

Real Estate Property Tax Relief Task Force

Resolve 2025, chapter 108
Monday, May 18, 2026 at 10 a.m.
Room 127 (TAX Committee Room)
State House, Augusta, ME

Agenda: Meeting #1

10:00 am

Welcome

Chairs, Senator Nicole Groboski & Representative Ann Matlack

Task Force member introductions

Review of Interim Report issued pursuant to Resolve 2025, chapter 108, and legislative changes enacted during the Second Regular Session of the 132nd Legislature regarding education funding, jail funding, and property tax relief

OPLA staff

10:45 am

Progress and Poverty Institute report presentation

Stephen Hoskins and Greg Miller

12:45 pm

Lunch

1:30 pm

Progress and Poverty Institute report presentation including Q&A

Stephen Hoskins and Greg Miller

2:30 pm

Task Force member discussion & next steps

- Additional information that members would find helpful
- Information requests of PPI and MRS
- Next meeting date



EXECUTIVE
SUMMARY
+
RECOMMENDATIONS
FROM INTERIM
REPORT

**STATE OF MAINE
132nd LEGISLATURE
FIRST REGULAR AND FIRST SPECIAL SESSIONS**

Real Estate Property Tax Relief Task Force

Staff:

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<https://legislature.maine.gov/ofpr>

Members:

**Sen. Nicole Grohoski, Chair
Rep. Ann Matlack, Chair
Sen. Bruce Bickford
Rep. Robert Nutting
Dick Woodbury
Peace Mutesi
Phil Saucier
Matt Peters
Vinnie Caliendo
Nick Cloutier
Carollynn Lear
Kathleen Billings
Ed Gardner
Peter Lacy
Michael Allen, Ph.D.**

Executive Summary

Through Resolve 2025, chapter 108, the 132nd Legislature established the Real Estate Property Tax Relief Task Force (“Task Force”) to deliver immediate property tax relief and to launch a comprehensive, data-driven process to develop long-term solutions using the expertise of a representative group of individuals. The Task Force is comprised of 13 voting members and two nonvoting members representing a variety of interests relevant to the Task Force’s work. The Resolve establishes the Task Force for a two-year period and provides authorization for the Task Force to meet during the interims of 2025 and 2026.

The specific duties of the Task Force, as outlined in Resolve 2025, chapter 108, include contracting with an entity for research and analytical support with the goal of determining the source of the problems with the current system of property taxation, who is most negatively affected by the current system of property taxation and how those persons are negatively affected.¹ The contracted entity is specifically tasked with gathering and analyzing statewide property tax data.

The Resolve establishing the Task Force became effective on July 1, 2025, and the Task Force met six times in 2025. Over the course of their meetings, the Task Force members focused on gathering information on the current real estate property tax system in Maine which included presentations from municipal and county representatives, state agencies, and assessors working in the State. The Task Force membership represents a broad range of stakeholders, and the members were able to add their perspectives on the issues raised in these presentations during Task Force discussions. The Task Force also received presentations from national organizations regarding property tax relief efforts in other states and national best practices and from Progress and Poverty Institute, the entity contracted by the Task Force to provide research and data analysis.

At its final meeting of 2025, the Task Force reviewed and took final votes on recommendations made by Task Force members. Unless otherwise noted, the recommendations reflect a unanimous vote of those members present and voting and those members who voted after the meeting.

Recommendation related to Task Force process

Recommendation 1: The Task Force recommends that the Taxation Committee submit legislation to amend Resolve 2025, chapter 108, to explicitly authorize the Real Estate Property Tax Relief Task Force to hold up to six additional meetings in 2026.

Recommendations related to municipal administration and taxpayer education

Recommendation 2: The Task Force recommends that the Taxation Committee, in consultation with Maine Municipal Association and other municipal representatives, identify burdens

¹ See the emergency preamble of Resolve 2025, chapter 108 in Appendix A for a description of the problems related to the property tax system in Maine which resulted in the creation of the Task Force.

associated with and streamline the process for municipalities to allow taxpayers to make monthly real estate property tax payments directly to the municipality.

Recommendation 3: The Task Force recommends that the Taxation Committee, in consultation with Maine Municipal Association and other municipal representatives, consider methods to increase the communication of information to taxpayers about property tax relief programs including, but not limited to, through the provision of informational inserts in real estate property tax bills. The Task Force recommends that the Committee ensure that it considers methods that provide property tax relief information to renters and other eligible individuals who may not receive a real estate property tax bill.

Recommendations related to possible legislative changes to existing relief programs

Recommendation 4: The Task Force recommends that, if the Taxation Committee considers immediate changes to existing real estate property tax relief programs in the Second Regular Session of the 132nd Legislature, the Committee focus on the Property Tax Fairness Credit as the most targeted tool to provide such relief. The Committee should consider allowing a taxpayer's income tax credit to offset their property tax bill.

Recommendation 5: If the Taxation Committee considers changes to the homestead exemption in the Second Regular Session of the 132nd Legislature, a majority of the Task Force supports increasing the current homestead exemption to account for inflation as the homestead exemption is a good policy tool for providing broad relief.

Recommendation 6: The Task Force recommends that the Taxation Committee submit legislation to create one or more working groups to review property tax exemptions and current use programs to evaluate whether the exemptions and programs continue to meet the purposes for which they were established and are efficient to administer at the local level.

Recommendations related to property tax cost drivers

Recommendation 7: The Task Force recommends that the Legislature enact legislation that encourages continued inter-local, regional, and state-wide partnerships to increase efficiency in administering municipal-level and county-level services and reduce municipal and county costs.

Recommendation 8: The Task Force recommends that the Taxation Committee review the reports required from the Maine Education Policy Research Institute pursuant to Resolve 2023, chapter 164 and Resolve 2025, chapter 84 and from the County Corrections Professional Standards Council pursuant to Resolve 2025, chapter 73. The Task Force recommends that the Committee consider the findings and recommendations in these reports when making policy decisions in the Second Regular Session of the 132nd Legislature as the issues considered in these reports influence real estate property taxes.

Recommendations related to providing funding to reduce municipal budget needs

Recommendation 9: If the Taxation Committee submits legislation to increase the homestead exemption in the Second Regular Session of the 132nd Legislature, a majority of the Task Force recommends that the Committee provide 100% municipal reimbursement for the difference between the current homestead exemption of \$25,000 and the increased amount provided for in such legislation.

Recommendation 10: A majority of the Task Force recommends that the Legislature enact legislation to increase funding for county jails and to encourage regionalization of services.

Real Estate Property Tax Relief Task Force
Resolve 2025, c. 108, as amended by P.L. 2025, c. 739, sec. 2

Membership List (2026)

Name	Representation
Senator Nicole Grohoski – chair	Member of the Senate with expertise or background in taxation, appointed by the President of the Senate
Representative Ann Matlack – chair	Member of the House with expertise or background in taxation, appointed by the Speaker of the House
Senator Bruce Bickford	Member of the Senate from the party holding the 2nd largest number of seats in the Legislature, appointed by the President of the Senate
Representative Robert Nutting	Member of the House from the party holding the 2nd largest number of seats in the Legislature, appointed by the Speaker of the House
Dick Woodbury	Member who is a representative of economists or who is a tax expert, appointed by the President of the Senate
Peace Mutesi	Member with lived experience of poverty who is a representative of low-income residents of the State, appointed by the President of the Senate
Phil Saucier	Member who has legal experience with constitutional issues or property tax issues, appointed by the President of the Senate
Matt Peters	Member who is involved in real estate, economic or housing development with expertise in long-term homeownership trends in the State, appointed by the Speaker of the House
Vinnie Caliendo	Member who represents the business sector and who has paid property taxes over the last 10 years, appointed by the Speaker of the House
Kerry Leichtman	Member who has expertise in assessing property taxes, appointed by the Speaker of the House
Carollynn Lear	Member with expertise in municipal government, municipal taxation, local government finance or property valuation representing interests of municipalities with more than 10,000 residents, appointed by the Governor
Kathleen Billings	Member with expertise in municipal government, municipal taxation, local government finance or property valuation representing interests of municipalities with less than 10,000 residents, appointed by the Governor
Ed Gardner	Member with lived experience as a senior citizen who represents the interests of residents of the State who are at least 65 years of age or older, appointed by the Governor
Nonvoting Members	
Peter Lacy	Commissioner of Administrative and Financial Services or the commissioner's designee
Michael Allen, Ph.D.	Associate Commissioner for Tax Policy within the Department of Administrative and Financial Services, Bureau of Revenue Services, or the associate commissioner's designee
TBD	Additional members invited to participate by the chairs

Real Estate Property Tax Relief Task Force

Resolve 2025, c. 108 as amended by Public Law 2025, c. 739, sec. 2

Public Comments Received During the 2nd Regular Session of the 132nd Legislature

William O'Shea, Windham

Jamie Garvin, Greater Portland Council of Governments

Bill Harke, Yarmouth

Rebecca & Chris Emery, Norway

Mark Messer, Kennebunkport

Colleen Brown, Whiting

Fran Tower, Waterford

Nicholas Benfaremo, South Portland

Laxon, Lindsay

From: William O'Shea <osheaconstrux@gmail.com>
Sent: Tuesday, January 6, 2026 6:14 AM
To: Grohoski, Nicole; Lee, Brian
Cc: RE Property Tax Relief Task Force
Subject: Re: Urgent Request for Property Tax Reform and Economic Sustainability (Ref: SP 688, LD 1770)

ALERT The content of this email looks suspicious and it may be a phishing attempt. Be careful with this email unless you know it is safe. Powered by CyberSentriq.

This message originates from outside the Maine Legislature.

Good morning Senator Grohoski and Representative Sayre,

Another media example why businesses are closing in the state from 11 hours ago:

Source: YouTube
<https://search.app/kLN4L>

As long as the leadership in Augusta continues to ignore this we will continue to lose business tax base.

Regards, William O'Shea, taxpayer, Windham, Maine

On Sat, Jan 3, 2026, 2:57 PM William O'Shea <osheaconstrux@gmail.com> wrote:

Dear Senator Grohoski and Representative Sayre,

I am writing to you today regarding the critical need for comprehensive property tax relief. Property taxes combined with hidden, usage, service and other taxes is a huge financial burden for working Maine families.

I appreciate you both co-chairing this effort but as a retired Marine veteran, a former higher education professional, and a resident of Windham, I am deeply concerned by the current economic trajectory of our state and I don't want this issue to be sidelined.

Property tax burden is killing working families and the middle class.

Since returning to Maine in 2019, I have seen the property taxes on my home increase by 50%—rising from just under \$4,000 to nearly \$6,000. This trend is mirrored across Cumberland County, where a lack of municipal "guardrails" has led to unpredictable and unsustainable property tax hikes. Without consistent county-level audit processes or aggressive K-12 school consolidation, the tax burden will continue to worsen.

The current climate is fueling rampant gentrification as we witnessed during COVID. According to Portside Real Estate, 40,000 out-of-state persons made Maine their permanent residence in

Cumberland county and in turn doubling or tripling property assessments crippling local working people and those on fixed incomes.

These facts and "drive by" property assessments is quickly making this state unaffordable, forcing a mass exodus of the workforce we need to sustain our economy.

Higher education and workforce retention.

During my 11 years in higher education—including my tenure as President of the **Maine Association of Student Financial Aid Administrators (MASFAA)**—I witnessed a troubling consensus among students: they do not see a financial future in Maine.

This information was brought directly to the education, labor and pension committee and ignored.

Data from the **Finance Authority of Maine (FAME)** consistently highlights a "brain drain" where a significant portion of our high school and college graduates leave the state immediately upon graduation. We are essentially exporting our greatest resource—our youth—while being forced to import labor to support an aging population.

Strategic recommendations for tax reform.

To address these systemic issues, I urge the legislature to strongly consider the following actions:

- **Educational Efficiency:** Prioritize the consolidation of school districts. In Windham approximately \$0.64 of every tax dollar is allocated to education; while education is vital, the administrative overhead of non-consolidated districts is unsustainable and the state's current math and reading levels are shameful.
- **Municipal Accountability:** Implement rigorous state and county oversight to ensure municipalities perform consistent audits and remain transparent in their spending. As an example, Washington County is in the red due to lack of consistent audits and incompetent key officials who are failing taxpayers. As a former resident of Washington County, I (and many others) were dismissed by the legislature, further eroding trust in government.
- **Strengthening the Maine State Grant (MSG):** To encourage workforce retention, the MSG must be increased. Based on current inflation and rising tuition costs, the grant is lagging by nearly \$1,200 per student. Our neighboring states (New Hampshire and Massachusetts) know this and are happy to "poach" Maine students with scholarships far exceeding the MSG Grant and University of Maine scholarship offerings. Please note, college enrollment has been declining nationally for the last 12 years and the competition for college students is fierce. **This information was delivered directly to the legislature and ignored.**
- **Broad Tax Reform:** Reevaluate the cumulative "hidden" taxes on working people and businesses—including high fuel taxes, subsidizing out-of-state solar companies (another tax built into every CMP bill) and various hidden service taxes—which discourage home ownership, entrepreneurship and prevent small businesses from expanding.
- Reign in electric costs on CMP; the PUC is not doing their job and once again rates are going up today, not a "Happy New Year" for anybody using CMP.
- Maine is not allowing any of the new federal tax breaks for 2026. This is another blow to working people. As an example and according to many local media outlets, 51 to 60 restaurants closed in

2025 with the main reason for closing being taxes, costs and lack of labor. **Not a peep from Augusta and more lost business tax base.**

- Mandate financial literacy course at every high school and mandatory for high school graduation. **In-person testimony before the education labor and pension committee delivered on this and ignored.**

Maine is losing the character that makes it "The Way Life Should Be." and we are heading for our new state motto "The Way Life Was."

We must pivot toward policies that reward work, encourage residency, and provide stability for those of us who have served our country and continue to serve and WORK in our communities.

In closing, I encourage you and your colleagues to look at California propositions 13 and 19 which directly addresses property tax stabilization since 1978. I look forward to hearing how the property tax reform committee intends to address this in the coming session.

Respectfully,

William O'Shea

Windham, Maine

Retired CW02, U.S. Marine Corps

Former President, MASFAA

Laxon, Lindsay

From: William O'Shea <osheaconstrux@gmail.com>
Sent: Sunday, January 11, 2026 8:06 AM
To: Grohoski, Nicole; Lee, Brian
Cc: RE Property Tax Relief Task Force
Subject: Re: Urgent Request for Property Tax Reform and Economic Sustainability (Ref: SP 688, LD 1770)

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This message originates from outside the Maine Legislature.

A recent example of why the state leadership needs to protect taxpayers by mandating more audits at every town and city in Maine:

Former Gray town manager denies allegations of misspent money

<https://share.google/4dfQtzWHvpsWWdjV9>

On Sat, Jan 3, 2026, 2:57 PM William O'Shea <osheaconstrux@gmail.com> wrote:

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I appreciate you both co-chairing this effort but as a retired Marine veteran, a former higher education professional, and a resident of Windham, I am deeply concerned by the current economic trajectory of our state and I don't want this issue to be sidelined.

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Since returning to Maine in 2019, I have seen the property taxes on my home increase by 50%—rising from just under \$4,000 to nearly \$6,000. This trend is mirrored across Cumberland County, where a lack of municipal "guardrails" has led to unpredictable and unsustainable property tax hikes. Without consistent county-level audit processes or aggressive K-12 school consolidation, the tax burden will continue to worsen.

The current climate is fueling rampant gentrification as we witnessed during COVID. According to Portside Real Estate, 40,000 out-of-state persons made Maine their permanent residence in Cumberland county and in turn doubling or tripling property assessments crippling local working people and those on fixed incomes.

These facts and "drive by" property assessments is quickly making this state unaffordable, forcing a mass exodus of the workforce we need to sustain our economy.

Laxon, Lindsay

From: Jamie Garvin <jgarvin@gpcog.org>
Sent: Tuesday, January 20, 2026 12:57 PM
To: RE Property Tax Relief Task Force
Cc: Kristina Egan
Subject: GPCOG Feedback on Real Estate Property Tax Relief Task Force Recommendations
Attachments: GPCOG Regional Property Tax Policy Recommendations - FINAL.pdf

This message originates from outside the Maine Legislature.

Dear Members of the Real Estate Property Tax Relief Task Force,

On behalf of the Greater Portland Council of Governments, I am pleased to submit the attached memorandum containing our feedback and recommendations for the Task Force's consideration. Our Regional Property Tax Policy Committee has been working to identify both near-term solutions and structural reforms that could provide meaningful property tax relief to residents across Maine, and specifically in our region.

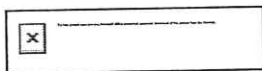
The attached memo outlines our support for several policies already under Task Force consideration, as well as proposed structural changes we believe warrant further exploration — including regional option taxes, property classification differentiation, and state assumption of costs currently borne by local property taxpayers. We recognize the complexity of these issues and look forward to partnering with the Task Force and the Progress & Poverty Institute to develop thorough analyses and recommendations in the coming months.

Thank you for your dedicated work on this critical issue. Please don't hesitate to reach out with any questions or for additional details on our recommendations.

Sincerely,

Jamie Garvin
Director of Community Affairs
Greater Portland Council of Governments

207 712 3232
jgarvin@gpcog.org
www.gpcog.org
970 Baxter Boulevard, Suite 201, Portland, ME 04103



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To: Real Estate Property Tax Relief Task Force
From: Greater Portland Council of Governments (GPCOG)
Re: Feedback on Task Force Recommendations
Date: January 16, 2026

Introduction

GPCOG appreciates the Legislature's establishment of the Real Estate Property Tax Relief Task Force (the "Task Force") to address rising real property taxes and the need for policies and programs to relieve tax-burdened residents. Our membership consists of communities in Southern Maine who can attest to – and are often blamed by their constituents for – the shortcomings of a system that taxes real estate as a primary means of funding local governments and schools.

We thank the Task Force for its important work and for the opportunity to engage in constructive dialogue with you about policy recommendations. In the Greater Portland region, we have formed a Regional Property Tax Policy Committee to explore and advocate for policies that will benefit our communities.

We recognize that the Task Force intends to publish an interim report in January 2026 recommending some near-term policy recommendations and will reconvene in May to address more structural issues. This memorandum is similarly divided between policy changes that can be proposed for the short-session and those requiring further study.

We are very pleased that the Task Force intends to develop structural reforms that could significantly change the way the state and municipalities meet the needs of residents. We urge you not to shy away from the tough issues and the third rails. For the long-term vitality and viability of our communities, we need substantial changes to the state's taxation structure to reduce the property tax that burdens our residents.

We hope to partner with the Task Force and/or your consultant, Progress & Poverty Institute, to provide more thorough recommendations and supporting analyses in the months ahead.

Near-term Policy Recommendations

We request the following recommendations to be included in either the Task Force's interim recommendations for legislation this session or final report later in the year.

Support for policies already under consideration by the Task Force. GPCOG supports the Task Force's focus on increasing participation in existing programs such as the Homestead Exemption and Property Tax Fairness Credit (PTFC) through improved communication and expanded eligibility for the PTFC.

a. **Exemption reimbursement:** Exemptions give needed assistance to our residents but reduce municipal revenues. We therefore urge the Task Force to endorse a higher state reimbursement rate of 90-100%.

b. **Property Tax Fairness Credit multiplier effect:** State programs that vet taxpayer eligibility under an established set of criteria create opportunities for municipalities to offer local add-on assistance programs based on the same criteria. Thus, the expansion of eligibility under the state's PTFC can have a multiplier effect by enabling municipalities, with little administrative burden, to offer an additional benefit to taxpayers based on the same criteria.

Structural Policy Changes

We request that the Task Force consider potential structural and fundamental changes to how the state and local governments work together to meet the needs of our residents. Below are initial ideas we ask the Task Force to explore. All of them need significant dialog and development of policy and implementation details. Our Regional Property Tax Policy Committee will weigh the pros and cons of these approaches. We look forward to sharing our findings and recommendations with the Task Force and its consultant.

