

The statutory basis for taxing real and personal property in Maine is paraphrased as follows: *All real estate shall be taxed in the place where it is to the owner or person in possession, whether resident or nonresident. All personal property within or without the State, except in cases enumerated in section 603, shall be taxed to the owner in the place where he resides. Personal property owned by persons unknown shall be taxed to the person having the same in possession. When personal property is mortgaged, pledged or conveyed with the seller retaining title for security purposes, it shall, for the purposes of taxation, be deemed the property of the person who has it in possession, and it may be distrained for the tax thereon.* See **Real Property Taxes (36 MRS §553)** and **Personal Property Taxes (§602, §603 Sec. 8, and §604)**

The International Association of Assessing Officers definition of Fixture: *1) Attached improvements can be real or personal property. If attached to the realty in such a manner that its removal would damage the real property or the fixture, the fixture is realty. If the fixture is removable without damage, it is generally considered personal property. (2) An item of equipment that, because of the way it is used, the way it is attached, or both, has become an integral part of a building or other improvement. A fixture, such as a bathtub, is classified as real property, but trade fixtures (fixtures used in the conduct of business) are classified as personal property.*

- 1) Class 1: Minimum Influence (e.g., simple, basic or aged installations having a minimal contributory value influence, including aged 6000 kWh or much smaller systems when on-site consumption may be much greater than effective output).
- 2) Class 2: Moderate Influence (e.g., systems appearing as adequate, whether larger installations for less insulated homes or smaller installations for highly insulated homes, having a moderate contributory value influence, including modern 6000 kWh systems for a typical home).
- 3) Class 3: Extensive Influence (e.g., extensive systems, appearing to cover all or most of the on-site electricity and/or heat consumption and considered to have an extensive contributory value influence, including either systems larger than 6000 kWh systems for typical homes or, conversely, smaller systems when present on highly efficient homes, such as Energy Star or “Green” homes or LEED building owners).
- 4) Class 4: Custom Influence (e.g., a stand-alone or other custom system with output capacity potentially or actually exceeding the on-site consumption, usually considered material to the fair market value to the site. This valuation should be individually derived by the local assessor and may consider a discounted cash flow analysis if determined by the assessor to be applicable).

If solar equipment is not owned or titled in the name of the site owner or the person in possession of the real estate (as with commercial property tenants), solar equipment may be considered REAL PROPERTY “ON” site. Solar equipment may be better identified as Personal Property if No to any of the following:

- 1) Is property a fixture to the land or improvements and transferable in typical real estate transactions?
- 2) Is person in possession of Solar equipment the site owner?
- 3) Is all electrical energy used on site?

Appraisal Institute: Leased solar PV systems and Power Purchase Agreements should not be included in the value of the real property as these systems generally are considered personal property. Appraisers must analyze the effect of the lease or PPA on the price buyers are willing to pay for the property. Appraisal Institute Form 802.05: Residential Green and Energy Efficient Addendum, May 2017