Maine
Cumberland **County**

CUMBERLAND COUNTY BOARD OF ASSESSMENT REVIEW
APPLICATION FOR ABATEMENT OF PROPERTY TAXES
(Pursuant to Title 36 M.R.S.A. § 844-M)
NOTE: Application must **first** be made to the Assessor

1. NAME OF APPLICANT: Lawrence J Makovich & Aileen M Makovich
2. ADDRESS OF APPLICANT: 28 Meriam Street, Lexington, MA 02420
3. TELEPHONE NUMBER: 781 - 354 - 1198
4. NAME, ADDRESS AND TELEPHONE NUMBER OF ATTORNEY/AUTHORIZED AGENT, IF ANY: _____
5. STREET ADDRESS OF PROPERTY: 475 Cape Monday Road MAP/LOT: 13/0055
6. MUNICIPALITY IN WHICH PROPERTY IS LOCATED: Harrison, ME
7. ASSESSED VALUATION:
   (a) LAND: $ 922,800.00
   (b) BUILDING: $ 443,000.00
   (c) TOTAL: $ 1,365,800.00
8. OWNER'S OPINION OF CURRENT VALUE:
   (a) LAND: $ 432,000.00
   (b) BUILDING: $ 443,000.00
   (c) TOTAL: $ 875,000.00
9. ABATEMENT REQUESTED (VALUATION AMOUNT): $ 490,800
   (#7(c) minus #8(c) = #9)
10. TAX YEAR FOR WHICH ABATEMENT REQUESTED: 2025/26
11. AMOUNT OF ANY ABATEMENT(S) PREVIOUSLY GRANTED BY THE ASSESSOR FOR THE ASSESSMENT IN QUESTION: $ 184,594.00
12. DATE OF ASSESSOR'S DECISION: 04-23-2025
13. A BRIEF STATEMENT OF ALL PRIOR PROCEEDINGS BEFORE THE ASSESSOR CONCERNING THE DISPUTED ASSESSMENT:
Cumberland County Board of Assessment found that we had proven that the Harrison assessment methodology necessarily resulted in unjust discrimination due to the use of a non-market-based 1.25 factor to increase the Town of Harrison calculation of the fair market value of our lot.

14. REASONS FOR REQUESTING ABATEMENT. PLEASE BE SPECIFIC, STATING GROUNDS FOR BELIEF THAT ASSESSMENT IS "MANIFESTLY WRONG" FOR ASSESSMENT PURPOSES. ATTACH EXTRA SHEETS IF NECESSARY. Note that the Maine Supreme Court has held in tax abatement cases that in order to prevail, the taxpayer must prove one of three things:
    (1) The judgment of the Assessor was irrational or so unreasonable in light of the circumstances that the property is substantially overvalued and an injustice results;
    (2) There was unjust discrimination; or
    (3) The assessment was fraudulent, dishonest or illegal.

    Only if one of these three things is proven by the taxpayer, is the assessment said to be "manifestly wrong."

The attached pages prove that the the Harrison valuation methodology creates unjust discrimination that was compounded by an unreasonable judgement to forgo updating the valuation calculation in the Town of Harrison valuation sheets for our property.

See attached 7 pages

15. ESTIMATED TIME FOR PRESENTATION AT HEARING: 20 - 30 minutes

Submit **TEN (10) COPIES** (an original plus 9 copies) of the application and any documentation available to support your claim. **ONE COPY MUST** be submitted to your municipal tax assessor that sent you the denial letter. All documentation **MUST** be submitted with the application or at least **fourteen (14) days prior to hearing date** to Cumberland County Board of Assessment Review, c/o Administrative Assistant, 142 Federal Street, Portland, ME 04101. You will be notified of the scheduled hearing date.

To the Cumberland County Board of Assessment Review: In accordance with the provisions of 36 M.R.S.A. § 844-M, I hereby make written application for an appeal of the assessed value of the property as noted above. The above statements are correct to the best of my knowledge and belief.

December 1, 2025
Date

Lawrence J Makovich
Signature of Applicant

Ann M Makovich

THIS APPLICATION MUST BE SIGNED.
A separate application form should be filed for each separately assessed parcel of real estate claimed to be "manifestly wrong."

We are applying for an abatement in our property tax assessment because the Town of Harrison, ME employed an assessment methodology that applied an unjust discriminatory non-market-based factor to an erroneously calculated market valuation of our land.