1. **Regional Option Tax.** GPCOG is currently analyzing sales and hospitality revenue data by county and community and would appreciate an opportunity to present our findings to the Task Force this spring. We anticipate that our research will support a regional-level, optional sales tax (with the option to include or exclude hospitality) and a corresponding **distribution formula**. Under our proposal, the local option tax would be **distributed at the county level**. The goal of this tax would be to achieve **property tax stabilization**. That is, additional local revenues will be used to prevent runaway property tax increases and fund unmet needs (for example, capital reserves). These goals cannot be met if additional revenues are limited to specific purposes (for example, affordable housing or

transportation).

2. **Differentiation of property classification.** We recommend exploring the property tax benefits and impacts of policies that would allow for different types of properties to be taxed differently and will follow up regarding support for specific classifications (for example, commercial/residential, seasonal and owner-occupied).
3. **School funding and school buildings.** We appreciate the Task Force's hesitation as to whether state-level funding for education services and school construction is within your assigned duties. School funding is, frankly, the elephant in the room for any discussion of real property tax relief because it represents the bulk of what property taxes are collected to cover, often exceeding 70% of local budgets. We hope the Task Force decides to address school funding as a structural issue, but if the Task Force finds that the subject is outside of its scope of work, we ask that you include a recommendation in your interim report that the Legislature prioritizes addressing this issue.
4. **State responsibility for county jail funding.** County jail operations represent a significant and growing burden on property taxpayers through county assessments. In many Maine counties, jail costs consume a disproportionate share of county budgets, driving property tax increases that municipalities and their residents have little ability to control. GPCOG urges the Task Force to recommend that the state assume greater responsibility for jail funding, either through substantially increased state support or by transferring jail operations back to state administration. This would provide meaningful property tax relief across all Maine counties while recognizing that corrections is fundamentally a statewide public safety function. As an interim measure, we note that medical expenses are a significant portion of jail expenses and ask that the legislature support maintaining MaineCare eligibility for persons who have been detained.
5. **Municipal costs for homelessness services.** Municipalities, particularly in southern Maine and in service centers across the state, are bearing significant costs for services to residents experiencing homelessness. While this challenge is most acute in urban areas, communities throughout the state are grappling with increasing homelessness-related expenses that fall on local property taxpayers. GPCOG recommends the Task Force explore mechanisms for the state to assume greater responsibility for these costs, potentially through assigning this responsibility to counties with dedicated state funding streams. This approach would provide property tax relief while ensuring more consistent and adequately funded services for vulnerable populations statewide.

6. **Real Estate Transfer Tax (RETT) sharing.** Counties currently collect RETT for recorded transactions, keeping 9.2% of the tax and remitting the remainder to the state. We would like to explore a change to this sharing formula to allow local governments to retain a greater portion of this tax. Property values have risen due to market forces beyond owners' control. When some residents decide to sell their properties for higher prices, their sales data is used to increase property assessments and taxes for those who choose to remain in the community. Retaining more of the RETT, perhaps the portion representing an incremental increase in property value over assessed value, would assist municipalities to stabilize property taxes.

Conclusion

Thank you again for your work on the Task Force and for your attention to our communities' policy concerns. Jamie Garvin, GPCOG Director of Community Affairs, will be our point of contact and will follow up with Task Force staff to schedule a presentation from the Regional Property Tax Policy Committee this spring to further discuss our analyses and policy proposals.

Laxon, Lindsay

From: William Harke, RA | Casco Bay Design Studio <wharke@cascobaydesign.com>
Sent: Tuesday, February 24, 2026 10:35 AM
To: RE Property Tax Relief Task Force
Subject: Comments on property tax relief

This message originates from outside the Maine Legislature.

I saw reports of your summary for tax relief and unfortunately it fails to address the root cause; spending. I live in Yarmouth and councilors here believe that a 10% tax hike every year should be the norm. That means doubling every 7 years. The council continues to fund pet projects that only a minority of town people actually support. How about real change such as;

1. Limiting what local towns can spend money on. We should not be paying taxes to support global initiatives. That is what donations are for.
2. Capping the tax increase every year to inflation or inflation plus 1 or 2%. My tax bill just skyrocketed and I am now paying over \$300 PER MONTH more. I dont care if I pay the weekly or twice a year, it is absurd.
3. Restricting the amount of money in taxes that can be put away into reserve accounts. Yarmouth squirrels away money every year to quietly use on pet projects. They use it fot things such as loans to private groups that want to build affordable housing and a "contribution" by the town makes the chances of a grant better. Granted, this is not supposed to be a loan, but it is (hush, hush, wink, wink). Sounds like fraud, actually.
4. Limit the amount of overlay in the budget. This year yarmouth added 0.27 to the mil rate for overlay.
5. Fix school spending. That is, by far the biggest culprit. In Yarmouth we spend stupid amounts of money on frivolous things and when anyone pushes back they threaten to cut programs and fire teachers. There should be a set rate for things like books, supplies, copiers, etc based on number of students. Currently Yarmouth hides money in all those line items and since they are never audited, they have money to burn.
7. Require yearly spending audits.

I can go on, but in Yarmouth and many other towns nearby it is spending that is the problem. Some of your suggestions will help; for instance when my assessment nearly doubled, the fixed \$25k homestead credit is now pennies. We can not afford to fund every little thing that comes along, especially the ones brought by new residents 'from away' that may be used to having more done for them.

Control spending and taxes will be not be such a burden.

Thank you,

Bill Harke
Yarmouth, ME

Laxon, Lindsay

From: cemery4@maine.rr.com
Sent: Tuesday, February 24, 2026 11:47 AM
To: RE Property Tax Relief Task Force
Subject: property taxes

This message originates from outside the Maine Legislature.

I am writing to find out why the Homestead Act was taken away from us because we have an irrevocable trust. We still pay taxes to the town of Norway just like everyone else. We have resided here for 12 years and are 76 years old. The town of Norway still gets our tax money and always on time. As older folks we can use help like others but feel we are being ripped off by the state. Please discuss this issue at your next meeting. We hope help is on the way since our taxes keep going up. Please keep us informed. Rules need to be changed to include every taxpayer.

Sincerely, Rebecca and Chris Emery Norway taxpayers

Laxon, Lindsay

From: Mark Messer <markwmesser@gmail.com>
Sent: Tuesday, February 24, 2026 1:11 PM
To: RE Property Tax Relief Task Force
Subject: Tax relief

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This message originates from outside the Maine Legislature.

Allowing for smaller, more frequent payments will not lower property taxes, it's a "feel good" plan, not an effective one.

Do more re-vals, increase out of state second property taxes.

There are many non- profits that aren't really non- profits, tax them!

Mark Messer

Kennebunkport

Laxon, Lindsay

From: Laxon, Lindsay
Sent: Wednesday, February 25, 2026 8:09 AM
To: RE Property Tax Relief Task Force
Subject: FW: Interim Recommendations Fail to Address Structural Valuation Distortion

Lindsay J. Laxon, Esq.
Legislative Analyst
Office of Policy and Legal Analysis
Maine State Legislature
(207) 287-1670

From: Colleen Brown <207puffinpines@gmail.com>
Sent: Thursday, February 19, 2026 4:19 PM
To: Laxon, Lindsay <Lindsay.Laxon@legislature.maine.gov>; Cmte TAX <TAX@legislature.maine.gov>
Subject: Interim Recommendations Fail to Address Structural Valuation Distortion

This message originates from outside the Maine Legislature.

Members of the Task Force,

Your interim recommendations acknowledge that property taxes are creating real strain for Maine households. However, they do not address the structural cause of that strain.

Monthly payment options do not reduce tax liability.

Informational inserts do not change valuation distortion.

Inflation indexing the Homestead Exemption does not correct income–valuation mismatch.

Expanding the Property Tax Fairness Credit treats symptoms, not the underlying imbalance.

The core issue is this: Maine’s equalized “just value” system is driving tax capacity calculations based on market demand from nonresident and seasonal buyers, not on the income reality of year-round residents.

In rural counties such as Washington, Aroostook, Piscataquis, Somerset, Franklin, and Oxford, valuation growth has dramatically outpaced household income growth. Equalized valuation is now used to:

- Inflate county tax apportionment obligations
- Reduce state education subsidy eligibility
- Increase local tax burden relative to actual ability to pay

This is not a payment timing problem. It is a structural formula problem.

When property values are driven by outside purchasing power rather than local wages, the state's formulas misclassify rural communities as wealthier than they are. The result is predictable: residents are taxed according to speculative market pressures rather than economic capacity.

Relief programs that require annual application, income documentation, and tax credit reconciliation are not structural reform. They are compensatory mechanisms layered on top of a distorted base.

If the Task Force continues to focus exclusively on administrative efficiency and credit expansion without examining valuation methodology, county apportionment formulas, and education funding interactions, the underlying inequity will persist.

Property tax policy cannot be meaningfully reformed without examining:

1. The relationship between equalized valuation and state subsidy formulas.
2. The impact of seasonal density and nonresident ownership on certified valuation.
3. The mismatch between income growth and valuation growth.
4. The long-term fiscal sustainability of relying on expanding refundable credits as a corrective mechanism.

The current recommendations postpone this analysis.

If this body intends to produce durable reform rather than incremental relief, the next phase of work must include structural valuation modeling and income-capacity analysis.

Maine does not have a collection problem. It has a measurement problem.

https://mainemorningstar.com/2026/02/19/maines-property-tax-task-force-releases-initial-recommendations-to-reduce-burden/?fbclid=IwZnRzaAQEXW1leHRuA2FlbQIxMQBzcnRjBmFwcF9pZAo2Njl4NTY4Mzc5AAEeDAWN9xLVs8pcmWR6DEE7_I5qsD09t3O6JzPUNv-QX-3LFJnXT1IVsZA740_aem_Hblzw7ekf72qstENbyYrQQ

Respectfully,

Colleen Brown, M.Ed.
Whiting, Maine
207-263-6047
Email: 207puffinpines@gmail.com

Laxon, Lindsay

From: fmtower@verizon.net
Sent: Monday, March 2, 2026 6:46 AM
To: Sargent, James; Laxon, Lindsay; Olson, Rachel
Subject: Article in Sun Journal

Importance: High

This message originates from outside the Maine Legislature.

Good Morning

I just read an article in the Sun Journal regarding the Real Estate Property Tax Relief Task Force. I wondered if you could pass this on – the Task Force should investigate the school burden to towns. I live in Waterford and we are working on our budget – our biggest tax burden is the school district. Our Selectboard Head Person, Randy Lessard, has done a great job in keeping the municipal % low but it's the school district SAD17 that is burdensome to our small community. This is an area that I believe the Task Force should also focus on.

I believe all school districts should be audited by an independent company.

Thank you for your time

Fran Tower
Accountant/Business Manager
P O Box 37
Waterford ME 04088

978-766-7534

Laxon, Lindsay

From: Nick Benfaremo <benfaremo@hotmail.com>
Sent: Tuesday, April 21, 2026 1:25 PM
To: RE Property Tax Relief Task Force
Subject: A Proposal for Modification of Property Taxation in Maine
Attachments: Maine Property Tax.pdf

This message originates from outside the Maine Legislature.

Dear Committee Members,

Please see the attached proposal concerning Modification of Property Taxation in Maine.

I will be traveling extensively over the next few months, but will check my email if you have any questions or comments.

Sincerely,

Nicholas Benfaremo
South Portland, ME
benfaremo@hotmail.com
(207) 879-4941

Maine Property Tax Reassessment

In Maine, “property taxes” are principally used to support the, local Schools, the local Municipality and the relevant County.¹ In South Portland, and most likely in other municipalities, the largest share (61% in 2026) supports the public schools.²

This annual taxation, based on the potential market value of one’s real property, is a historical artifact that is long overdue for re-examination.

Logically, there is no justifiable connection between the value of one’s (real) property and the money needed to support public education; nor should there be.

Property taxes are the only significant tax that one pays after purchasing something, and which one continues to pay as long as the owner possesses it. Unlike an income tax, it is completely hypothetical, and it is on the least liquid of any of one’s assets.

One of the greatest injustices of the current property tax system is how it hits the elderly. This group is generally making the lowest income that they have for many decades, they are dealing with the progressively complex and expensive process of aging and they are taxed on something that they generally can’t make money from, or liquidate. Additionally, they are principally paying for a service that they are only tenuously connected to, the education of children.

An Alternative

Another approach which impacts the actual users of the supported services and which is proportional to one’s ability to pay is outlined below.

- Eliminate the current system and separate the funding for County/Municipal (CM) services and that for Schools.
- CM tax is for all residents and property owners, with non-residents paying somewhat more, as a non-residential property should be treated as an investment and/or a luxury item.
- School tax really should be a State tax so that the money is distributed to give a uniform education to all students and to minimize the development of “good” schools for the wealthy and “poor” school for the poor.
- All residents and business should pay school tax; one rate for residents and one for businesses. The resident rate should be based on **income** an one’s ability to pay (and certainly not on the value of their homestead that has been in their family for generations.)
- Parents and Guardians of of students should pay more, just as drivers pay more for roads through tolls and the tax on gas and each resident pays more for electricity, water, gas, etc. based on their usage.

Respectfully Submitted: Nicholas Benfaremo, South Portland, Maine. April, 2026

1 The Lincoln Institute of Land Policy (January, 2022)
https://www.lincolninst.edu/app/uploads/legacy-files/me_january_2022_0.pdf

2 <https://www.southportland.gov/714/Tax-Bill-FAQ-July-2024>

Maine Real Estate Property Tax Task Force

*Phase 2 Presentation to Task Force, 05/18/2026
Augusta, Maine*

Progress & Poverty
INSTITUTE



Center for
Land Economics

Context-setting

How did we get here?

Nov 2025

Dec 2025

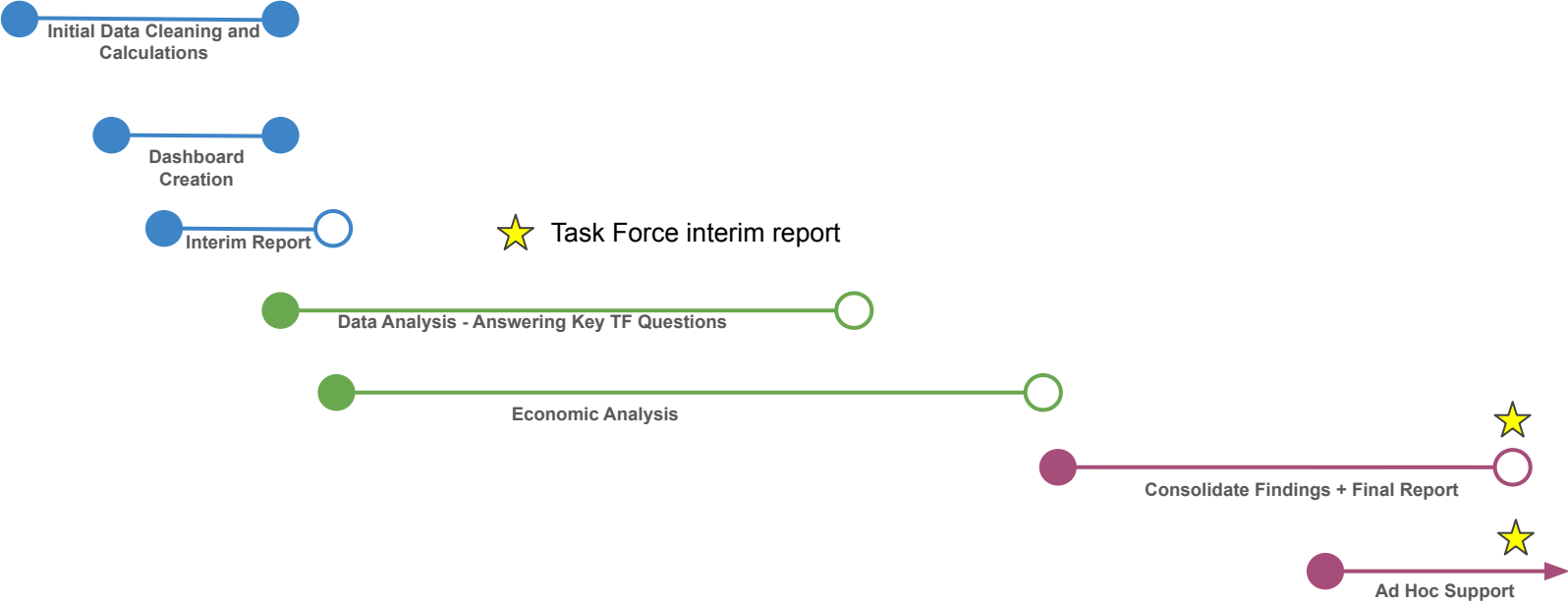
Jan 2026

Feb 2026

Mar 2026

Apr 2026

May 2026



Today's Presentation & Goals

Today's Plan

1. Data Measures
 - a. Key data sources
 - b. Muni classifications
 - c. Property classification
2. Landscape: Distribution of Burdens
 - a. Over Time
 - b. Over Space
 - c. Who pays?
3. Q&A
4. Other Topics
 - a. Effect of Nontaxable Property
 - b. Unfunded Mandates
 - c. Federal Funding
 - d. Assessment Practices
5. Q&A
6. Lunch 12:45
7. Relief Programs
 - a. Participation Rates
 - b. Modeling of Distributional Effects
8. Next Steps, Q&A

Goals for today:

- Review the landscape of property taxes in ME: time-trends, regions, distribution
- Help TF decide what to focus on over the next six months: focus scope
- Review relief programs and impact

Research Questions

- Has rapid post-COVID growth in home values caused property taxes to spike?
- Are homeowners paying a larger share of property taxes because residential property values are rising faster than commercial?
- Are property tax payers in service centers subsidizing services for those in surrounding communities?
- Are municipalities driving up property taxes through out-of-control spending?
- Are coastal towns struggling to fund services for cottages which are vacant most of the year?

Research Questions

- **Nontaxable Property:** What is the effect of nontaxable property on the effective tax rates paid by taxable property?
- **Unfunded Mandates:** Which Unfunded Mandates (UMs) do municipalities perceive as imposing the largest fiscal burden?
- **Federal Funding:** What quantity of Federal funds are flowing into Maine which, if they were cut, would likely be replaced from municipal budgets?
- **Assessment Methods:** What assessment practices are being conducted by Maine assessors?
- **Relief Programs:** What are the levels of eligibility and uptake for Maine's property tax relief programs? How do relief programs benefit households across the socioeconomic spectrum?

