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THE MAINE SENATE  
131st Legislature

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*Testimony of Senator Teresa S. Pierce introducing*  
**LD 2102, An Act to Support Municipalities by Repealing the Law Limiting  
the Municipal Property Tax Levy**  
*Before the Joint Standing Committee on State and Local Government*

February 20, 2024

Good afternoon Senator Nangle, Representative Stover, and esteemed members of the Joint Standing Committee on State and Local Government. My name is Teresa S. Pierce, and I have the honor of serving the five and a half communities in Cumberland County that make up Senate District 25. I am here today to introduce LD 2102, “An Act to Support Municipalities by Repealing the Law Limiting the Municipal Property Tax Levy.”

Title 30-A §5721-A has served its purpose. I’m sure, at the time of putting this law to be into place nearly 20 years ago, this cap seemed necessary. However, this statute has proven outdated and confusing for towns and their residents. As you know, many municipalities across our state approve their budgets through the referendum process rather than in a town meeting or by a vote of their town council.

Municipalities that use the referendum process are facing challenges with the state-imposed cap on property tax levies, which requires towns to create a separate warrant article asking voters to approve an override of the state budget cap. This can cause confusion for voters who may not understand the implications of overriding the cap, leading to misinterpretations about increasing taxes or mil rates. In some cases, voters have approved the municipal budget and spending priorities but failed to pass the cap override, even though it would not have affected their taxes.

This puts unnecessary stress on town officials and staff, who must then interpret the voters’ intentions and determine whether to reduce spending, present the cap override again, or take an alternate approach—all the while costing time and taxpayer dollars.

Updating and clarifying the statute will make the budget process more efficient and transparent, while giving full control to local communities to run their budget process as they see fit. This builds on Maine’s long history of local control. I am glad officials from the communities of Gray and Windham are here today to share their firsthand experience navigating this issue with the committee.

Thank you for the opportunity to present this bill. I’m happy to answer any questions the committee may have.