We are requesting a $490,800 abatement of the Town of Harrison property tax assessment because the Town of Harrison unjustly discriminated against us by applying an arbitrary, 1.25 non-market-based factor to increase the valuation of our land by $184,594. The 1.25 factor compounded the inaccuracy of the valuation methodology because the 1.25 factor was applied to an erroneously calculated market valuation that caused an overvaluation of our land by $306,206.

In the previous tax year, the Cumberland County Board of Assessment Review ruled that the methodology employing the 1.25 lot valuation factor was "manifestly wrong" and "discriminatory."

Last year, we applied to the Town of Harrison for a 2024 property tax abatement for our property at 475 Cape Monday Road (Map 0013, Lot 0055) and the Town of Harrison denied our abatement application. We appealed to the Cumberland County Board of Assessment Review. My wife and I testified at a hearing on April 23, 2025, along with the property assessor Robert Gingras who testified on behalf of the Town of Harrison. The Board granted the $184,594 abatement and sent an April 30, 2025 letter stating that, "The Board finds that the Taxpayer has proved that the assessed value was manifestly wrong: the Taxpayer provided persuasive evidence that the Assessor's methodology resulted in unjust discrimination of the Taxpayer's Property in comparison to similarly situated properties."

This year, we received a 2025 valuation of our property showing the same valuation as 2024. We concluded that the Town of Harrison had ignored the 2024 findings of the Cumberland County Board and employed the same flawed methodology that was employed last year to determine the 2025 assessment. Consequently, on September 19, 2025, we applied for an abatement of property taxes with the Town of Harrison.

On October 29, 2025, the Town of Harrison sent us a letter (a copy is attached) rejecting our application for a 2025 abatement and argued that our property was assessed "fairly and equitably in comparison to similar properties in the Town of Harrison."

The Town cited two lots that also had the 1.25 factor applied in the valuation methodology as comparable to ours because they had auxiliary dwelling units (ADUs). Our property is not comparable because we do not have an ADU.

The first property cited as comparable was 539 Cape Monday Road. The 539 Cape Monday Road property sold in 2024 for $1,200,000. In 2024, the Town of Harrison applied the 1.25 factor to yield an assessed value of $1,353,100. As a result, the assessed value exceeded the fair market price of the property by 13 percent. If the valuation of the land had not employed a factor of 1.25, then the 2024 valuation for tax purposes would have been only four percent lower than the 2024 fair market sale price. Consequently, rather than provide market evidence supporting the application of the 1.25 factor, the comparable property provided a case study showing how the 25 percent upward adjustment of the land value predictably contributed to an overvaluation of the fair market value of the property.

The 0.68 acre shorefront lot at 539 Cape Monday Road is currently valued by the Town of Harrison at $1,013,748—a $1,490,806 per acre valuation. The other property cited as comparable is the 7 Lovejoy Way property with a 0.78 acre shorefront lot valued at $ 1,052,006—a dollar per acre value of $ 1,348,725. Although the Town of Harrison asserts these properties are comparable to ours, and although these properties have ADUs and we do not, nevertheless, the dollar per acre assessed value of our property—$1,922,412—is 29 and 42 percent greater respectively compared to these two properties.

The significant premium of our dollar per acre lot value compared to the properties cited by the Town of Harrison as comparable is at odds with the Town of Harrison assertion that their valuation methodology is "fair and equitable."

The Town of Harrison application of the 1.25 lot valuation factor is unjustly discriminatory.

A fair levy of property taxes involves everyone owing taxes based upon a reliable estimate of the market value of their property. To do this, the market valuations need to reflect observed valuations from a large enough sample of relevant real estate market transactions to provide statistically reliable estimates of expected market values of the land and structures. From this perspective, using any non-real estate market-based factor to increase the assessed valuation of land or structures beyond a real estate data-driven market value is unfair. The application of this unfair methodology in Harrison to the valuations of some properties and not others result in unfair discrimination.

The 2025 Town of Harrison valuation reflects the application of a 1.25 factor (described on the valuation reports as "Acres-Baselot Imp (Fract)") to the estimate of the fair market price for an acre of improved land with similar non-structural features, including shorefront footage, land contours, along with septic and well improvements altogether multiplied by our fraction of an acre lot size.