Key Data & Measures

Key Data Sources

Parcel-Level

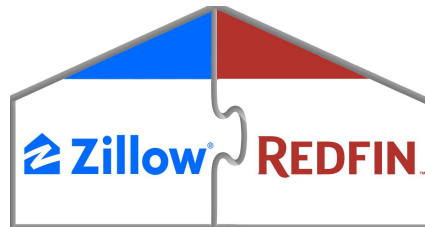


	A	B	C	D	E	F	G
1	ID	Address2	txLend	txME	txTotReal	txTaxReal	Exempt
2	04-11-05-00	133 ANTIS DR	7120	\$0.00	7120	91.14	
3	04-02-00-00	809 EDINBURG RD	23660	\$0.00	135130	1729.66	\$25,000.00
4	04-09-00-00	727 EDINBURG RD	23600	\$0.00	113070	1447.3	
5	05-46-01-00	624 EDINBURG ROAD	17290	\$0.00	17290	221.31	
6	05-52-00-00	624 EDINBURG RD	24310	\$0.00	24310	311.17	
7	05-53-00-00	624 EDINBURG RD	26810	\$0.00	206280	2640.38	\$25,000.00
8	03-10-00-00	26 POWERS RD	23840	\$0.00	39510	507.01	
9	01-04-01-00	94 WOOMANS MILL RD	17040	\$0.00	17040	218.11	

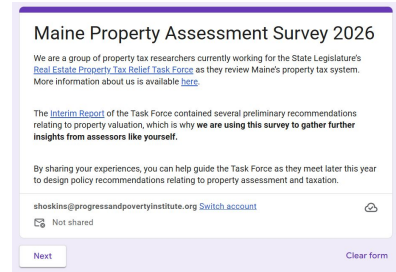
Muni-Level



2024 Municipal Valuation Return Statistical Summary



Others



Data Dashboard & Dictionary

Maine Property Tax Dashboard

All Jurisdictions Municipality Map Geographic Comparison Timeseries

Want to know more about the data? [View Data Dictionary](#)

Complete Geography Listing by Measure

Select Measure

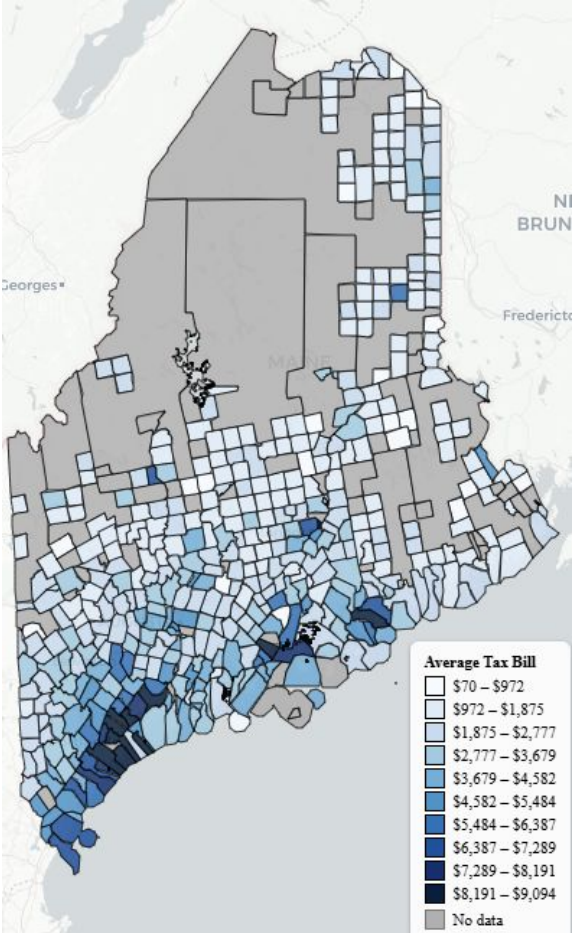
Average Homesteads Property Value

Average Homesteads Property Value

STATE OF MAINE
\$311,200

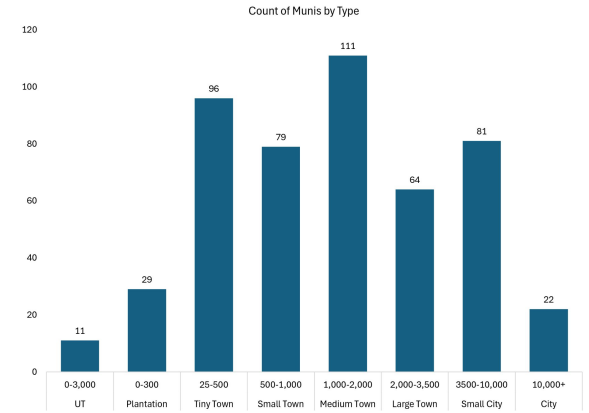
Counties and Municipalities

County/Municipality	Average Property Value
Androscoggin County	\$243,140
Auburn	\$235,660
Durham	\$371,280
Greene	\$263,640
Leeds	\$262,000
Lewiston	\$211,960

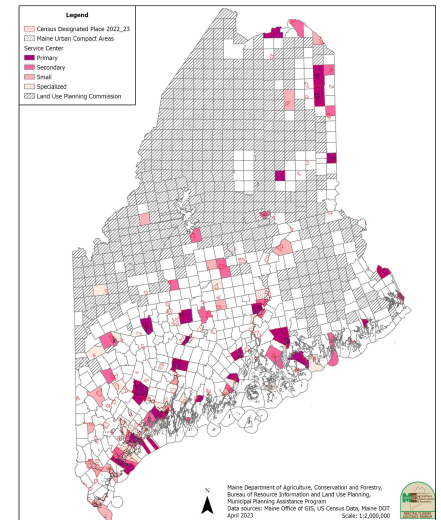


Municipality Classification


- We classify municipalities three ways:
 - **By Size**
 - **By Service center designation** ([State Planning Office](#))
 - **By Economic Structure:** location quotients, jobs-workers ratio, coastal zone
- See [Felt map](#)



Regional Service Centers, Census Designated Places, Urban Compact Areas



Parcel Classification Cascade



	A	B	C	D	E	F	G
1	ID	Address2	btLand	btME	btTotReal	btTaxReal	Exempt
2	04-11-05-00	133 ANTIS DR	7120	\$0.00	7120	91.14	
3	04-02-00-00	809 EDINBURG RD	23660	\$0.00	135130	1729.66	\$25,000.00
4	04-09-00-00	727 EDINBURG RD	23660	\$0.00	113070	1447.3	
5	05-46-01-00	624 EDINBURG ROAD	17290	\$0.00	17290	221.31	
6	05-52-00-00	624 EDINBURG RD	24310	\$0.00	24310	311.17	
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8	03-10-00-00	26 POWERS RD	23840	\$0.00	39610	507.01	
9	01-04-01-00	94 WOOMANS MILL RD	17040	\$0.00	17040	218.11	



- 
1. Zoning
 2. LBCS



Muni-level filter:
< 30% other/unknown

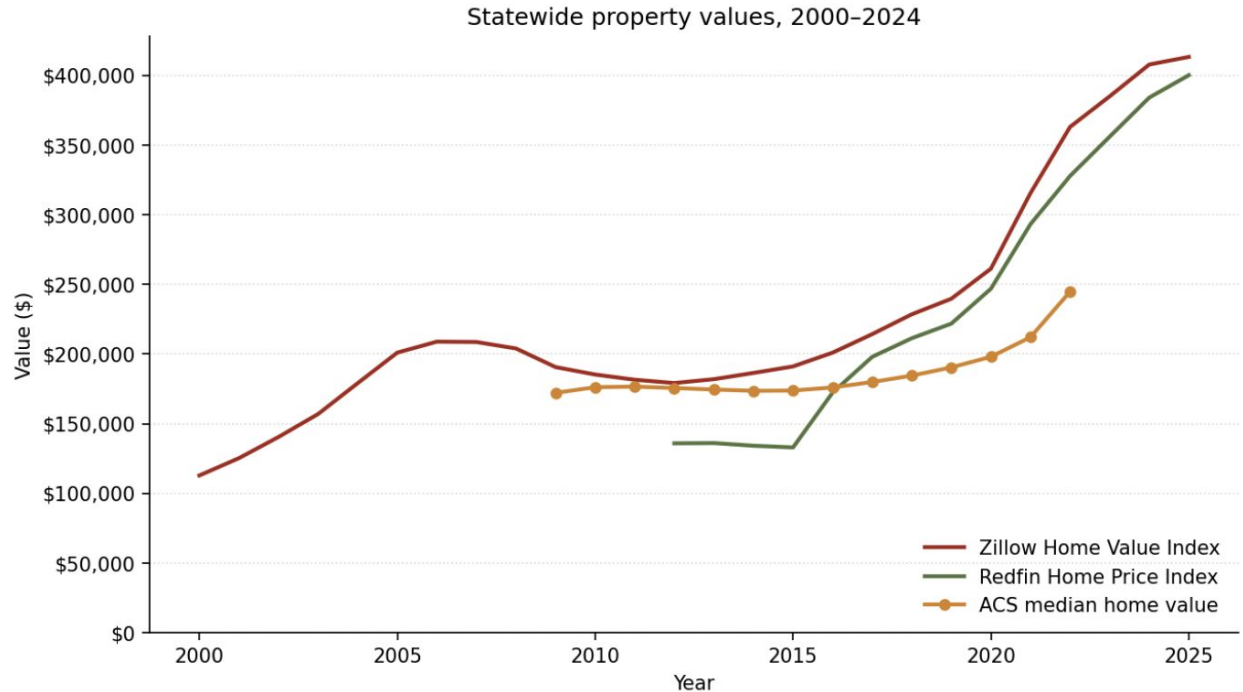
Property Tax Landscape in Maine

Trends over time

Median Residential Property Values

RQ: Has rapid post-COVID growth in home values caused property taxes to spike?

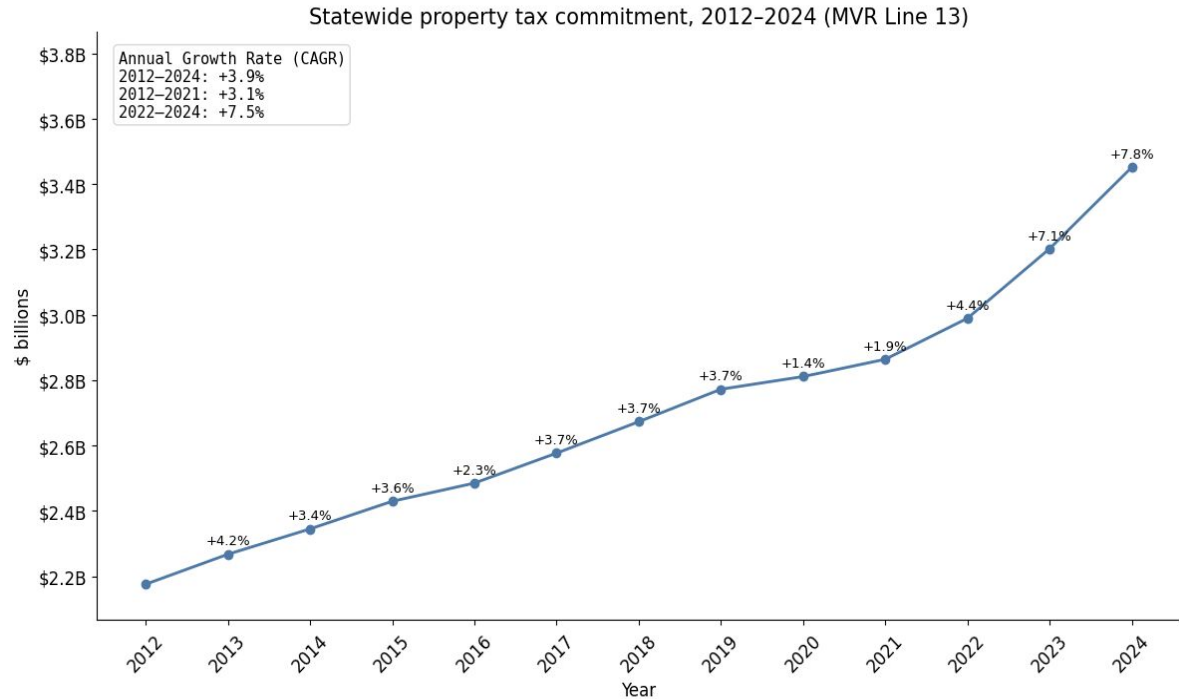
- Moderate growth pre-COVID
- Post-COVID doubling
- ACS median lags
- But do higher property values inherently mean higher property taxes?



Total Commitment

RQ: Has rapid post-COVID growth in government spending caused property taxes to spike?

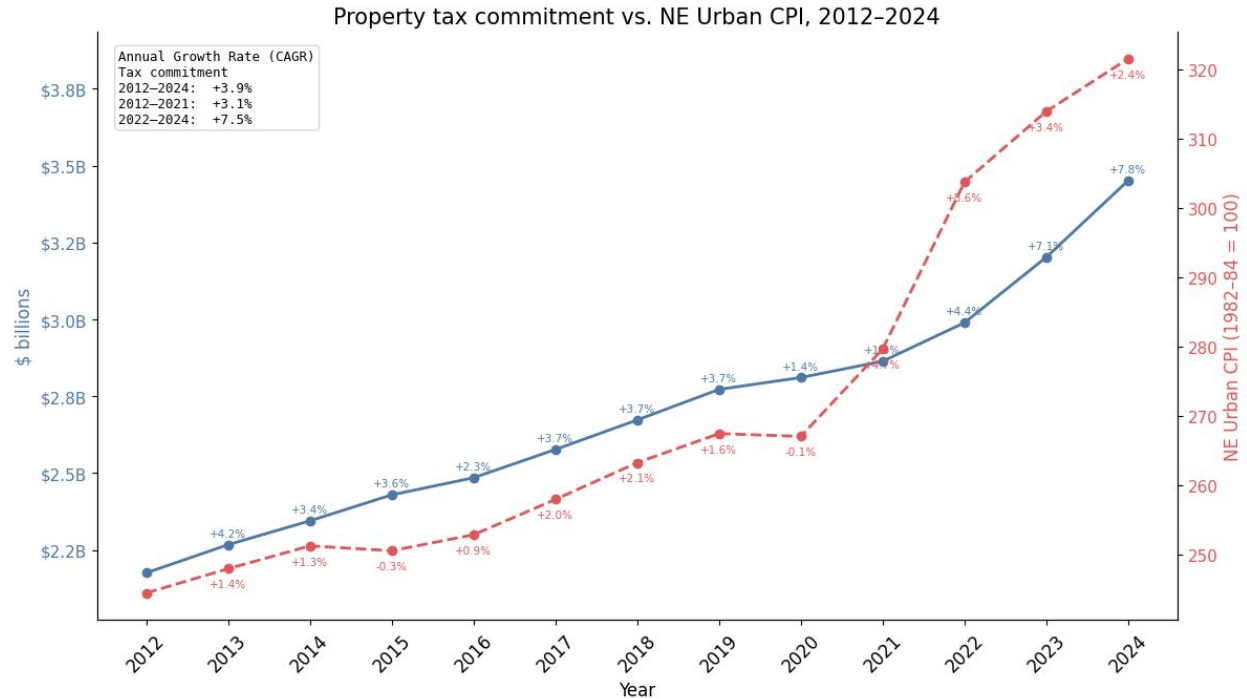
- Steady growth in property tax appropriations pre-COVID
- Rapid growth post-COVID



Total Commitment

RQ: Has rapid post-COVID growth in government spending caused property taxes to spike?

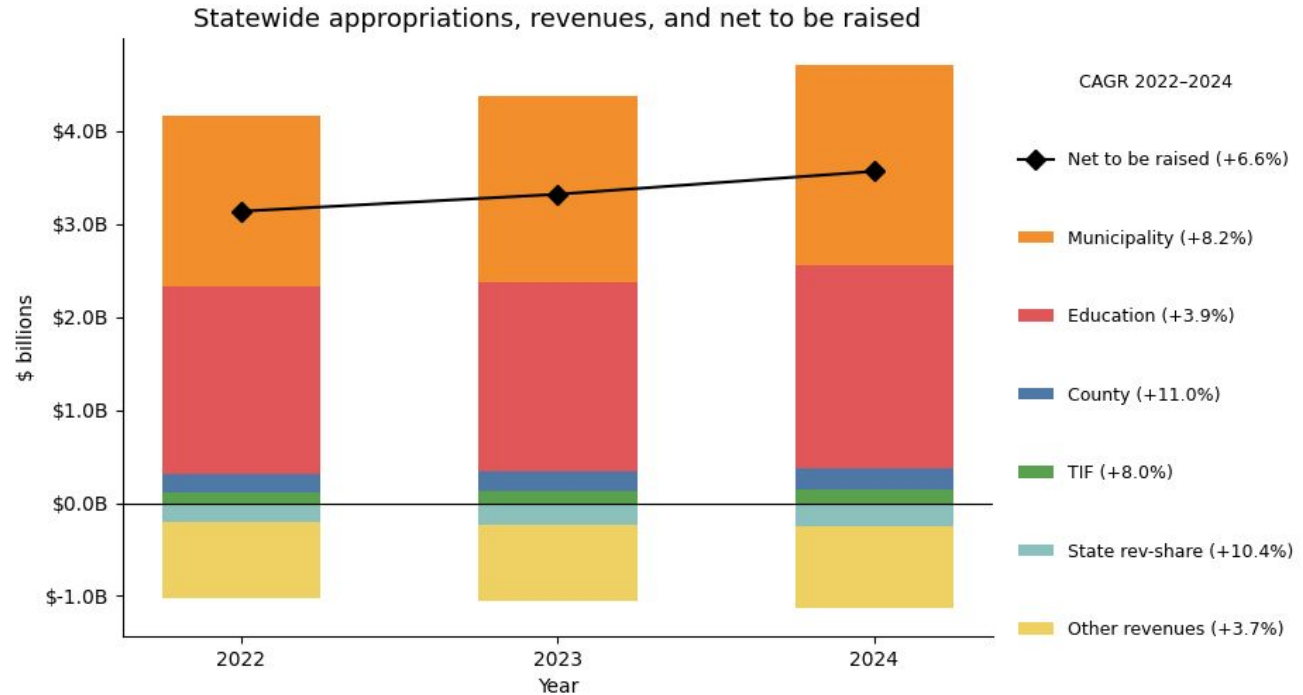
- Steady growth in property tax appropriations pre-COVID
- Rapid growth post-COVID
- But inflation



Total Commitment

RQ: Has rapid post-COVID growth in government spending caused property taxes to spike?

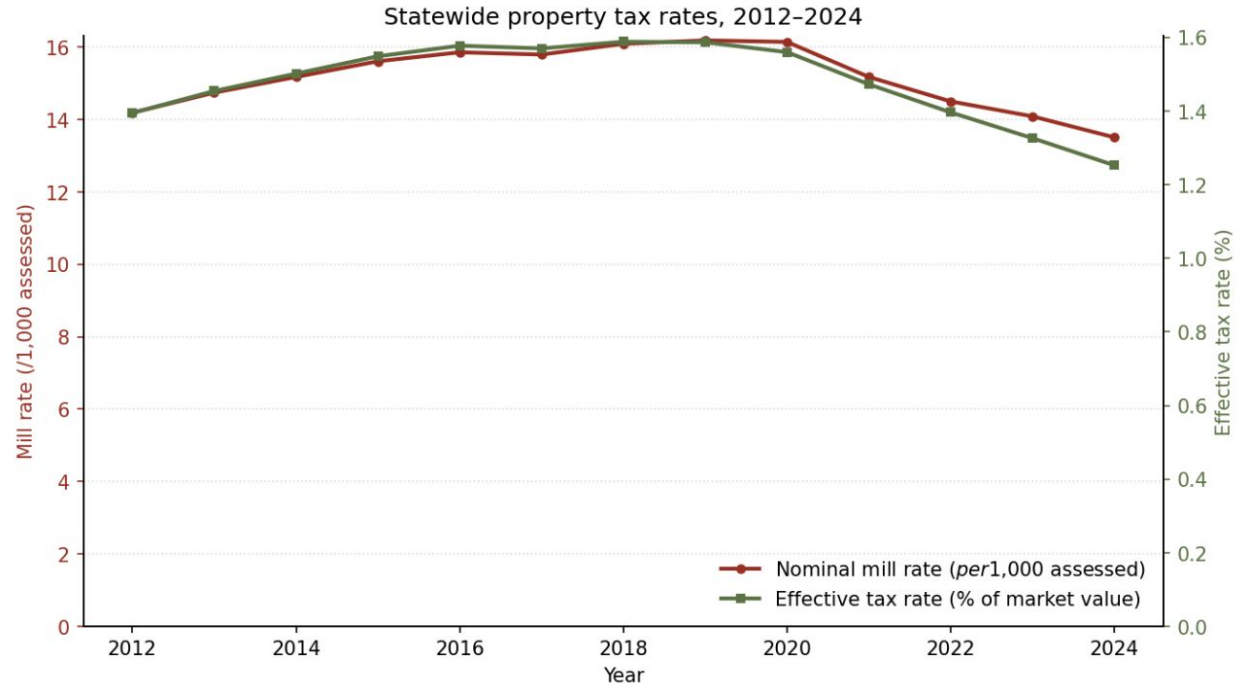
- Net-to-be-raised rose 7% per year post-COVID
- Municipalities slightly higher
- 2023 boost to rev-share (to 5% of sales+income tax) helped avert higher property tax increases



Tax Rates

RQ: Has rapid post-COVID growth in home values caused property taxes to spike?

