



Testimony of Rick McCarthy

Before the Joint Standing Committee on Taxation

In Opposition to LD 1629, *An Act To Protect the Elderly from Tax Lien Foreclosures*

January 25, 2018

Senator Dow, Representative Tipping, and members of the Joint Standing Committee on Taxation, my name is Rick McCarthy and I am here today on behalf of the Mayors' Coalition.

The Mayors' Coalition on Jobs and Economic Development was formed in 2012. The Coalition includes the Mayors of ten Maine communities. The purpose of the Coalition is to advocate for state policies that will grow Maine's economy statewide by providing the infrastructure, skilled workforce, and reasonable tax rates necessary to support such growth. The Coalition brings together the Mayors of Augusta, Bangor, Belfast, Biddeford, Lewiston, Portland, Saco, Sanford, and Westbrook. This is a bi-partisan group that represents municipalities with a combined population of more than 240,000.

We are here today in opposition to LD 1629. Our opposition is NOT because we disagree with the goal of LD 1629. We want to see elderly people able to reside in their homes as long as they want. Coalition communities (and other Maine communities) regularly work with residents, especially elderly residents, who are struggling to pay their property taxes.

I can give you one example from the City of Biddeford. An elderly couple could not afford their taxes and simply did not pay them. They did not pay them for several years. The City reached out to them and eventually was able to begin a discussion with the residents and their children. Ultimately, they were able to work out a deal where the property was sold to the children who paid the back taxes as part of the sale. And the City even wrote off a portion of the taxes.

That is how it regularly works in Maine. Local officials work hard to avoid evicting elderly residents. It is common to work out arrangements where the past due property taxes are paid when the house is sold after the resident dies or moves to a nursing home.

LD 1629 would create a new preforeclosure process and add additional requirements to the municipal foreclosure process for residents 65 or older. These are solutions looking for a problem. The Coalition has seen no evidence that this is a widespread problem. Municipalities are using the tools available to them to assist older residents to stay in their homes. LD 1629 will add additional hoops, but will not materially improve the lives of our seniors.

Please reject this well-intentioned, but unnecessary bill.

Thank you for your time and attention. I'd be pleased to take any questions.