,300	$136,300	$268,500
Two family	25	$5,806,300	$105,984.12	$526,300	$109,700	$232,300
Total	**682**	**$155,416,800.00**	**$2,813,625.21**	**$1,177,200**	**$69,300**	**$227,900**

Applications for property tax stabilization represent 22% of the 3,035 developed residential parcels in Bath, and 25% of the residential valuation ($626,327,700 total). A quarter of the City's single family homes (582 of 2,368) have applied for the program.

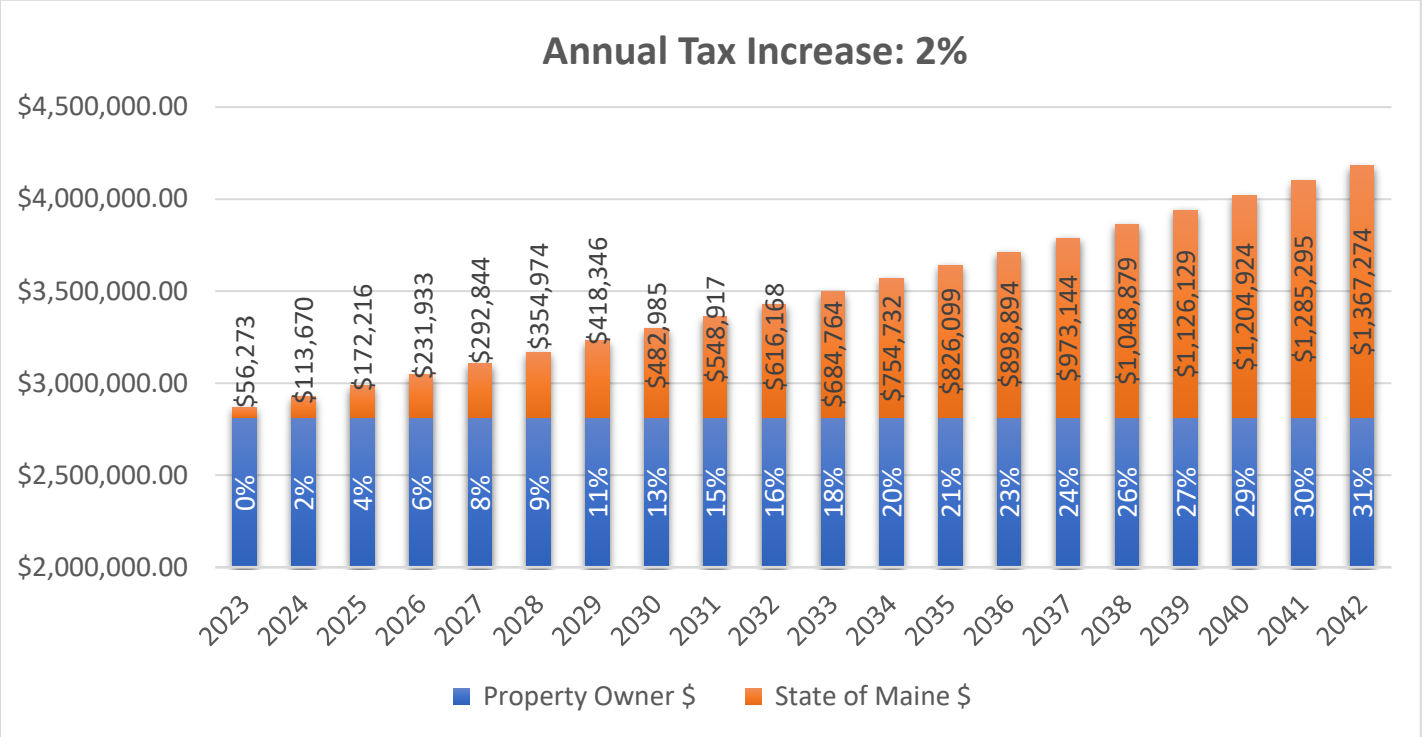


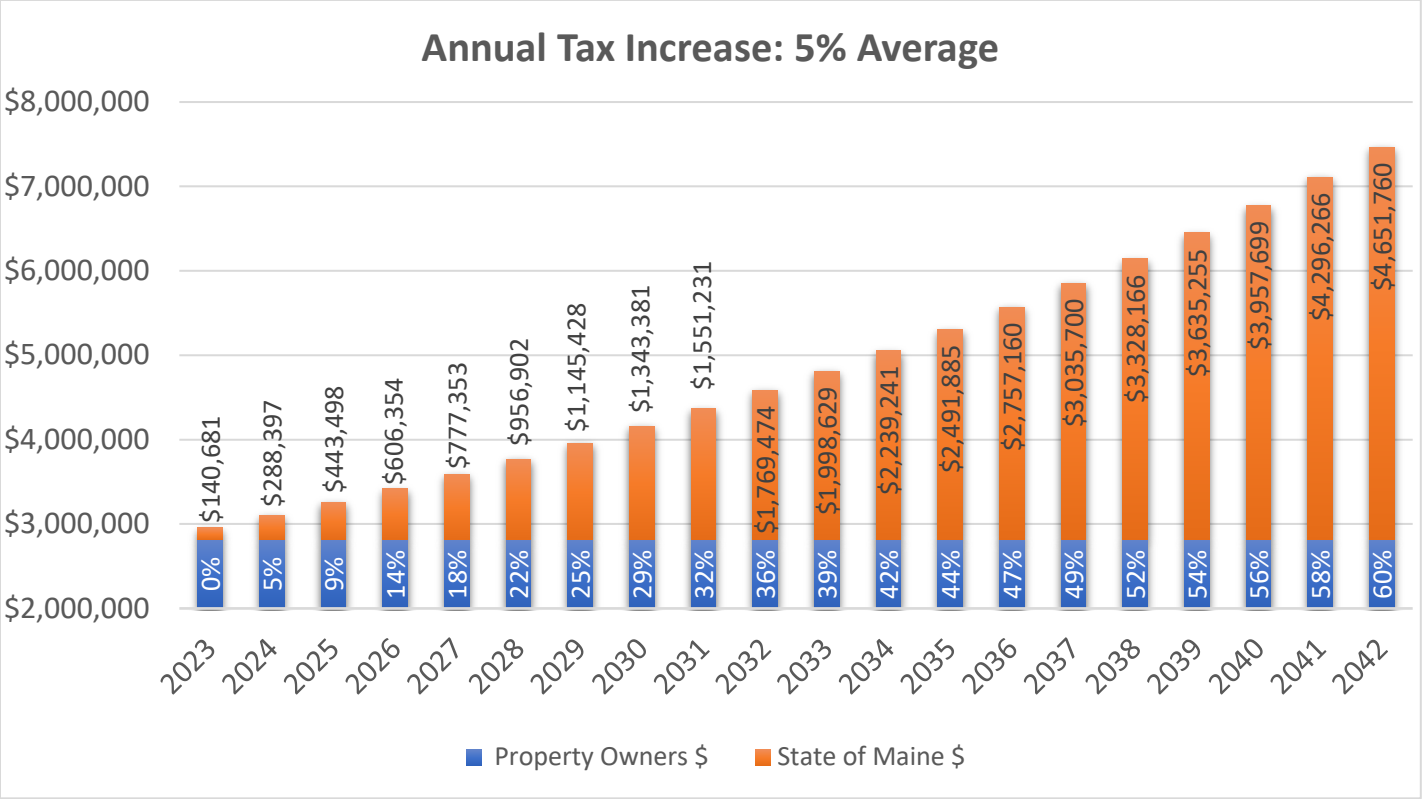
Those who applied for the property tax stabilization program have an average valuation ($227,900) that is 10% higher than the average for all developed residential properties ($206,400).