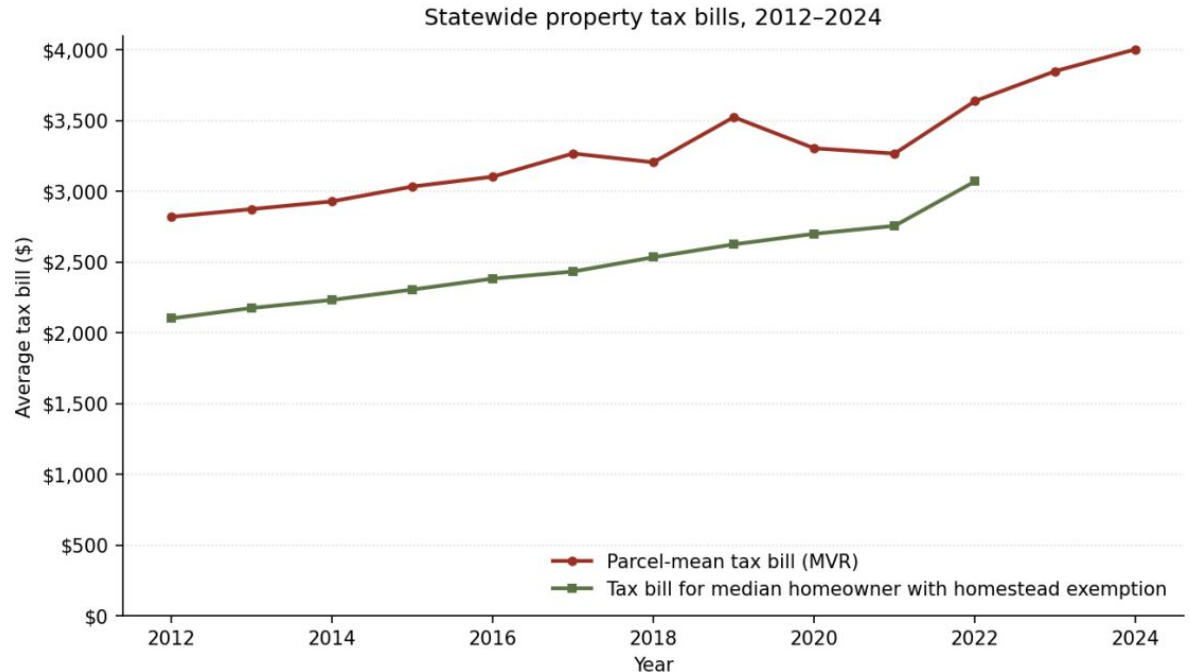
- Nominal vs effective
- *Declining* since COVID: property values rising faster than appropriations



Tax Bills

RQ: Has rapid post-COVID growth in home values caused property taxes to spike?

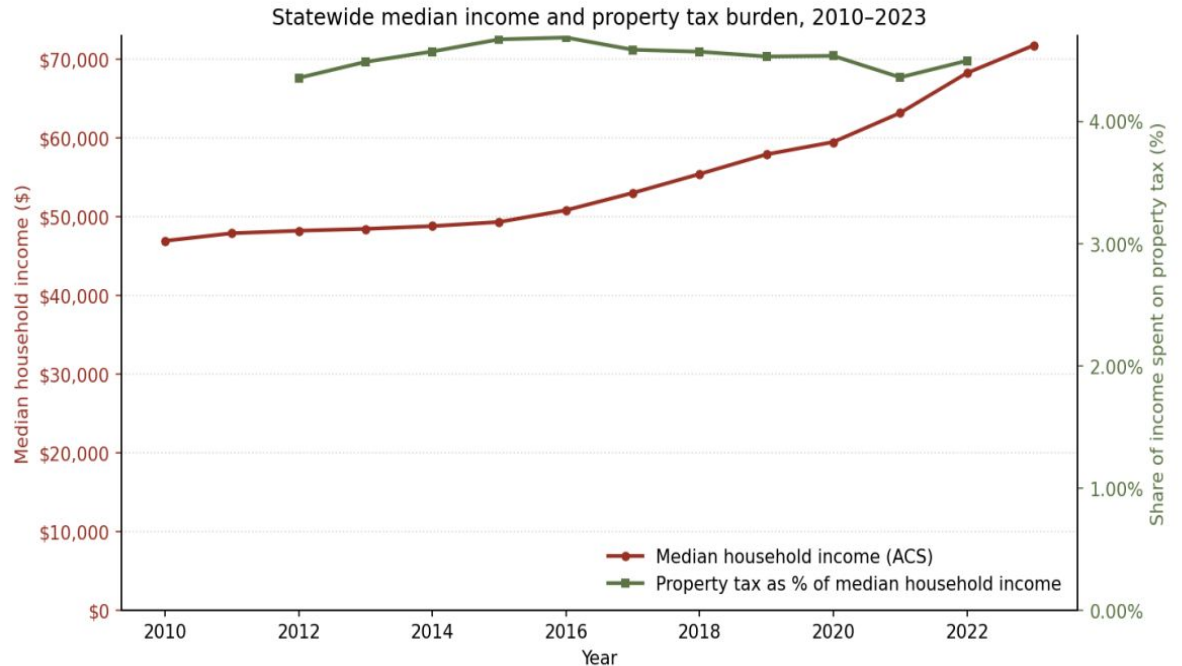
- Steady growth pre-COVID
- Spikes post-COVID



Property Taxes as a Share of Income

RQ: Have property taxes been increasing relative to incomes in Maine?

- For typical Maine homeowner, property taxes have remained around 4.5% of household income
- Even true post-COVID, largely due to strong income growth



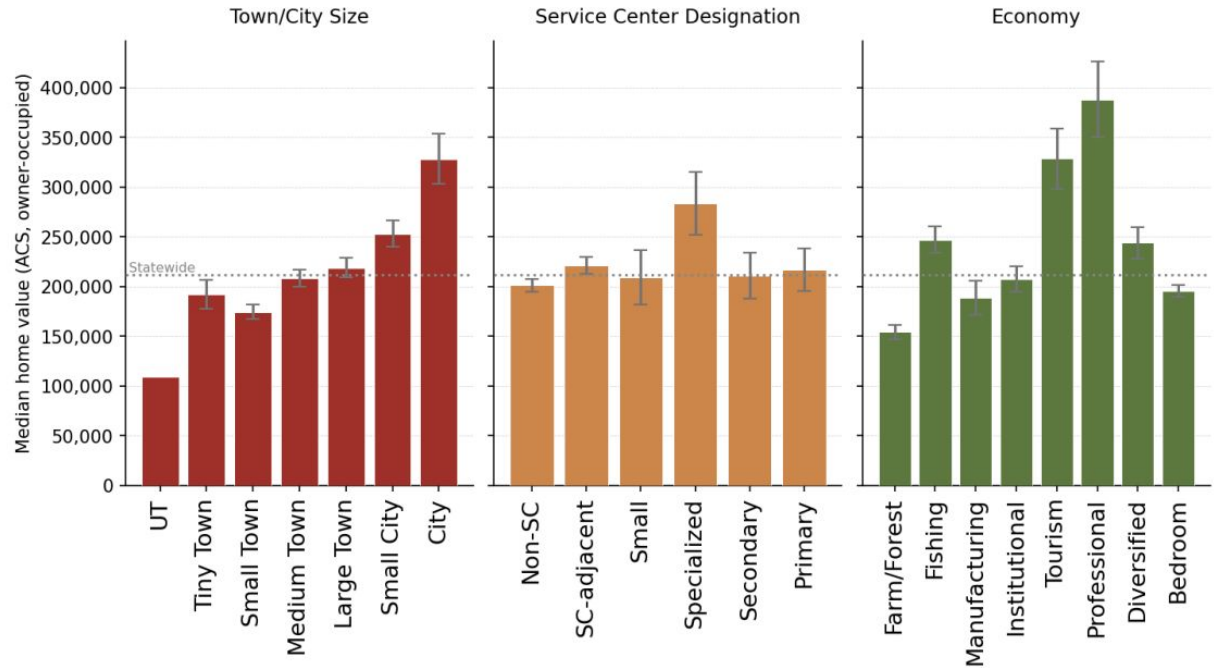
Property Tax Landscape in Maine

Regional picture

Median Home Value

RQ: How does the value of a typical home vary across Maine municipalities?

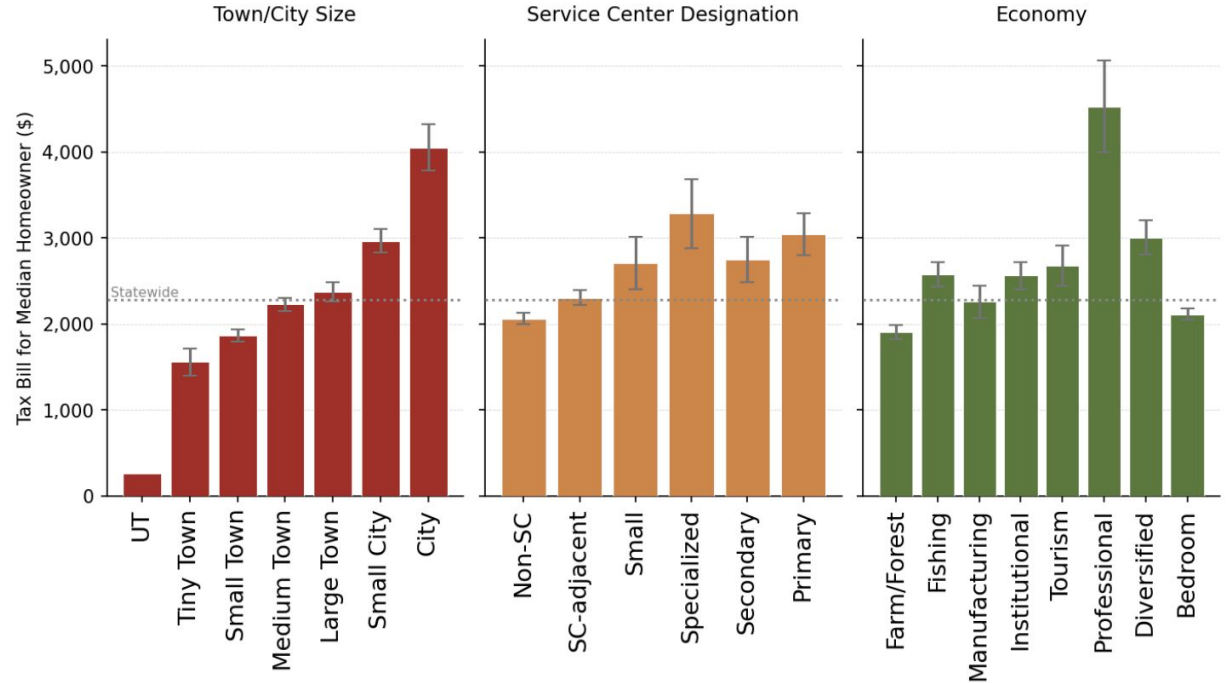
- Property value increases with muni population
- Higher in urban areas, the coast, and specialized SCs
- Particularly low in rural areas



Tax Bill for Median Homeowner

RQ: How does the average property tax bill vary across Maine municipalities?

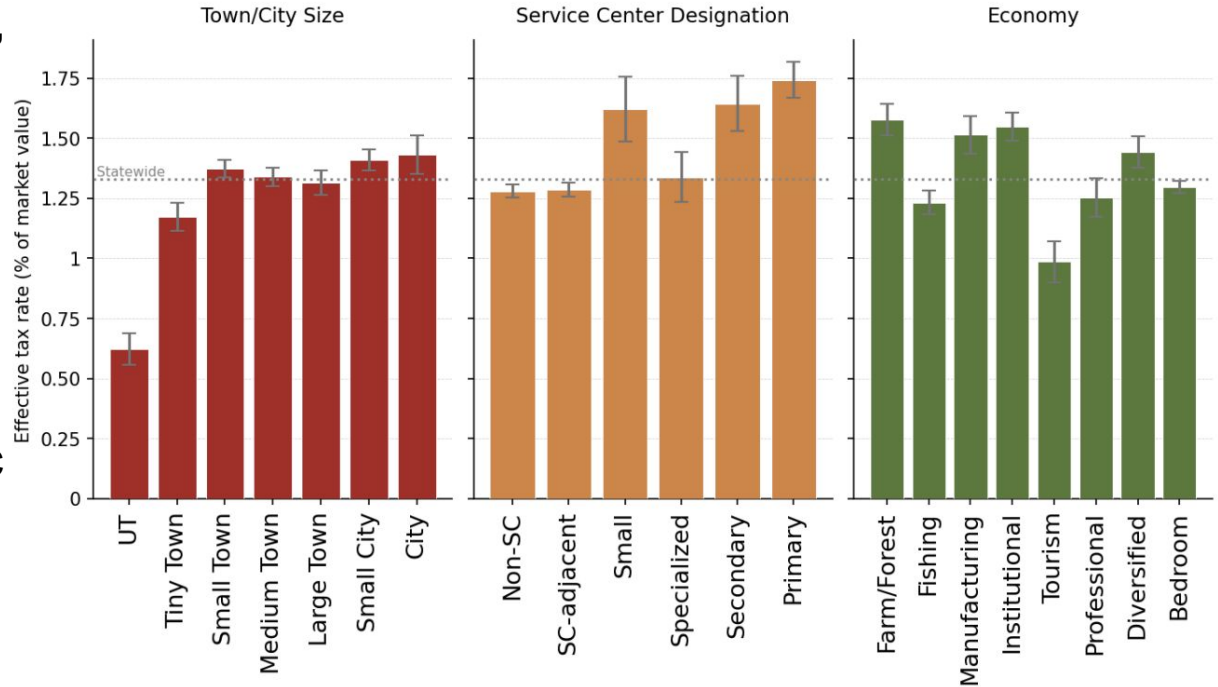
- Increases with property value & muni size
- Particularly cities
- May reflect elevated cost of services
- SCs clearly pay more than non-SCs



Effective Tax Rate

RQ: Which areas face the highest effective tax burden relative to property values?

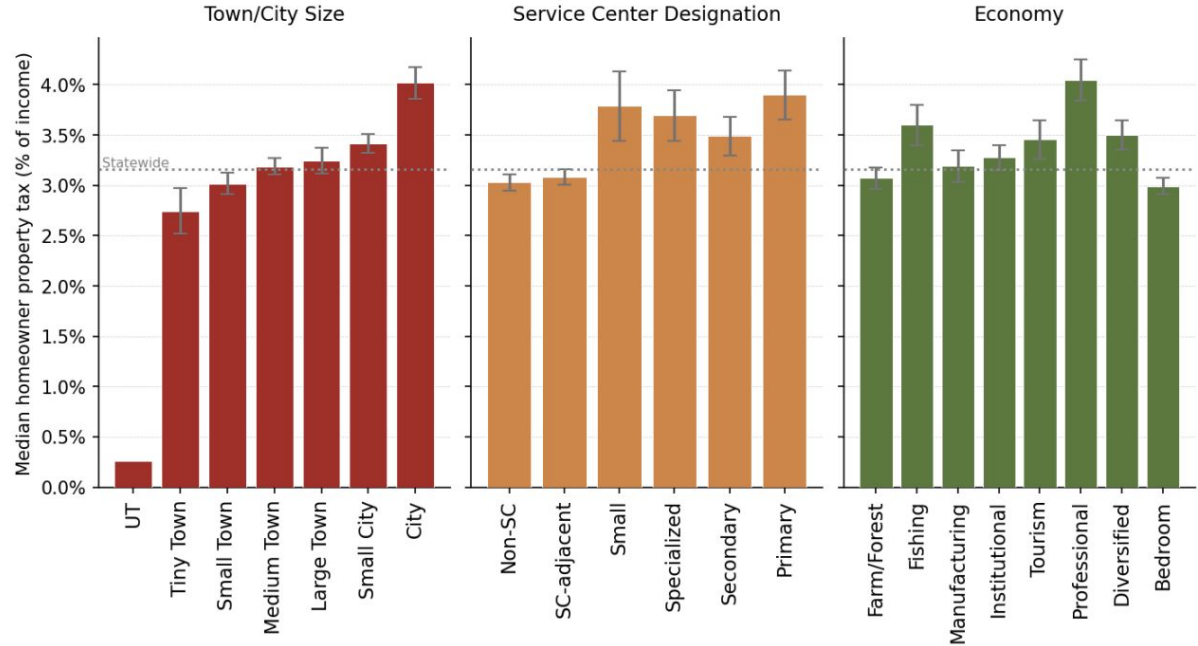
- Relatively flat by size, mild increase for cities
- Tourist towns may be *benefiting* from absentee taxpayers
- Lower values mean higher ETRs in Farm/Forest/Manufacturing/Institutional
- Non-SCs *do* appear to benefit from SCs



Property Tax as a Share of Income

RQ: Which areas face the highest effective tax burden relative to incomes?

- Tax:income rises with municipal size
- Consistently higher in service centers
- UTs lower (but leaner)



Questions so far?

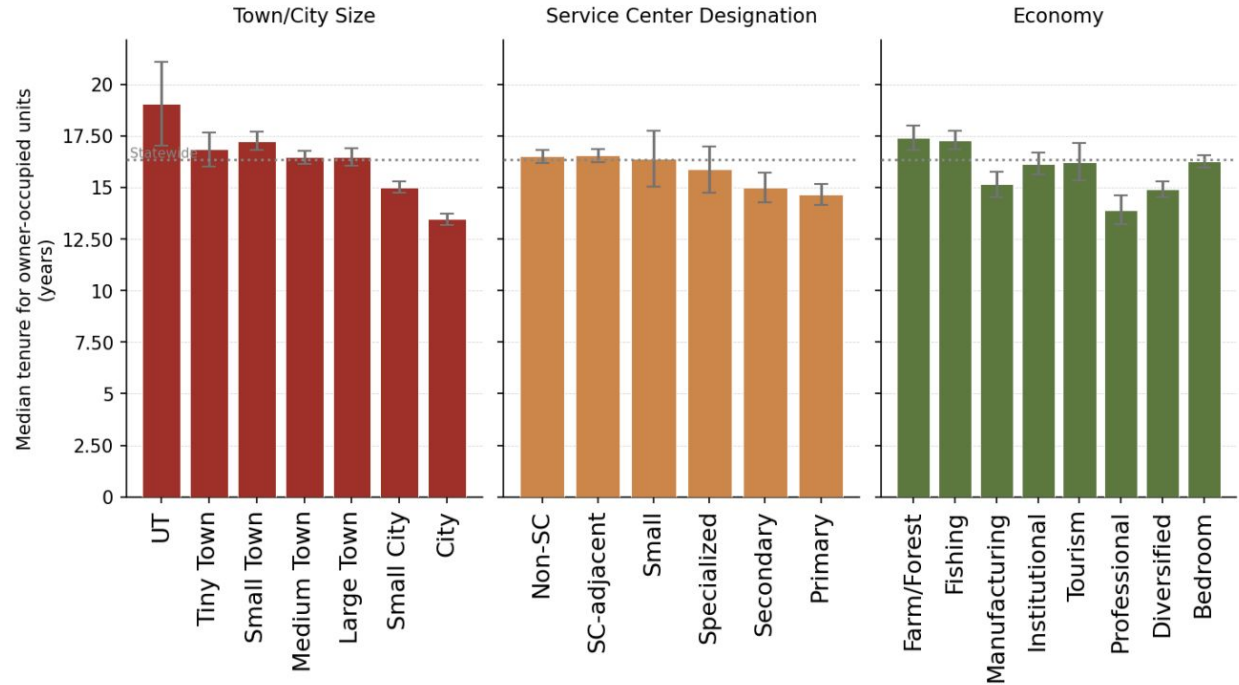
Property Tax Landscape in Maine

Distribution of who pays

Homeowner Tenure

RQ: How does the homeowner tenure vary across the state?

