



Maine Municipal
Association

60 COMMUNITY DRIVE
AUGUSTA, MAINE 04330-9486
(207) 823-8428
www.mmun.org

Testimony of the Maine Municipal Association (MMA)

In Support of

LD 37, An Act to Amend the Laws Governing Property Tax Stabilization for Senior Citizens to Eliminate the Requirement for an Annual Application

LD 529, An Act to Remove the Annual Filing Requirement in the Property Tax Stabilization Laws

March 16, 2023

Senator Grohoski, Representative Perry, and members of the Taxation Committee. My name is Kate Dufour, and I am offering testimony in support of LD 37 and LD 529 on behalf of the 70 municipal leaders who were elected by their peers to serve on the Association's Legislative Policy Committee and directed to establish MMA's position on bills of municipal interest.

Municipal officials are relieved to learn that there is interest among members of the Legislature and the Taxation Committee to address the issues associated with the implementation, administration, and the cost of the Property Tax Stabilization for Senior Citizens law. While the intent to deliver property tax relief to Maine's senior homeowners is supported by municipal leaders, the manner in which the law achieves that goal is of tremendous concern. The act is overly generous; provides relief to some of the state's wealthiest homeowners; shifts tremendous administrative burdens and costs onto assessors; relies on the will of each newly elected Legislature to honor the commitment to fully reimburse municipalities; and allows an eligible homeowner to carry the stabilized assessment from community to community.

Additionally, the law requires qualifying homesteaders to apply for the program annually, with the penalty associated with failing to do so being the loss of the stabilized tax amount. The concerns with the existing application process are two-fold.

The first is with respect to the volume of work this law has created for municipal assessors and staff. The 146 municipalities responding to an MMA survey indicated they have processed 43,880 applications in the first year of implementation, yielding a statewide projection of nearly 100,600 applications.

Secondly, and most unfortunately, the law has created an environment that pits residents against the municipal officials who are mandated to administer the law. If an individual fails to apply, it will be the tax collector or assessor, rather than the legislators who supported the bill, that will field the calls from angry homeowners. Municipal officials have already witnessed the strife this law has created. Prior to the August 8, 2023 implementation date, municipal officials

were accused of holding out on providing property tax relief, even though the state had not yet provided the guidance and application forms necessary to implement the program.

LD 37 and LD 529 take steps in the right direction. As proposed in both bills, the requirement to annually apply for the benefit is repealed and in its place the homeowner needs to apply once to determine if they are eligible for the benefit and thereafter only if a new homestead is established.

While municipal officials appreciate and support this change, much work remains to be done to the program to make it financially sustainable and to reduce the pressures on limited municipal resources. To that end, Rep. Maureen Terry has submitted legislation on behalf of MMA's Legislative Policy Committee that seeks to replace the tax stabilization program with an enhanced and tiered homestead exemption targeted to seniors who meet certain income standards. Our request is that the Taxation Committee consider postponing a decision on how to address the property tax stabilization law until all solutions have been presented and considered.

Thank you for considering the municipal perspective on this issue. If you have any questions about our position, please contact me at kdufour@memun.org or 592-4038.