Fiscal Implications of Property Tax Stabilization

Bath property taxes generally increase annually between 2% and 5%. This year's applicants for property tax stabilization currently pay $2,813,625.21 in taxes. The following charts show the amount paid by the state each year if taxes increase an average of 2% or 5% a year. The percentage in blue indicates the percentage of the total tax bill paid by the State of Maine under the Property Tax Stabilization program.





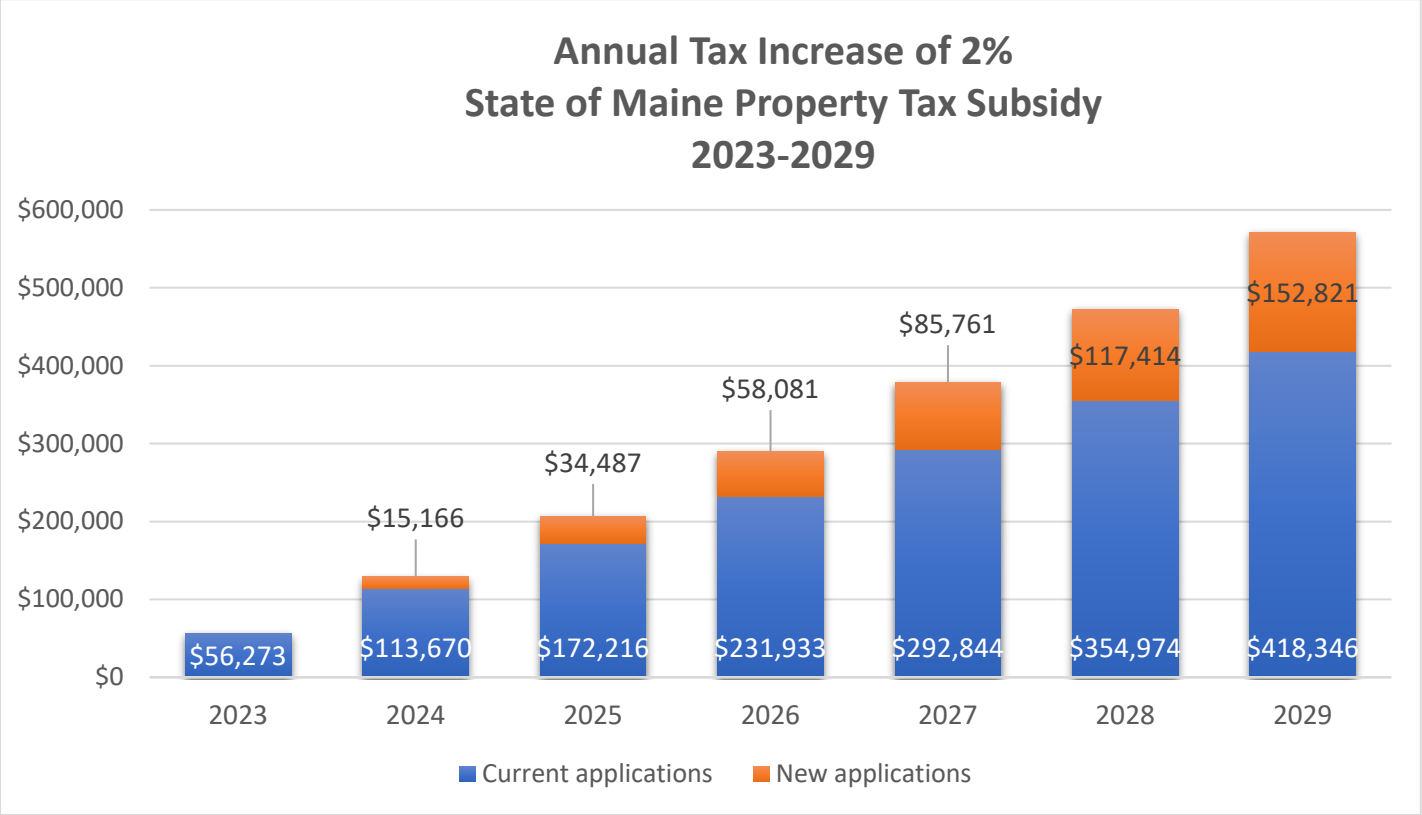
Property Tax Stabilization in Bath: Future Growth Prospects