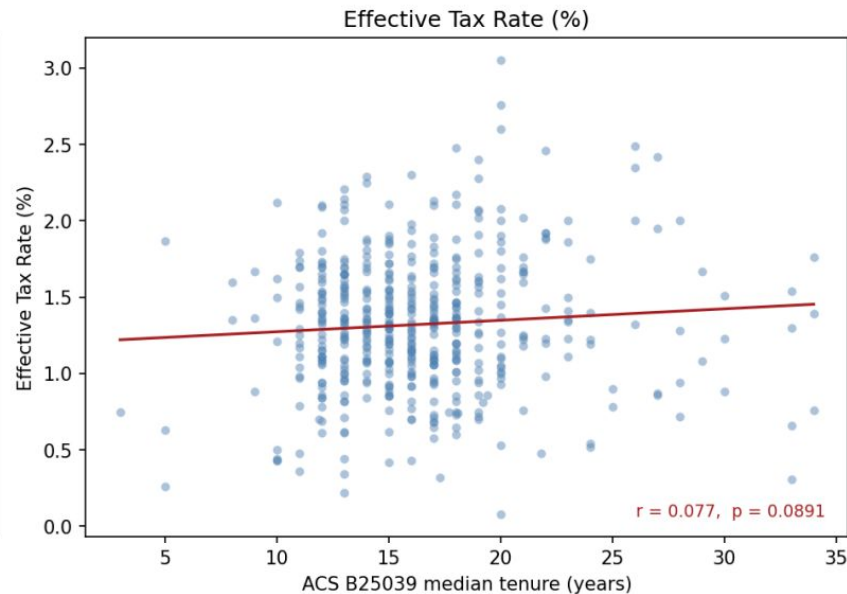
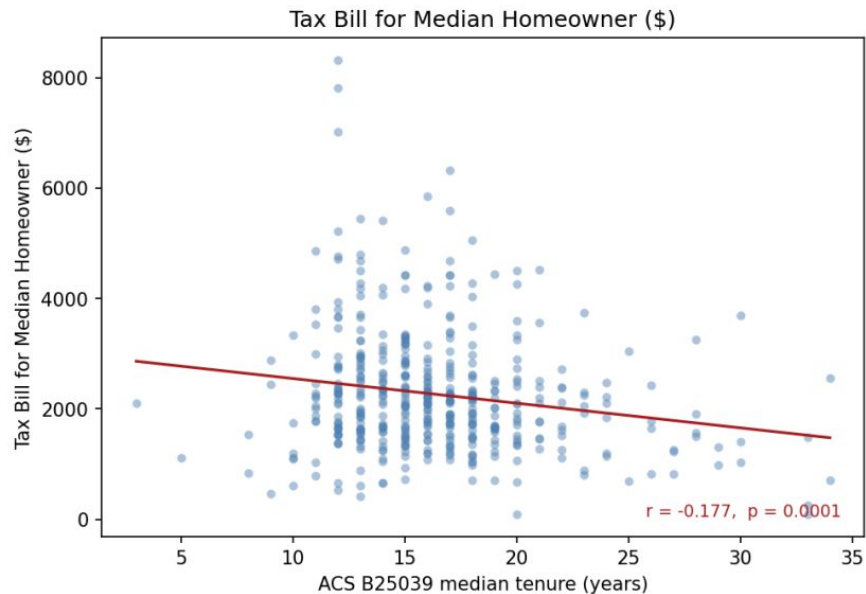
- Homeowners have been in their current home for longer in more smaller and more rural communities



Homeowner Tenure

RQ: Are long-term homeowners disproportionately affected by rising property tax bills?

Property tax burden vs. homeownership tenure (municipal level, Maine)



Homeowner Tenure

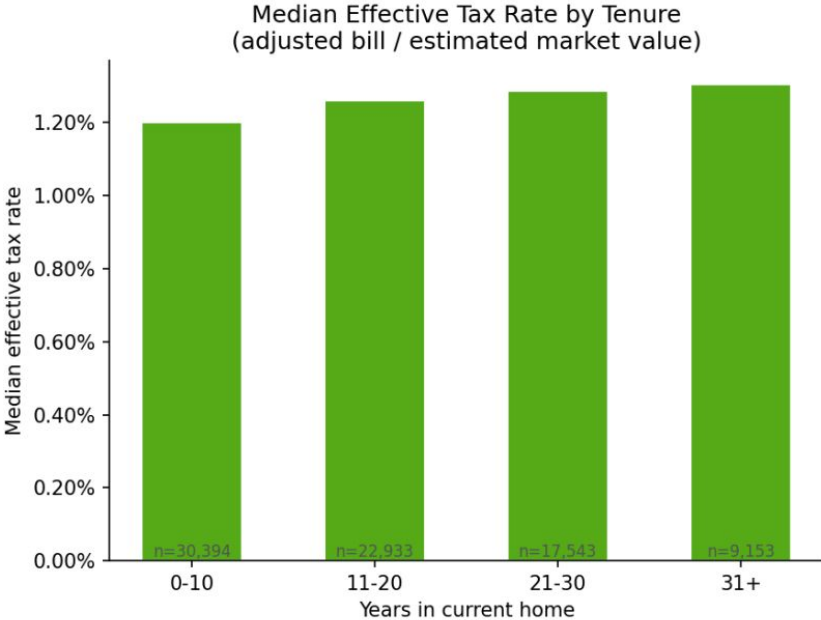
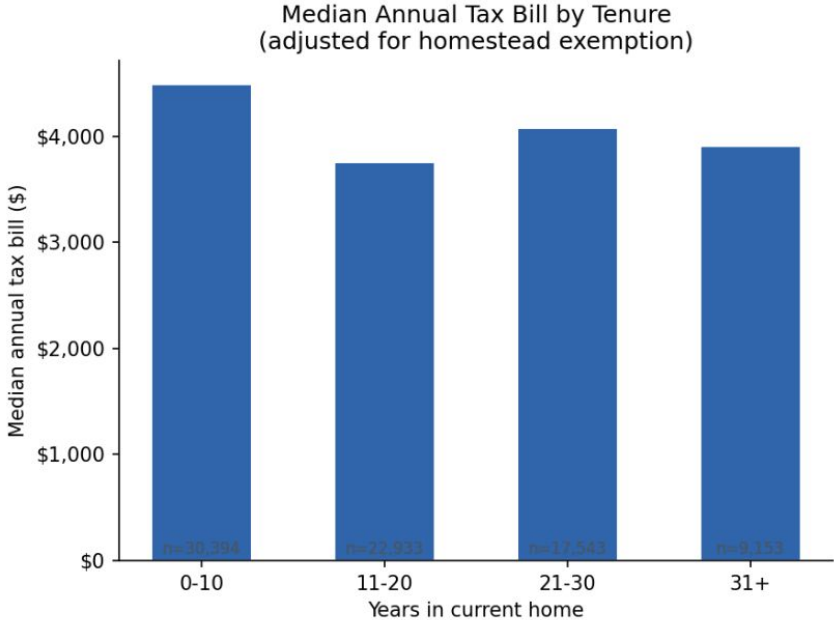
RQ: Are long-term homeowners disproportionately affected by rising property tax bills?

- Absolute tax bill lower for longer tenure
- But effective tax rate higher, by around +0.1%
- However, largely a composition effect: long-tenure owners disproportionately live in high mill rate (rural) municipalities
- Controlling for municipal fixed-effects, effect reverses: within any given municipality, long-tenure owners pay slightly lower effective tax rates

Homeowner Tenure

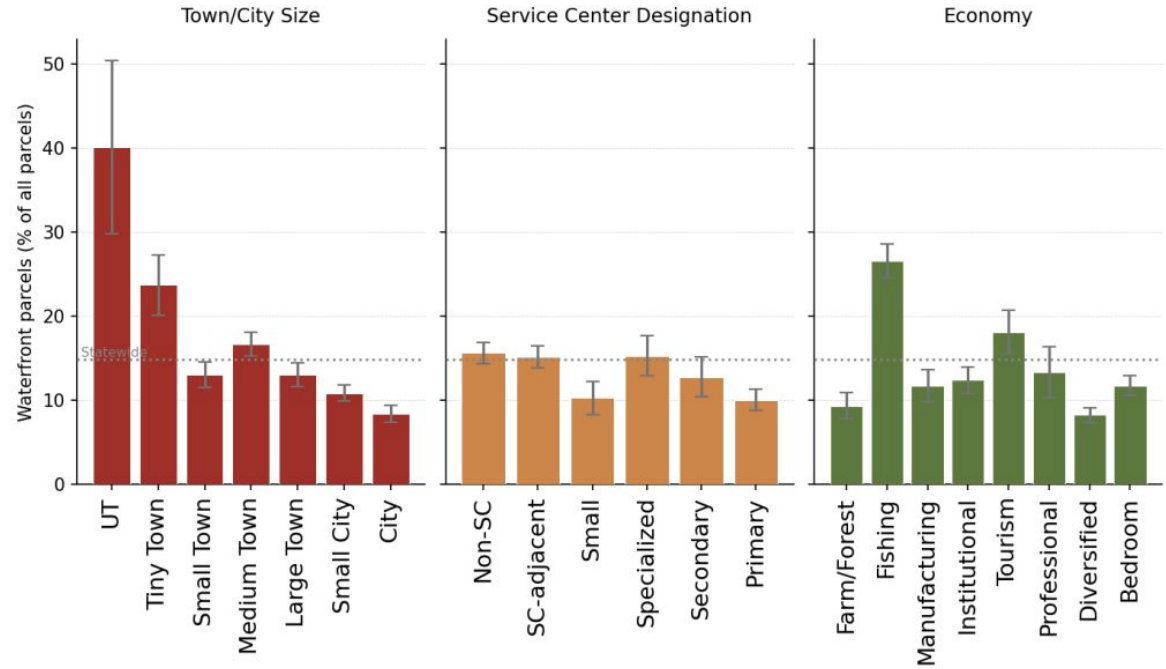
RQ: Are long-term homeowners disproportionately affected by rising property tax bills?

Annual Property Tax Bill and Effective Tax Rate by Homeownership Tenure



Waterfront Parcels

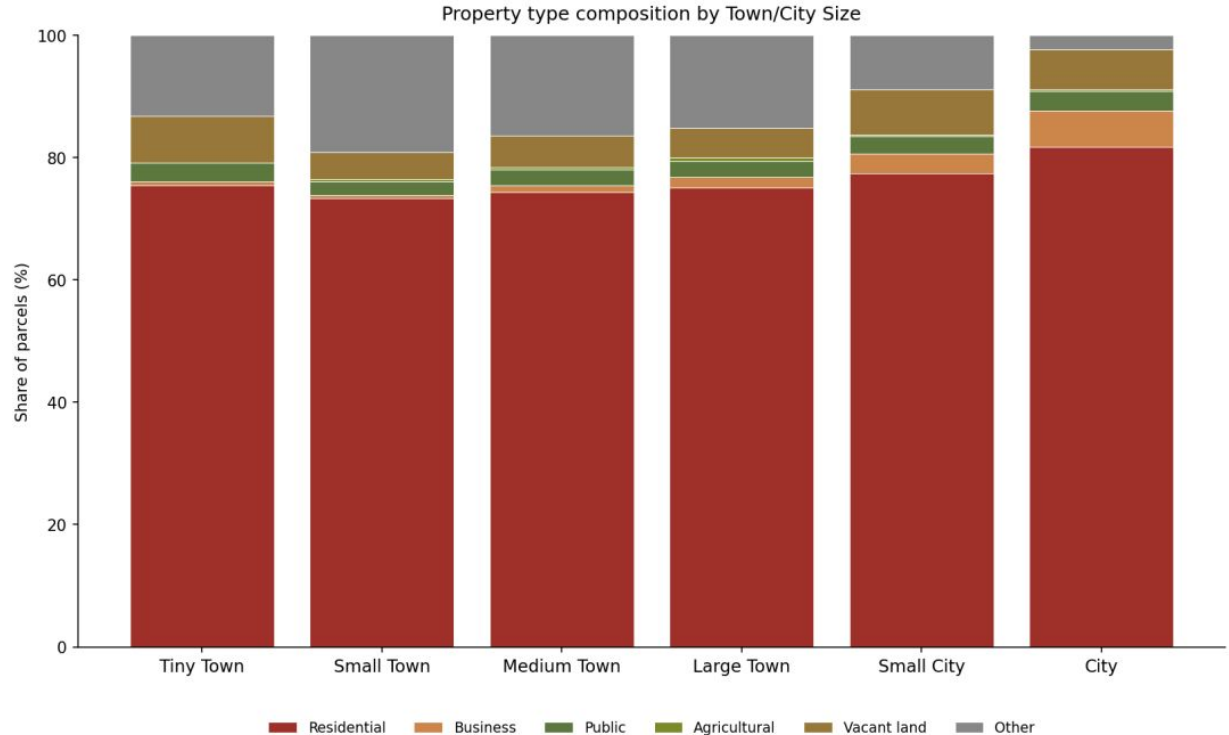
- Roughly one in seven parcels are within 200ft of a water body
- More common in smaller communities
- UT rate is largely a large-parcel effect



Parcel Type

RQ: What share of properties in each municipality are Residential, Commercial, Rural, and Other?

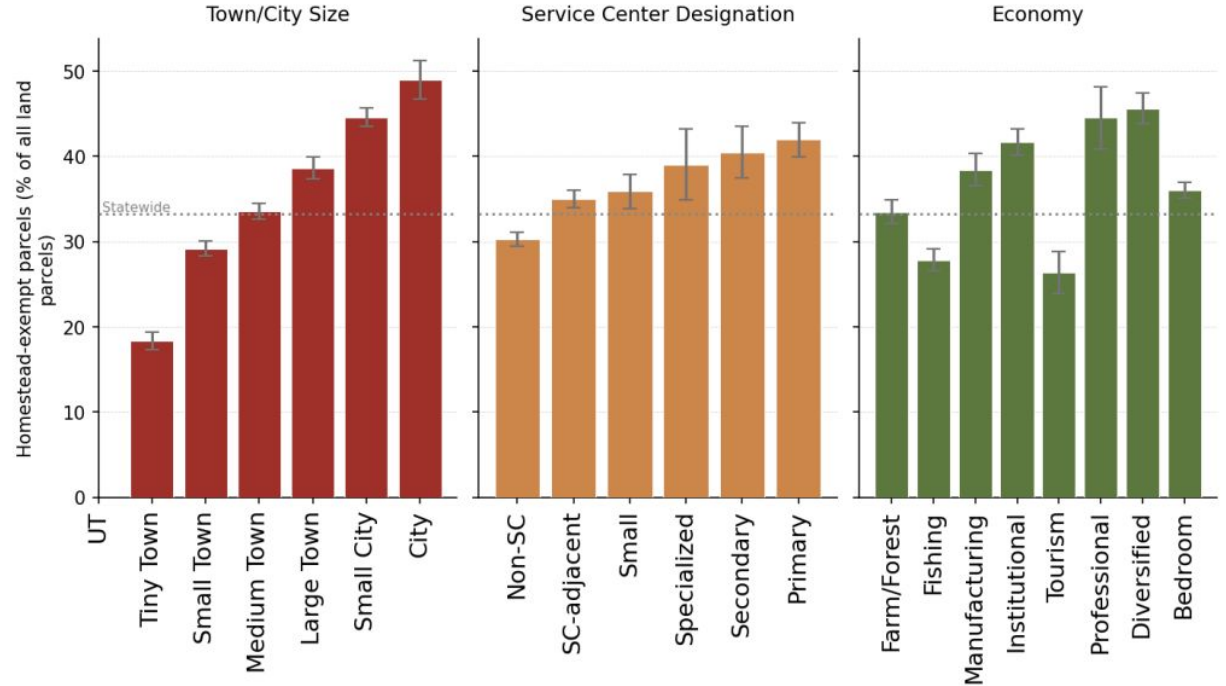
- Vacant land more prevalent in cities and tiny towns
- Commercial a larger share in cities
- But uncertainty in classifications
- High residential shares may limit options for tax base diversification



Primary Residence

RQ: What share of properties in each municipality are owner-occupied, and how does this vary across different types of municipality?

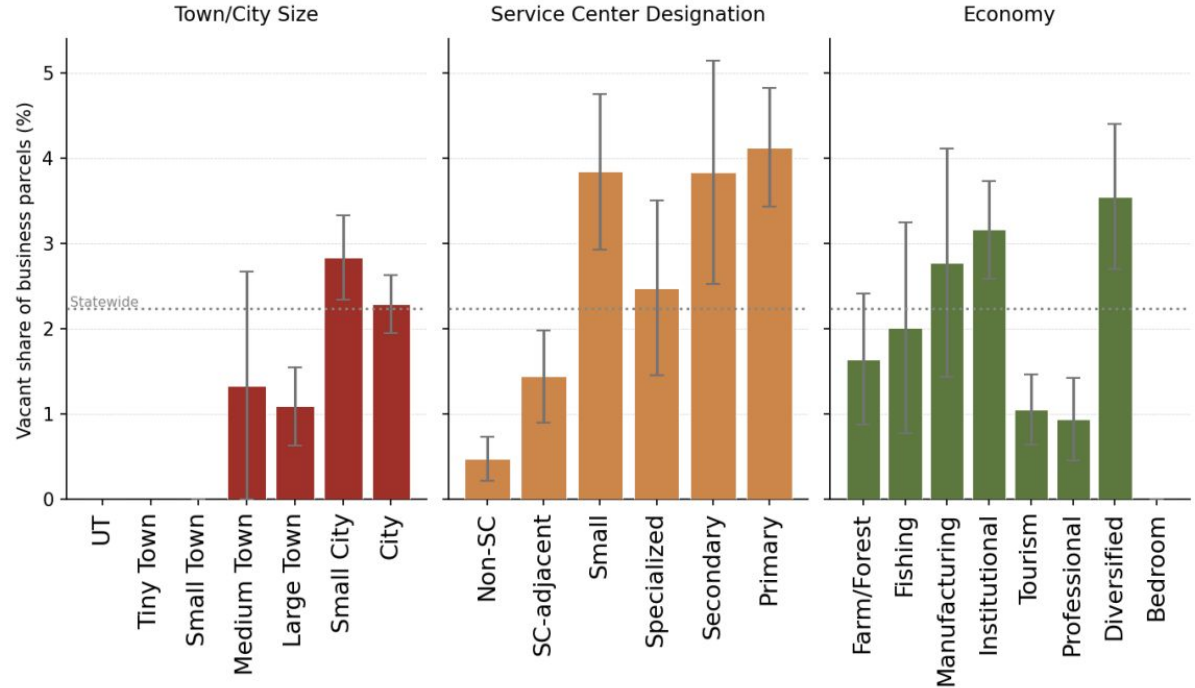
- Measure is homestead parcels / land parcels
- Higher in more urbanized areas (inverse of tenure)
- More absentee owners along the coast



Commercial Vacancy

RQ: What is the prevalence of commercial properties which are vacant across Maine?

- Statewide: 2.5%
- Commercial vacancy appears more prevalent in service centers and peri-urban areas
- But wide margins of error



Other Topics

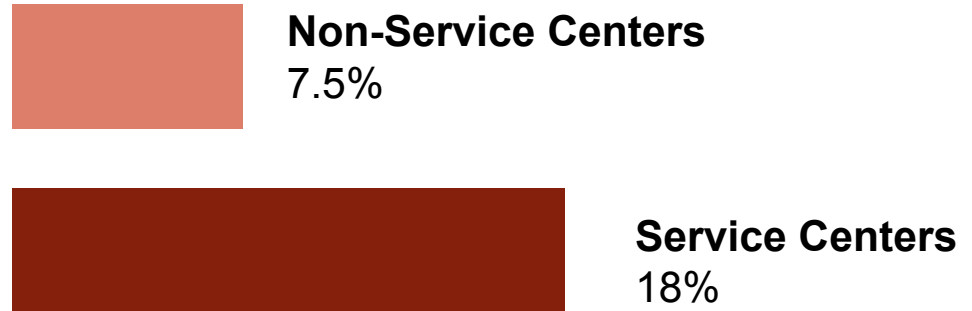
Effect of Nontaxable Property

Effect of Nontaxable Property

RQ: What is the effect of nontaxable property on the effective tax rates paid by taxable property?