A March 28, 2025, letter from the Town of Harrison indicated that their valuation methodology employes the 1.25 factor whenever a property has "two dwelling units, quarters/garages or separate cottages." As a result, The Town of Harrison valuation methodology increases the expected market value of an improved lot by 25 percent if the improved lot has two dwelling units, or has separate cottages, or accessory dwelling units, or is a single dwelling unit composed of physically separated living quarters.

Three reasons provide evidence that this 1.25 factor is at odds with real estate transaction data and supports the conclusion that the resulting in a valuation methodology is non-market-based and therefore, unfairly discriminates against property owners whose valuations are increased by this non-market factor versus those property owners whose valuations only reflect market-based factors.

Reason 1: Applying the 1.25 factor ignores the observed link in real estate market data between the cost of lot improvements and the market value of improved lots.

It is rational to expect that real estate data will show that land with a greater degree of improvement is valued higher than land with less improvement—all else equal—and the difference would reflect the difference in the cost of the improvement. It is irrational to expect that simply repurposing existing space into physically separate living quarters that required no improvements to the land would result in the same higher market-based assessed land value as found with the construction of separate dwelling units, multiple cottages or an ADU that required significant lot improvements.

There is a big difference in the type of lot improvements typically associated with adding a second dwelling unit, another cottage, or an accessory dwelling unit (ADU) compared to the improvements associated with repurposing existing space into living quarters. Our property illustrates this point. In 2021, we went to the Harrison Town office to get a building permit to repurpose some existing space in our existing garage into sleeping quarters for guests. Since our application for a building permit was before the 2023 Maine Law mandating the permitting of accessory dwelling units, we were told that we could only get a building permit to change one of our garage bays into sleeping quarters with a bathroom, and we were told that we would not get a building permit if we also added a kitchen because adding a kitchen would create a separate dwelling unit on the property. We did not create a separate dwelling. Instead, we got a building permit to add separate guest quarters by repurposing one of four garage bays into sleeping quarters (a bedroom without a closet) and a three-quarter bathroom.

Repurposing one of our four existing garage bays into guest quarters in 2021 did not require any improvements to the land. Neither the length nor the width of the garage foundation changed. The footprint of the driveway did not change. Altering a fraction of the existing interior garage space did not involve increasing the height of the structure. Further, our repurposed space created physically separate living quarters that utilized the existing water well and did not require expanding the capacity of the existing septic system. As a result, an accurate description of our property is a lot with a single dwelling unit comprised of one bedroom, two sleeping quarters and 2.5 bathrooms—with one of the two sleeping quarters and a three-quarter bathroom being physically disconnected to the rest of the dwelling. This type of structure is quite different from structures that provide two separate dwelling units or structures with an ADU.

The expected differences in market valuations between properties with multiple dwellings, cottages, or ADUs and our property was not considered by the Town of Harrison Board of Assessors. Instead, the attached document notifying us of the decision to reject our application for a property tax valuation abatement showed the Town of Harrison argued that two properties with ADUs were comparable to our property even though we do not have an ADU.

The implication is that employing the 1.25 factor to increase the assessed value of land in a case where significant costs are involved to alter the utilization of a property to accommodate the addition of a second dwelling, multiple cottages, or a ADU as well as in the case where little or no costs are involved to alter land utilization to accommodate repurposing existing space into guest quarters is at odds with valuation evidence from the real estate marketplace.

Reason 2: Applying the 1.25 lot valuation factor to properties of all sizes and types is at odds with evidence from the real estate marketplace.

Applying the same percentage factor to reflect market valuation differences for the same improvements on all types and sizes of lots is predictably inaccurate.

For example, a property accommodating two dwelling units rather than one may require a greater degree of improvement to expand a septic system. The marketplace for the expansion of a septic system is competitive and therefore the cost of improvements to accommodate a second dwelling would be the similar for a small lot compared to a large lot. If expanding a septic system to accommodate a second dwelling cost fifty thousand dollars then making identical improvements on a 500-hundred thousand dollar one-acre lot and on a million dollar two-acre lot would result in the improvements increasing the total cost of the improved lots by 10 and 5 percent respectively. If the improvements were

prudent, then the owner of the smaller lot can reasonably expect to sell the lot at a price reflecting the 10 percent higher total lot cost associated with making the septic improvement. In contrast, the owner of the larger lot with the prudent 5 percent cost improvement would be irrational to expect that selling his property would result in a 10 percent higher price simply because his neighbor sold his smaller lot with this percentage gain.