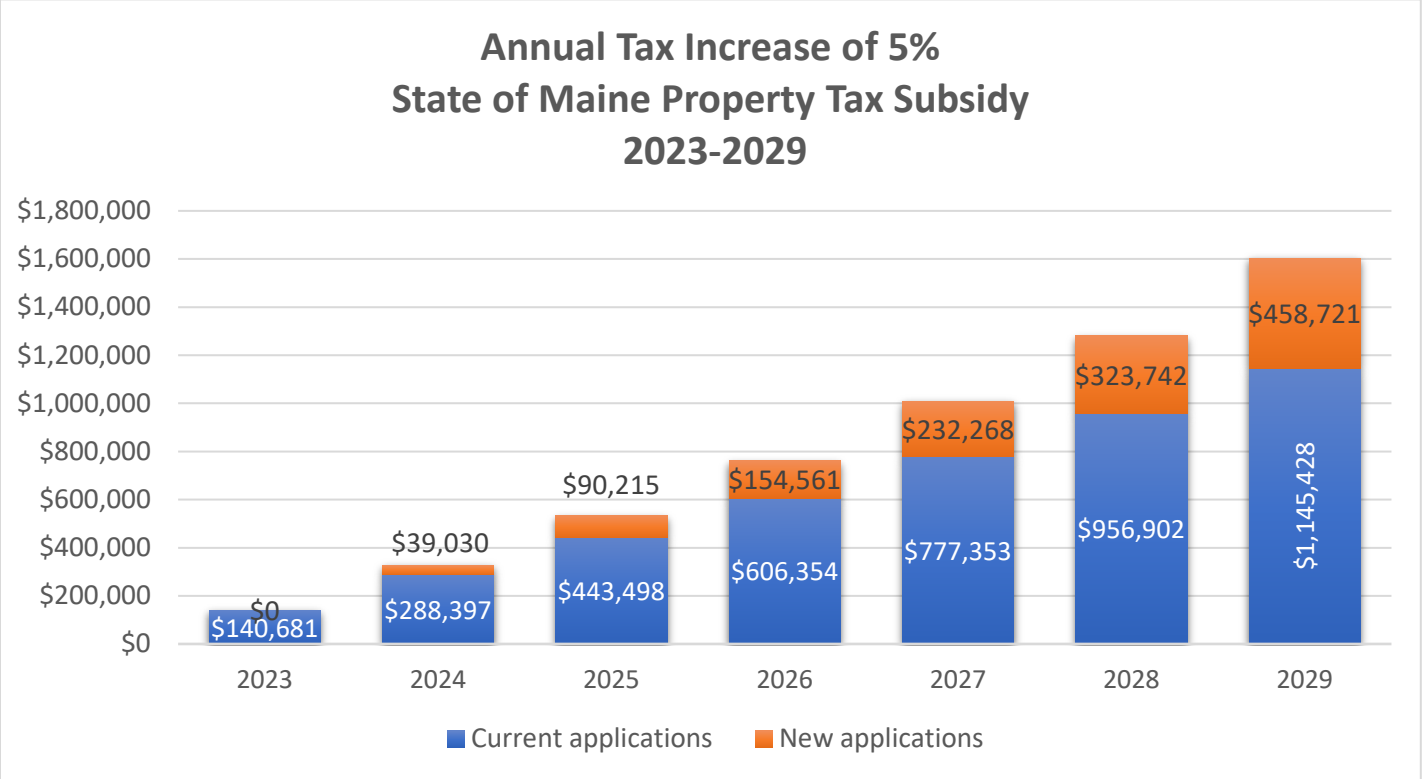
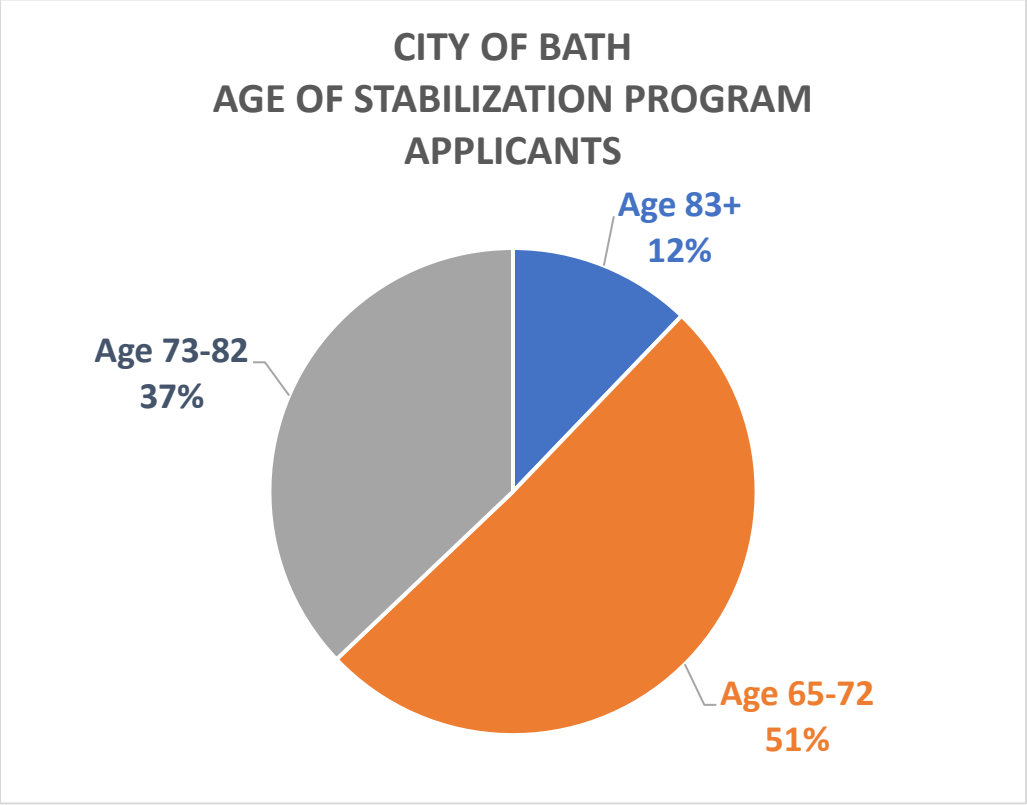
Through a review of voting and assessment records, Bath has identified an additional 120 property owners who appear presently eligible for the Property Tax Stabilization program, but who did not apply in 2022. These properties are valued at $23,662,200 and their owners paid $481,250.28 in taxes in 2022.

Potential program growth over the next six years, shown in the chart below, is based on a review of property owners who will turn 65 each year. Birth years were identified from the voting database.

Future PTS applications	Number of potential applicants	Total Valuation	2022 Tax amount
Presently eligible	120	$ 23,662,200	$ 481,250.28
2024 Assessment	61	$ 14,070,000	$ 262,180.80
2025 Assessment	47	$ 10,004,300	$ 185,095.32
2026 Assessment	48	$ 9,977,200	$ 183,155.28
2027 Assessment	46	$ 8,982,000	$ 166,912.80
2028 Assessment	41	$ 8,406,700	$ 154,850.28
2029 Assessment	35	$ 7,518,000	$ 138,577.20
Total	**398**	**$ 82,620,400**	**$ 1,572,021.96**

These potential new enrollments in the Property Tax Stabilization program would increase the State subsidy of property taxes in Bath.





Bath enrollment in the Property Tax Stabilization program is likely to steadily increase in the coming years. Only 12% of Bath's applicants are aged 83 or older. Over half of the PTS applications Bath received were from property owners aged 65 to 72.