Maine: 10%

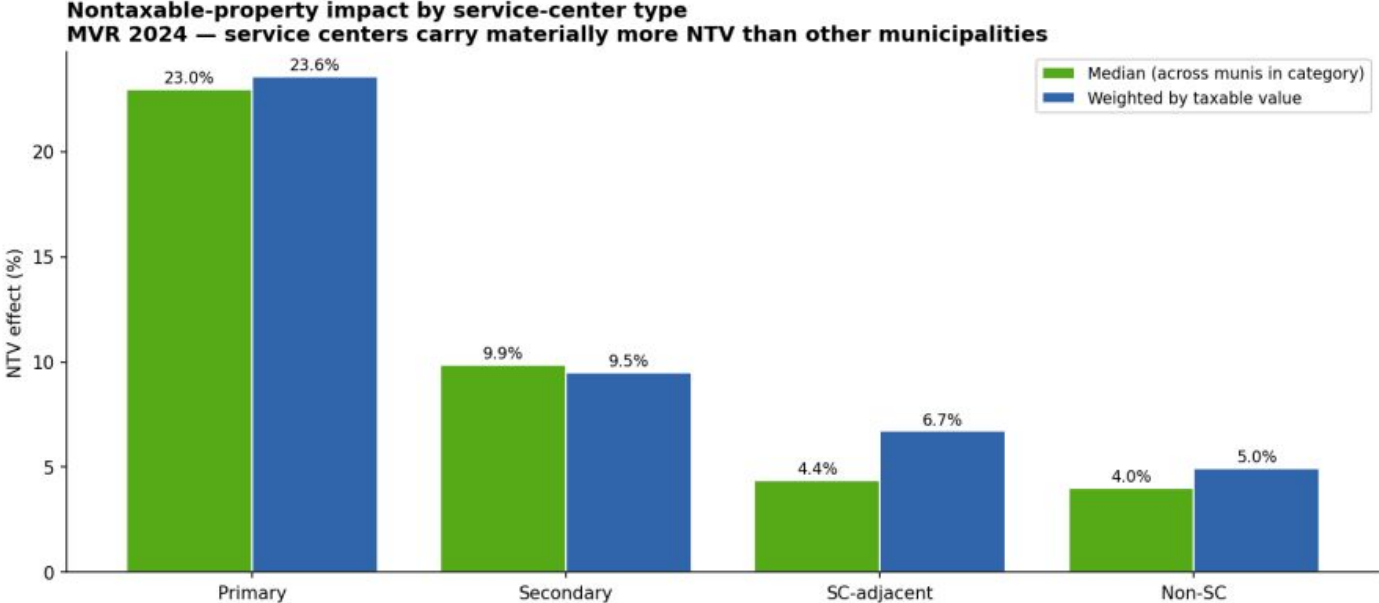
“Non-taxable property increases property tax bills by ~10%, on average across Maine.”



Effect of Nontaxable Property

RQ: How does this vary across different types of municipality (e.g. service center vs non-service center)?

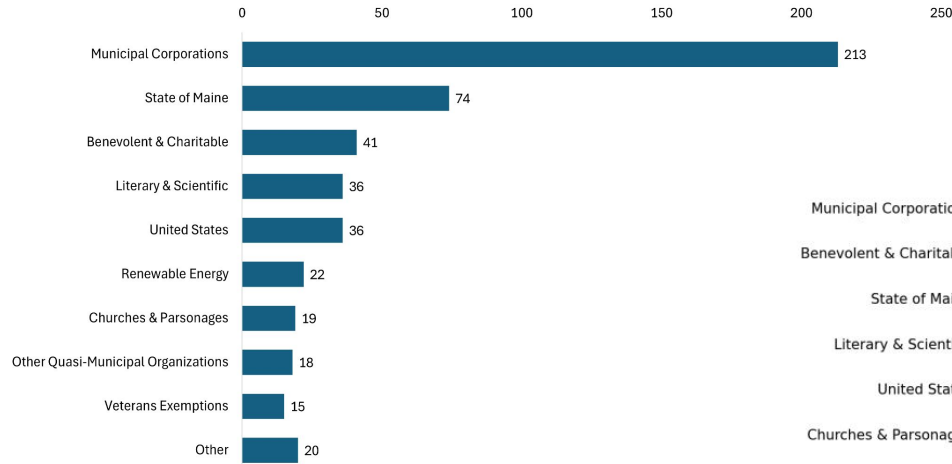
Nontaxable property is more prevalent in service centers
Especially primary



What types of nontaxable value?

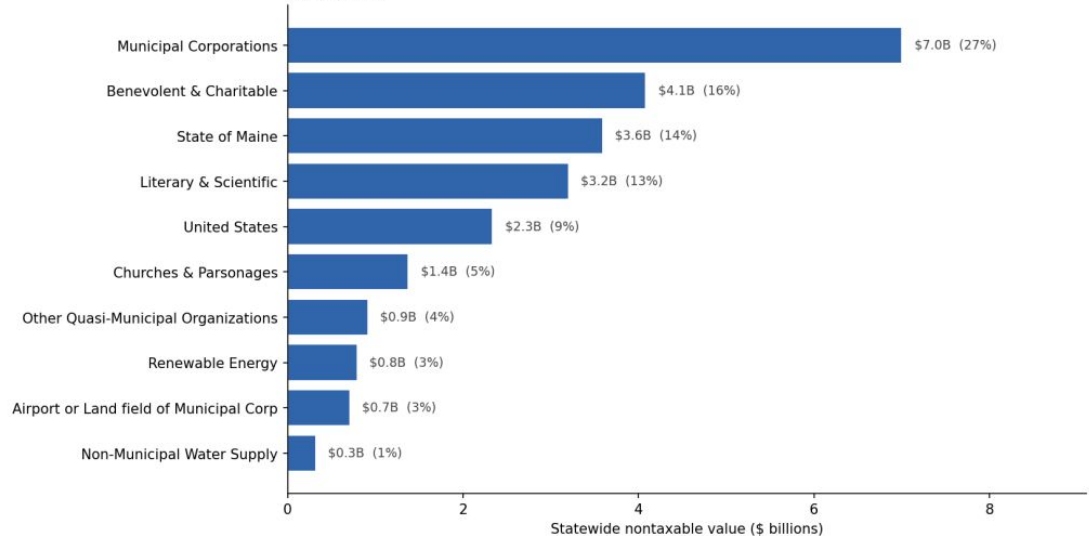
RQ: Which categories of nontaxable property have the largest effect?

How many municipalities have this as their largest category of nontaxable value?



Nonprofits & government make up a large share of nontaxable property

Maine nontaxable property by category (top 10) MVR 2024



Unfunded Mandates

What is an Unfunded Mandate?

*RQs: Which Unfunded Mandates (UMs) do municipalities perceive as imposing the largest fiscal burden?
Approximately what cost do they impose on municipal budgets (and therefore property tax burdens)*

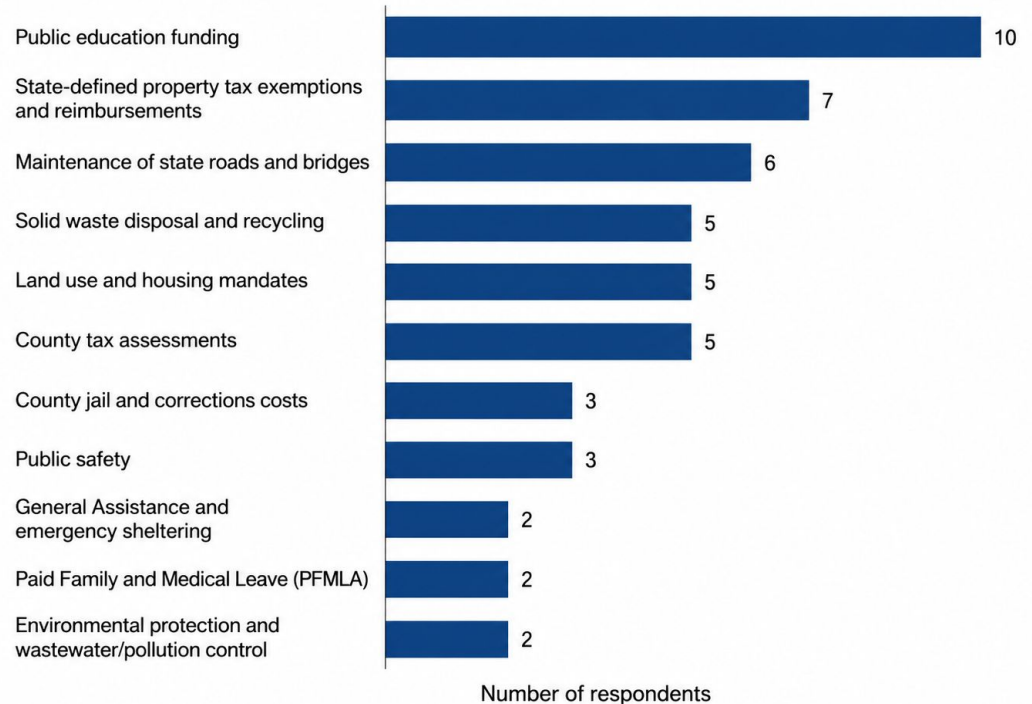
MMA holds a list of >200 unfunded mandates. They vary significantly:

- **Provision of education**
- **Freedom of Access Act compliance**
- **LD 87 — An Act to Require All Voting Places to be Accessible**
- **LD 621 — An Act Allowing Workers' Compensation Benefits for Firefighters Who Contract Cancer**
- **LD 274 — An Act To Preserve and Protect Ancient Burial Grounds and Burial Grounds in Which Veterans are Buried**
- **LD 1237 — An Act To Prohibit Bullying and Cyberbullying in Schools**

Unfunded Mandates

- Survey: Only 24 respondents from a multi-thousand recipient list
- Varied answers, but themes:
 - Education (e.g. salary mandates, special education)
 - Property Tax Exemptions (BETE, homestead)
 - State road maintenance
- If further study: a smaller set of guided interviews, legal review, then quantitative focus on UMs of greatest concern

Most-Cited Unfunded Mandates

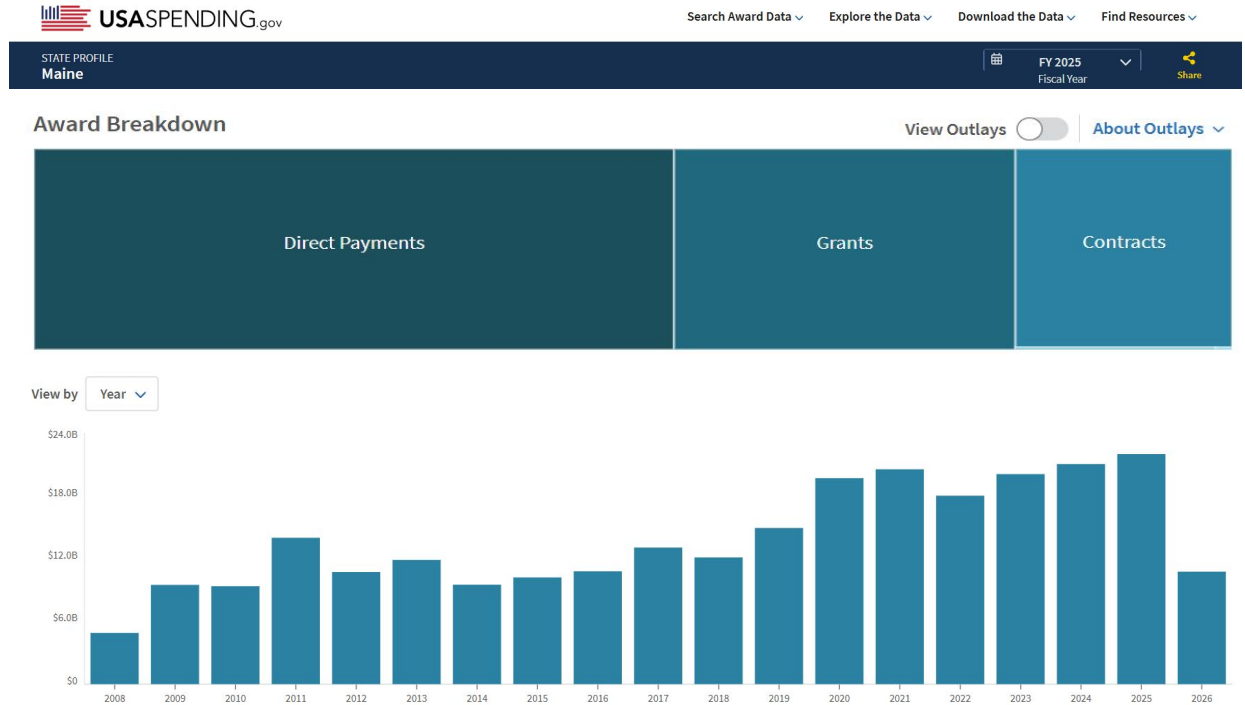


Federal Funding

Federal Funding

RQ: What quantity of Federal funds are flowing directly to Maine municipalities?

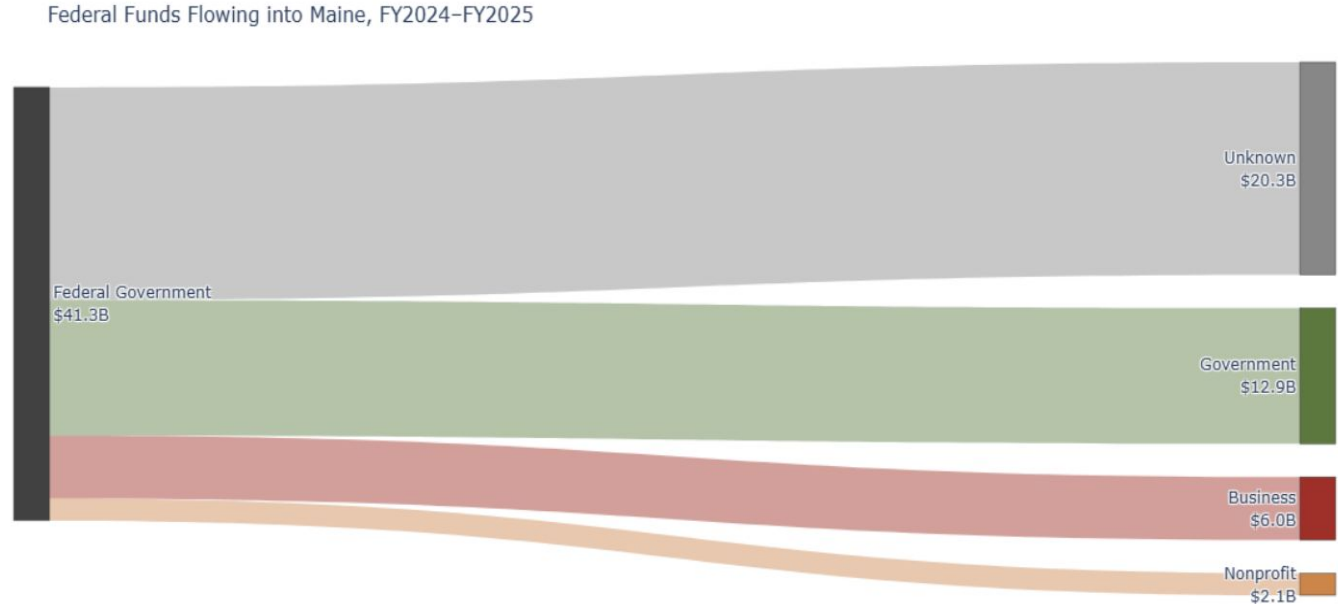
- Data from [USAspending.gov](https://www.usaspending.gov)
- Covers all federal spending actions: contracts, grants, loans, direct payments, etc
- We use FY2024-FY2025: ~\$21bn per year into ME
- Manual coding of recipient types



Federal Funding → Maine

RQ: What quantity of Federal funds are flowing directly to Maine municipalities?

- Of \$41bn into ME over two years:
- **31% went to government agencies (\$13bn)**
- Half 'unknown' (mostly Social Security, veterans' comp, Medicare)
- 20% to private entities

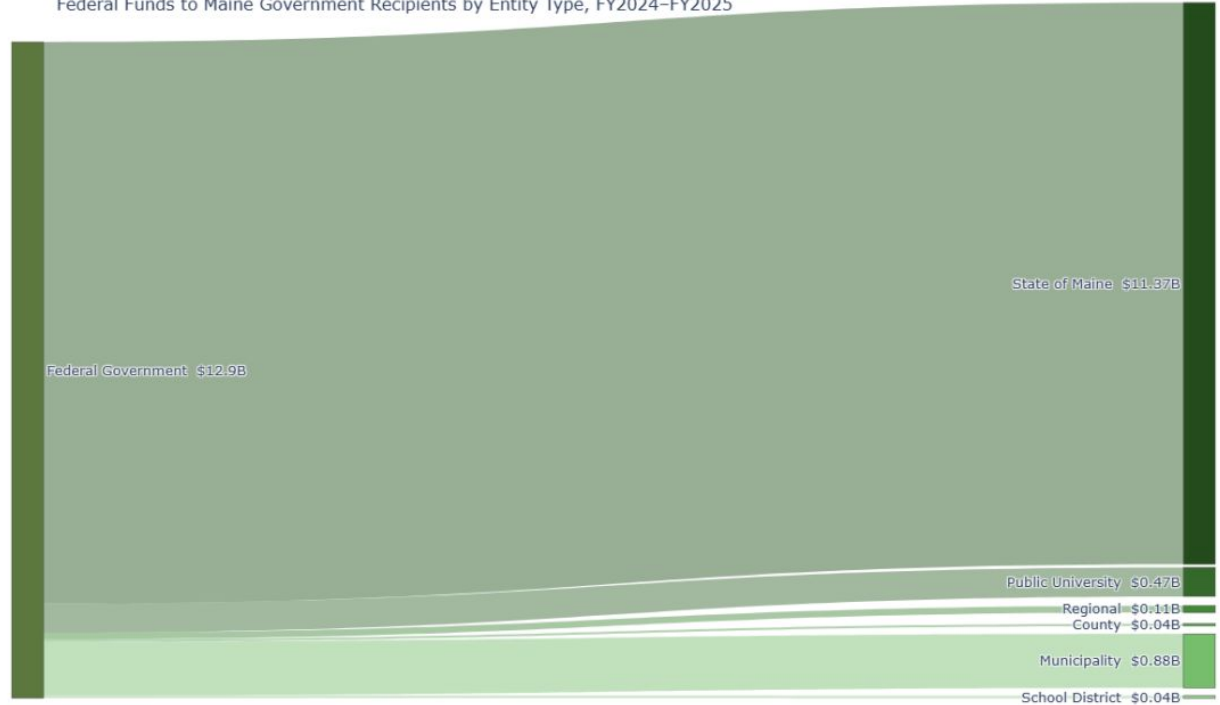


Federal Funding → Government Agencies

RQ: What quantity of Federal funds are flowing directly to Maine municipalities?

- Of \$13bn to ME government agencies over two years:
- 88% to State (\$11bn)
- Only \$150m to counties/regional governments
- **\$888m direct flows to Municipalities**

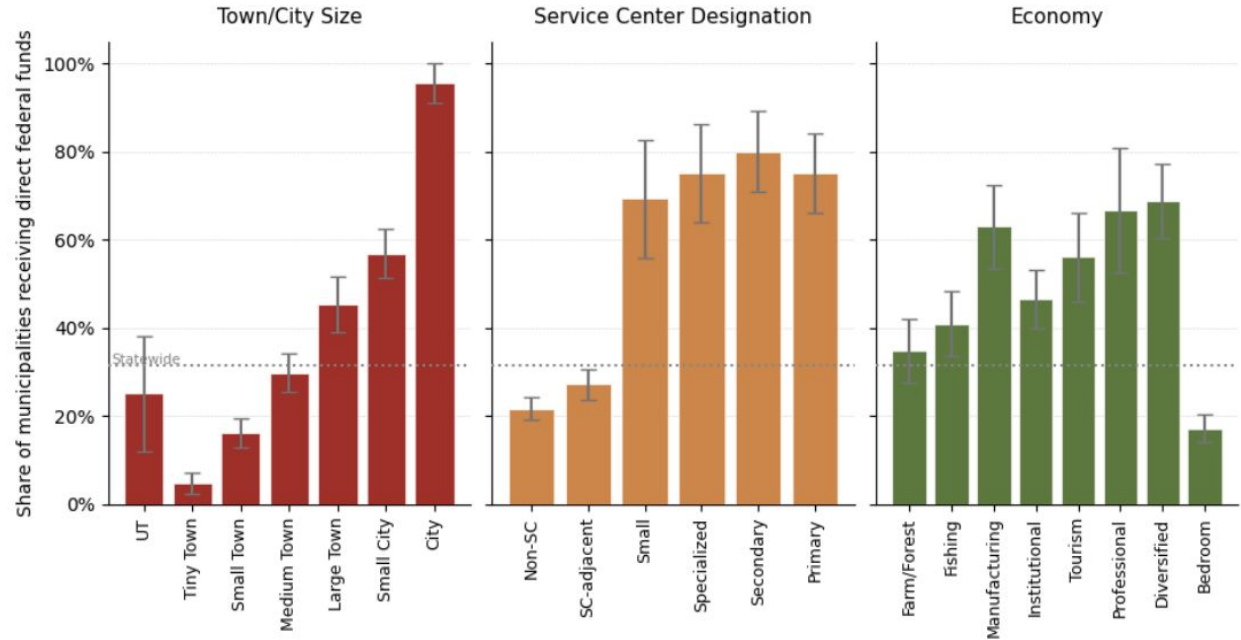
Federal Funds to Maine Government Recipients by Entity Type, FY2024–FY2025



Federal Funding → Municipalities

RQ: What quantity of Federal funds are flowing directly to Maine municipalities?