The same inaccuracy would result from lots of similar size but different types, for example, shorefront versus non-shorefront. The implication is that applying a single percentage factor to reflect market valuation differences caused by differences in the degree of improvement between lots of different sizes or types will predictably prove to be manifestly inaccurate. An accurate valuation methodology would need to reflect the absolute cost of land improvements rather than reflect a common single percentage increase in land value for similar improvements regardless of lot types and sizes.

Reason 3: The 1.25 lot valuation factor is at odds with the link between capital improvements in structures and increased market property valuations.

Evidence from the real estate marketplace indicates that—all else equal—capital improvements will increase the market value of a property. In our case, converting one garage bay into a bedroom and three-quarter bath logically resulted in an increase in the assessed market-based value of the ***structures*** located on the property. And two situations illustrate how the logic of the 1.25 lot valuation factor adjustment proves faulty. Applying the 1.25 factor to our land value simply because the living quarters of the dwelling unit are not physically connected is at odds with the link between capital improvements and increases in real estate market valuations.

The faulty logic of the valuation methodology employing the 1.25 factor to our property is illustrated by the situation arising if we were to get a building permit and build a $50,000 breezeway to physically connect our living quarters. Under these conditions, the valuation methodology would increase the replacement value of our structures by $50,000 and decrease the land valuation by $184,594 because the 1.25 factor would no longer be applied to our land assessment. Such a result is at odds with how capital improvements increase the fair market value of real estate. Under these conditions, making the breezeway capital improvement to our dwelling would result in a net ***decrease*** in the valuation of our property—a result clearly at odds with an accurate market-based valuation methodology.

The faulty logic of the valuation methodology employing the 1.25 factor to our property is also illustrated by the situation of a fire burning down the structures on our property. If the

existing structures were destroyed before 2021, then the market price of the land would reflect the value of the shorefront footage, land contours, and septic and wells improvements that accommodate a single dwelling. However, if the fire destroyed the buildings after 2021, the post-fire land profile would be identical to the pre-2021 profile, and as a result, there would be no reason to expect the value of the land would be worth 25 percent more because the garage structure that burned down had changed in 2021 to include guest quarters rather than a fourth garage bay.

The 2025 Town of Harrison valuation is not "fair and equitable" because the valuation sheet contains a calculation error resulting in a $306,206 overvaluation that compounds the overvaluation from applying the discriminatory 1.25 factor.

After the Town of Harrison rejected our abatement application, we investigated the comparable properties cited by the Town of Harrison to try to understand why our property had a significant dollar per acre premium. This investigated revealed that the Town of Harrison did not use their own estimate of the market price per acre that appears on our 2025 valuation sheet to calculate our lot value. A copy of an e-mail and its attachment sent from Maureen McAllister, the Town of Harrison Finance Officer, is attached showing the 2025/26 tax year valuation report for our property at 475 Cape Monday Road. The valuation report shows that a "unit" of land is an acre and that our property is 0.48 units. The report also shows the current estimate of the market-based price per unit of land is $900,000. The 2025 valuation report is in error because it does not multiply the 0.48 times the $900,000 to yield the $ 432,000 estimate of the 2025 market-based value of our land. Instead, the valuation report shows a $738,206.12—an estimate calculated using last year's price per unit of $1,537,929 as shown on the attached copy of last year's valuation report. The failure to update our land valuation with the current price per unit resulted in an unreasonable overvaluation of $306,206.

If the calculation for our property had been done correctly, then the updated Town of Harrison valuation for our property would have eliminated the inequitable premium in our land valuation versus the 539 Cape Monday Road and 7 Lovejoy Way land valuations cited by the Town of Harrison as comparable lots to our lot.

Conclusion

Applying an arbitrary, non-market based 1.25 lot valuation factor to increase the valuation of some Harrison, Maine, properties and not others is manifestly wrong and results in unjust discrimination in the levying of property taxes. In our case, the arbitrary 25 percent

upward adjustment results in an additional $184,594 in the valuation of our lot for tax purposes. This overvaluation was compounded by a $306,206 overvaluation of the market value of our land due to the failure of the Town of Harrison valuation methodology to calculate the market valuation of our land with the updated estimate of the market-based cost per unit of land. These two flaws in the Town of Harrison valuation methodology resulted in an overvaluation of $490,800—the amount of abatement we are applying for.