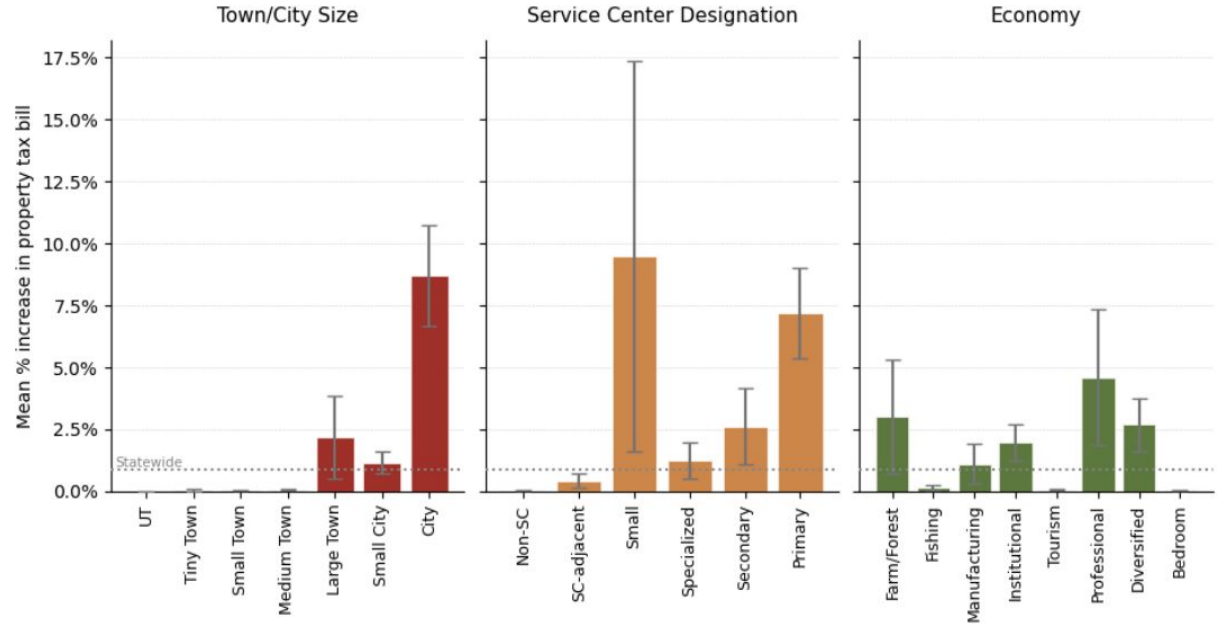
- Chart shows share of munis that received any direct federal funds FY2024-2025
- **Reflects capacity: larger, urban & service centers**
- Two-thirds of Mainers live in a municipality that received some direct federal funding in the past two years.
- But: 62% one-time/capital (esp IIJA)



Federal Funding → Municipalities (Recurring)

RQ: If those programs were cut and replaced with property taxes, how much would property taxes rise?

- Chart reflects the percentage increase in property taxes if recurring federal funds to munis were cut and replaced with property taxes.
- **Even more concentrated on larger, urban & service center munis**
- For those, more than +5% to property taxes
- Mostly HUD → Housing Authorities

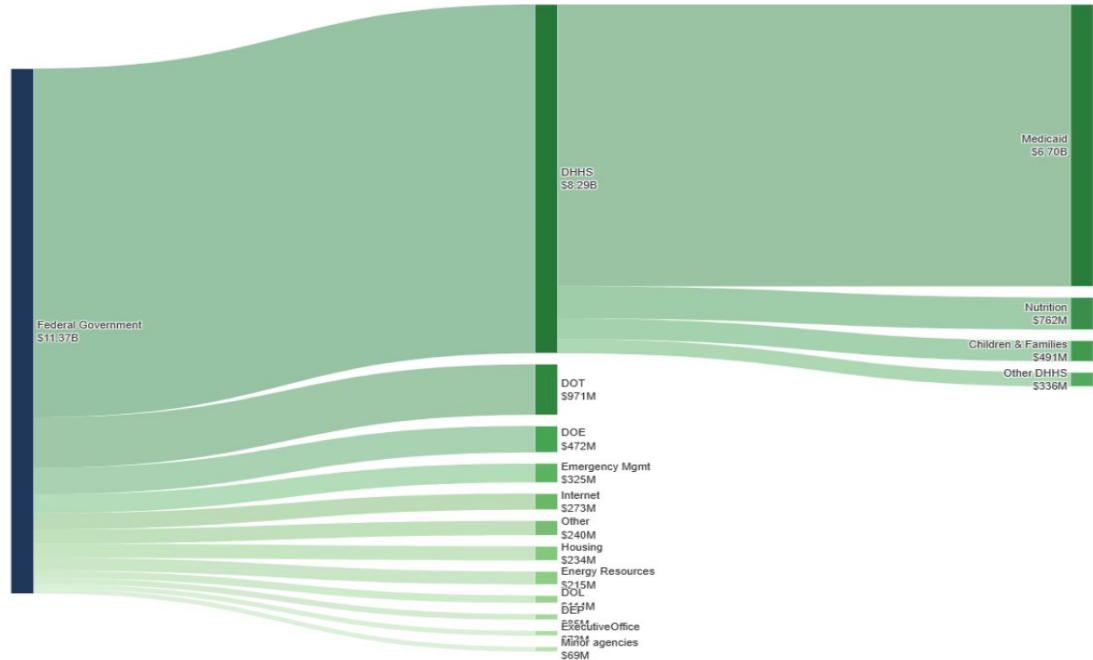


Federal Funding → Indirect via State

RQ: What quantity of Federal funds are flowing to Maine municipalities via State Agencies?

- Of \$11bn to ME State agencies over two years, of which:
- 73% to DHHS (\$8bn), of which:
 - Medicaid 81% (Title 19)
 - Nutrition 9% (SNAP)
 - Families 6% (TANF, CHIP)
- 9% to DOT (STBG, FHA formula): **repeats urban concentration**
- Other large recipients: DOE, MEMA

State of Maine: Federal Flows by Agency Group (FY2024–FY2025)
Flow widths power-scaled (p=0.9). DHHS broken out by program group



Assessments

The state of assessment in Maine

Valuation standards

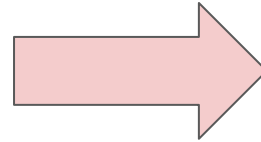
- How is property valued across Maine?
- How often is it revalued?
- Are the results accurate, fair, equitable, and up-to-date?
- What do the assessors say?

What does the law require?

- **Constitution:**
 - General revaluation **every 10 years** (Article IX § VII)
- **Statute:**
 - Certified ratio: **> 70% and < 110%** (36 M.R.S. § 327)
 - Coefficient of dispersion **< 20** (36 M.R.S. § 327)
 - Physical reinspection: **every four years** (36 M.R.S. § 328)
 - Sales ratio studies: **annual** (36 M.R.S. § 328)
- **Optional:**
 - Maintain tax maps (local discretion)

These are good standards!

- Constitution:
 - General revaluation **every 10 years** (Article IX § VII)
- Statute:
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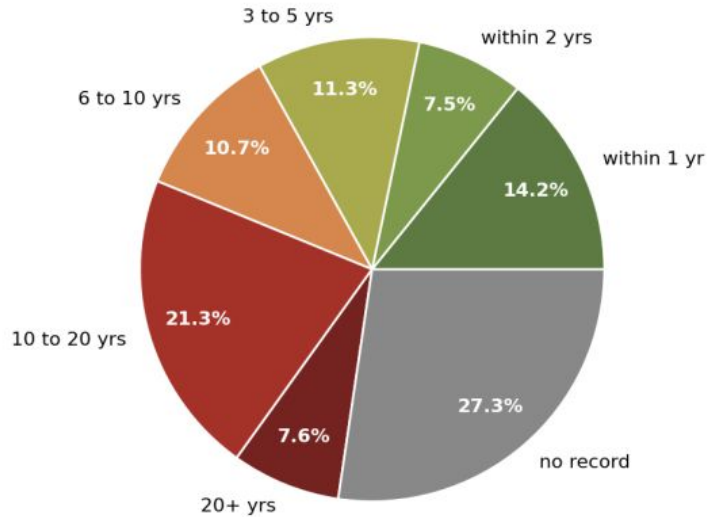


If enforced, this would ensure accurate, fair, equitable, and up-to-date valuations!

So, is the law being enforced?

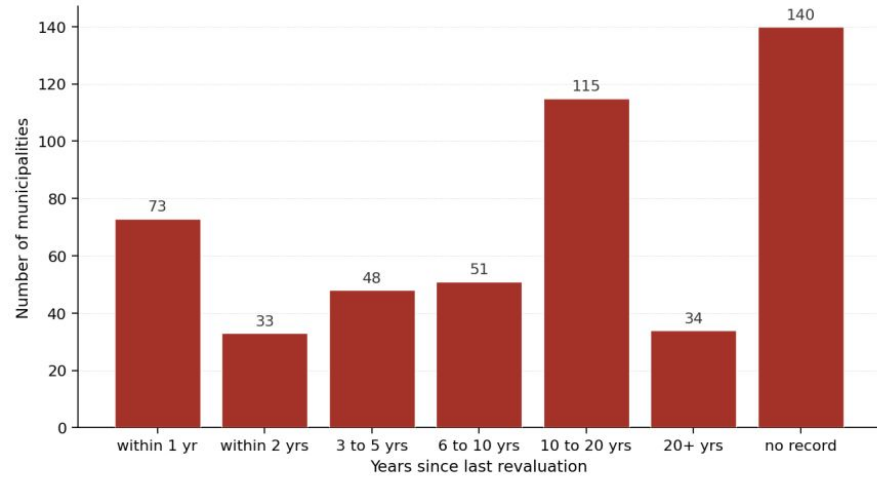
10-year revaluation cycle: not well enforced

Share of population by time since last valuation



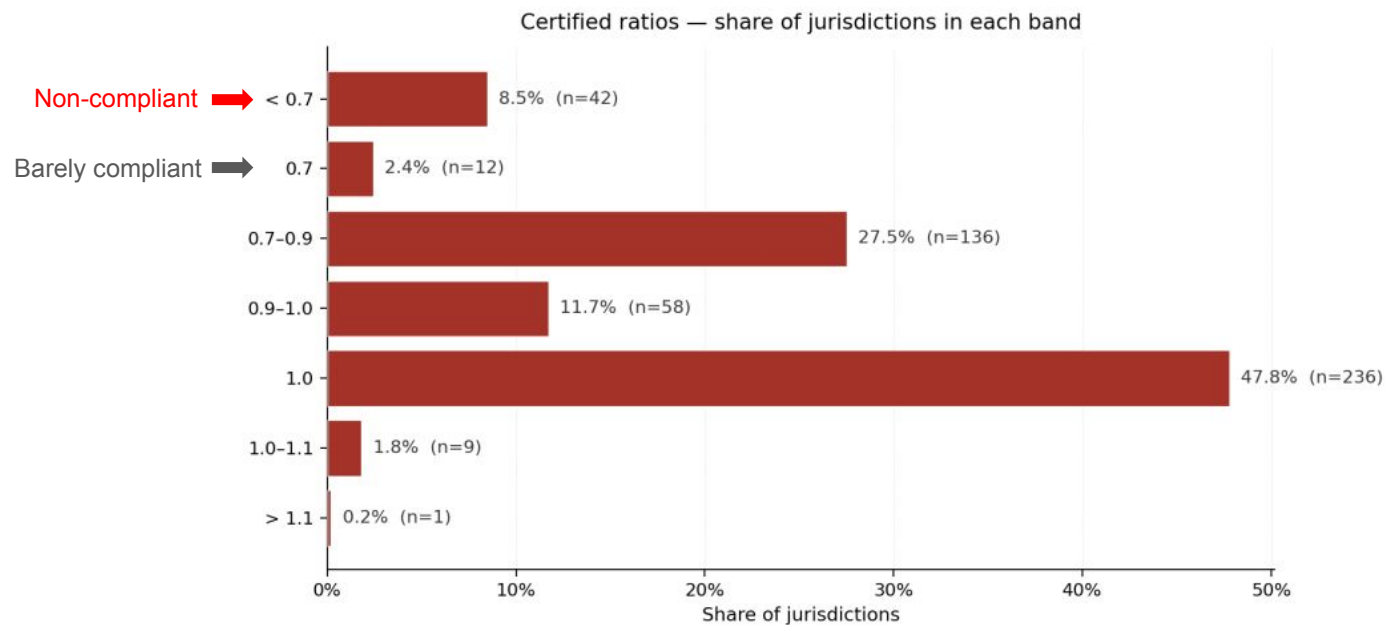
Share of Maine's population by time since last valuation.

Distribution of municipalities by time since last valuation



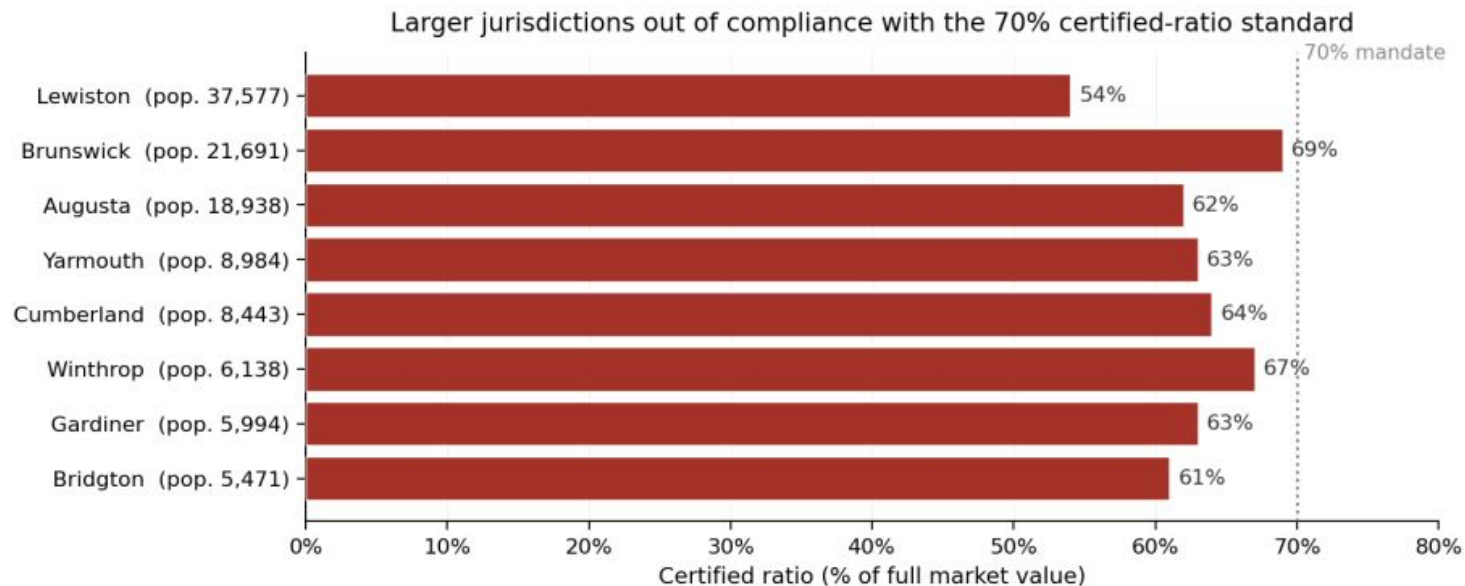
Distribution of municipalities by time since last valuation.

Certified ratios: > 10% of jurisdictions are non/barely compliant



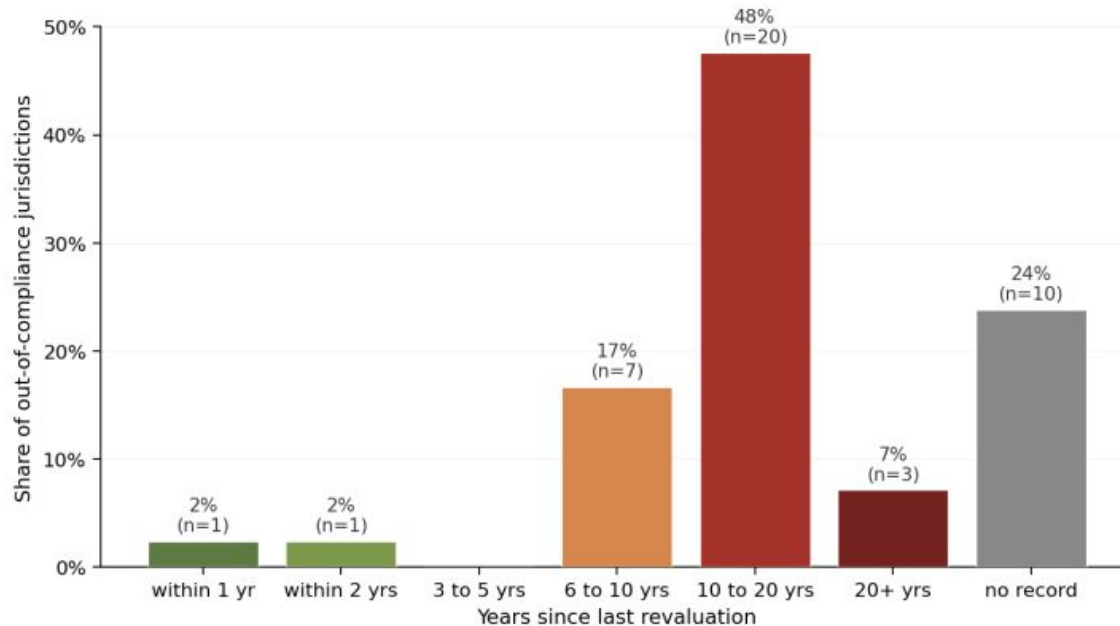
Share of jurisdictions in each certified-ratio band.

Many larger jurisdictions have significant certified ratio issues



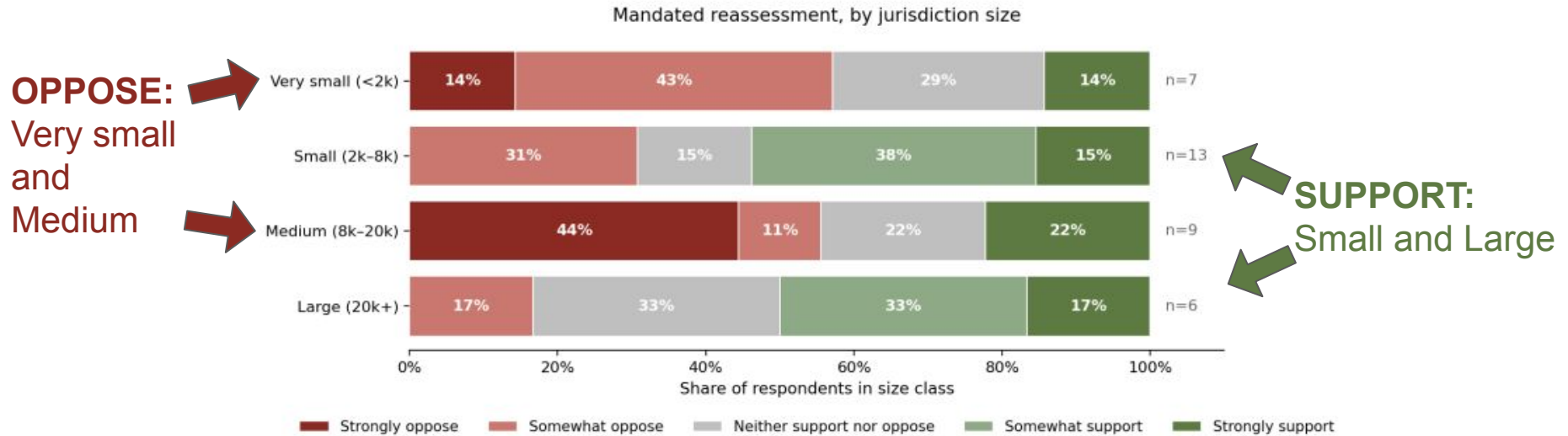
Larger jurisdictions out of compliance with the 70% certified-ratio standard.

Among jurisdictions with certified ratio < 0.7, Most are long overdue for constitutional revaluation



Among jurisdictions with certified ratio < 0.7, distribution by time since last valuation.

Assessors on “mandated revaluation”



Sentiment on mandated reassessment, by jurisdiction size.

Assessors on “mandated revaluation”

In favor:

“More frequent revaluations creates equity. The town where I live hasn't had a revaluation in over 20 years. The average property owner is supplementing property taxes for the waterfront property owners.”

Opposed:

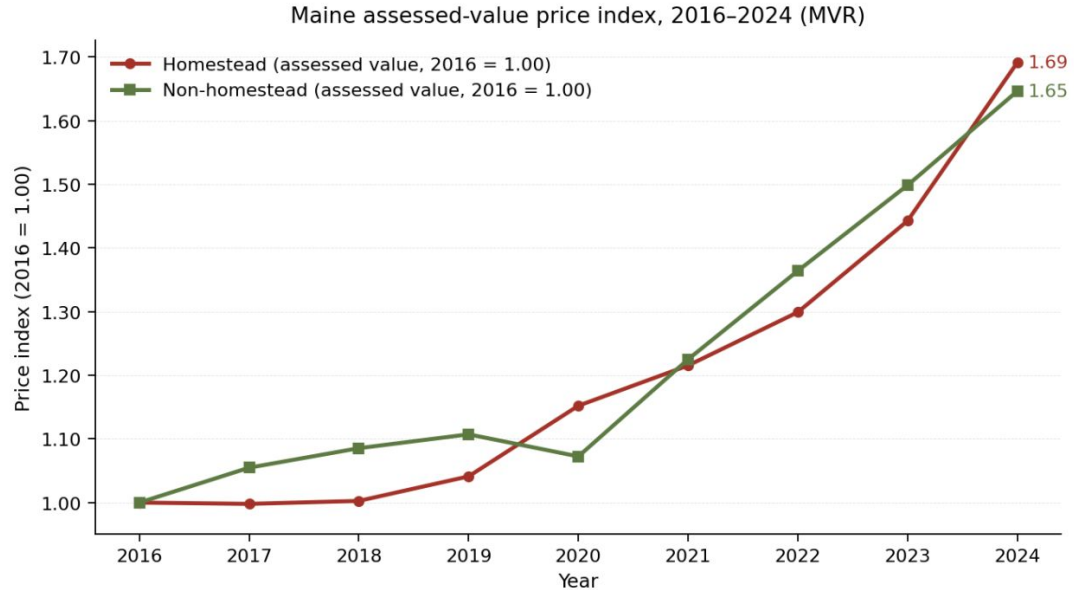
“Reassessments are expensive. Municipalities would have to pass that cost on to taxpayers. Also, reassessments are time consuming and would require more staffing in offices.”

Mandated reassessments, **recommendation:**

- **Just enforce the existing law**
- If a jurisdiction maintains good ratio studies, 10 year cycle is fine
- Most jurisdictions with bad ratios are already out of compliance with the constitutional revaluation requirements

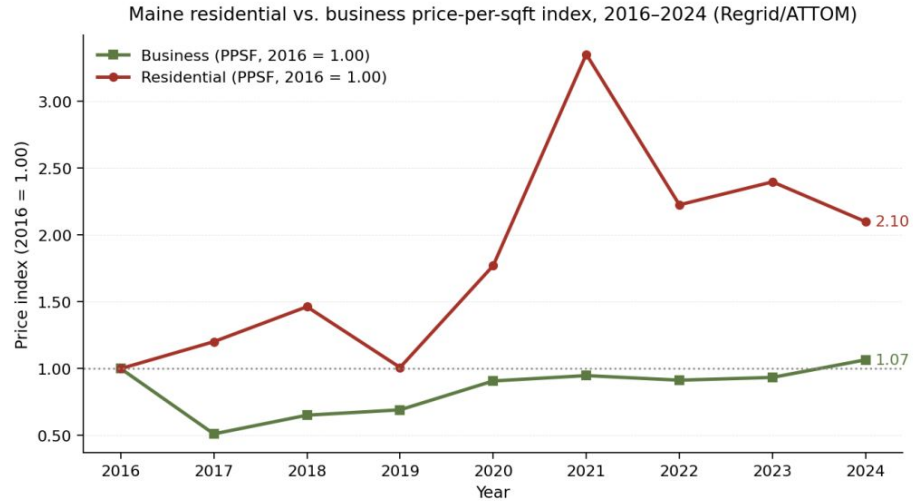
Are residential assessments outstripping commercial?

No. Assessments for each have increased at about the same rates.



Residential vs. Commercial: what does the market show?

Residential market values have grown much more than commercial.

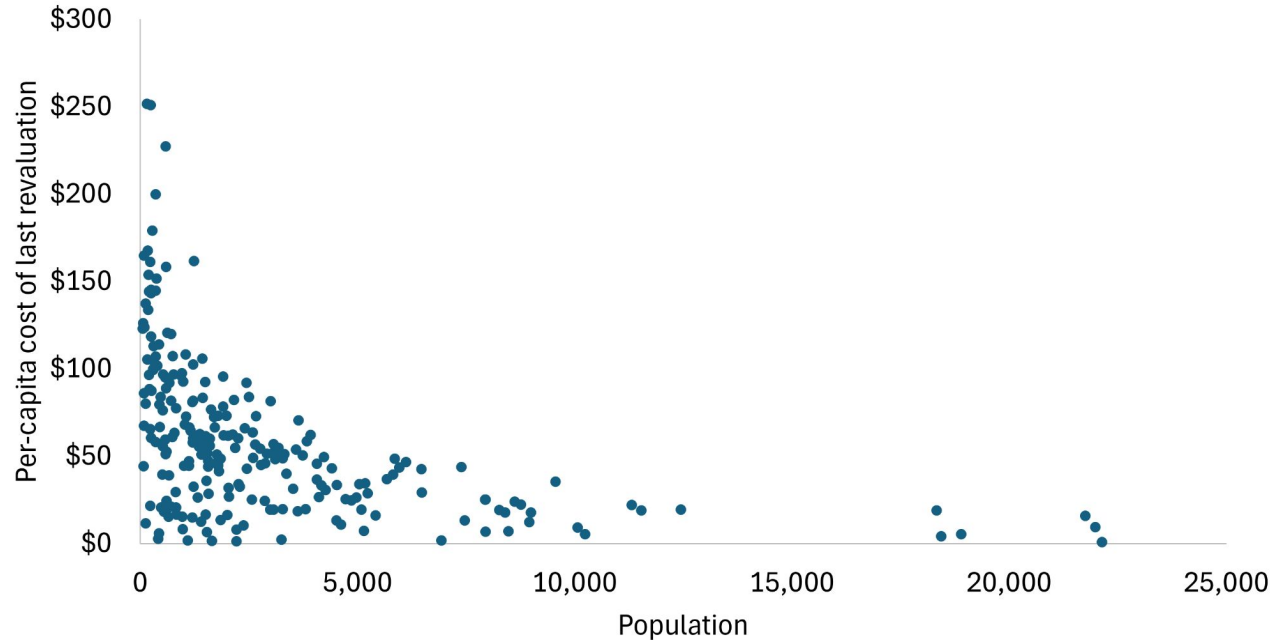


Maine residential vs. business price-per-sqft index, 2016-2024 (Regrid/ATTOM sales). 2021 reflects the post-pandemic surge and a thin business-sale sample.

Regionalization

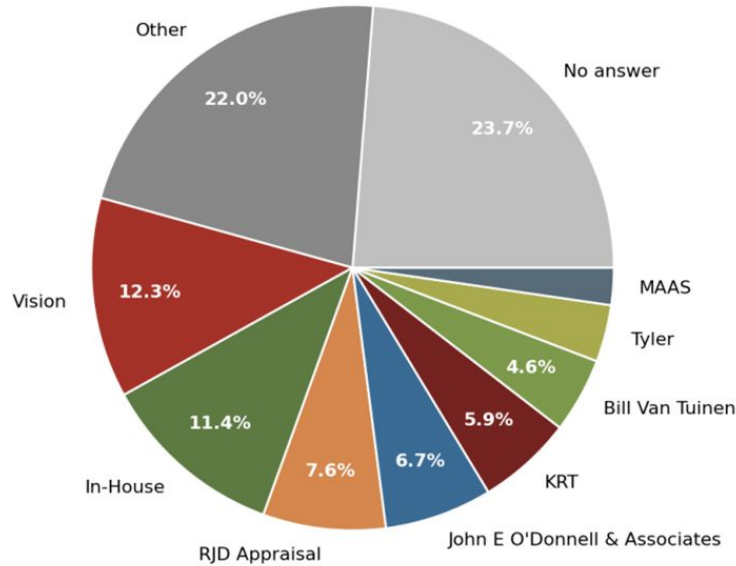
RQ: Are there meaningful cost savings to be had from regionalizing property assessment in Maine?

- Valuation becomes cheaper per capita as population increases.

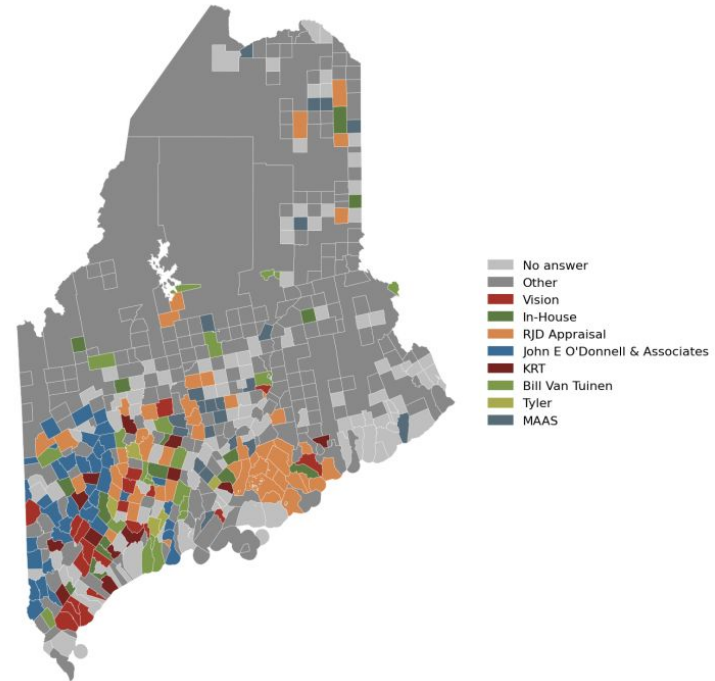


Regionalization: it's already happened with contractors

Contractor market share, by population served

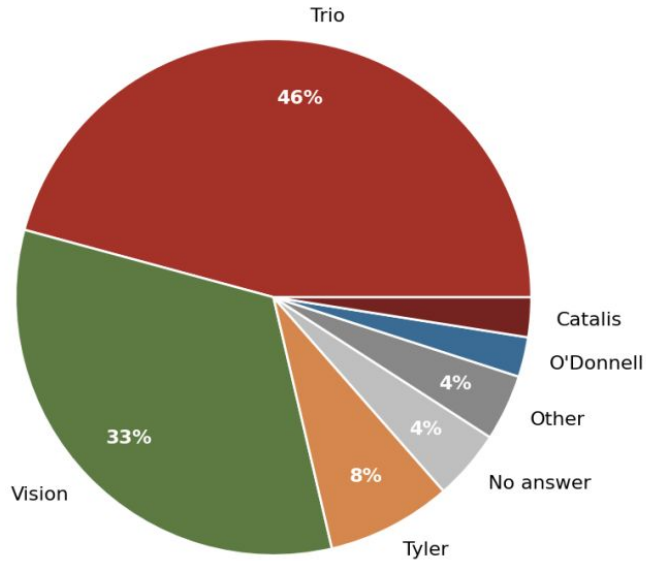


Valuation contractor by municipality

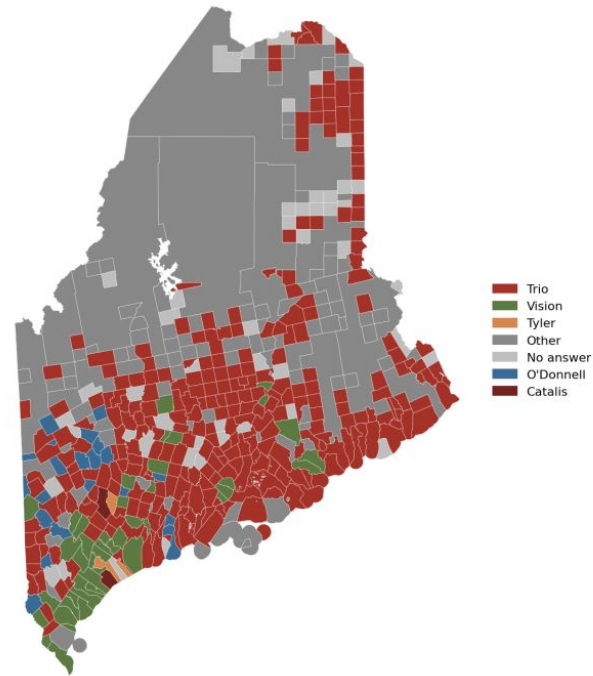


Regionalization: it's already happened with software

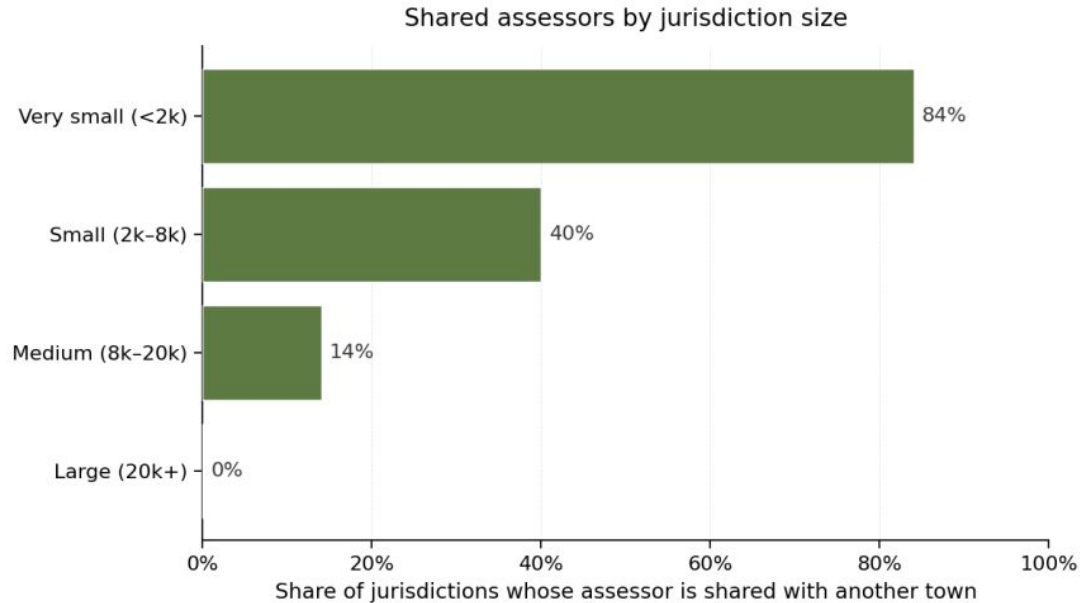
Assessment software, by population served



Assessment software by municipality

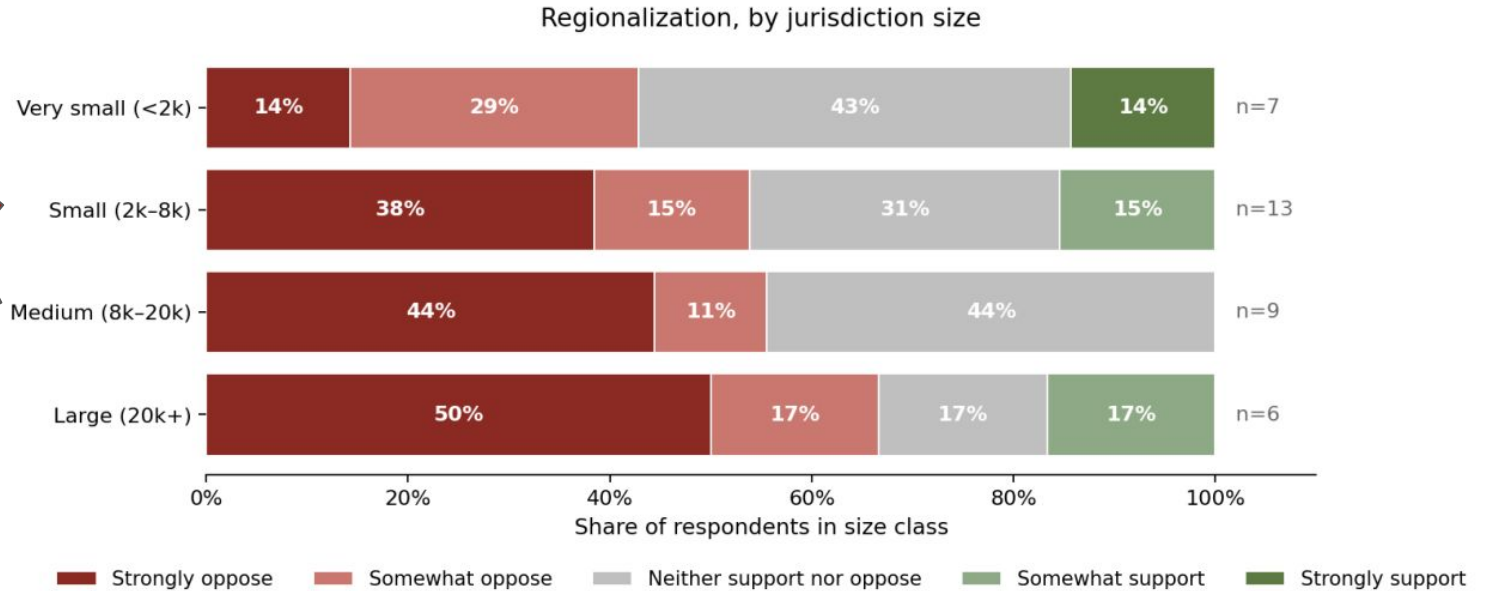


Regionalization: it's already happened with shared assessors



Assessors on “regionalization of assessments”

OPPOSE:
Basically
everybody



Sentiment on regionalization, by jurisdiction size.

What assessors say: regionalized assessment

Opposed:

“Rural Maine has very diverse non-homogenous communities in close proximity to each other.”

Opposed:

“A regional system would not fit each town the same. It would likely result in the loss of local knowledge, affect accessibility to residents, and stretch limited staff even further. Larger municipalities require a significantly higher level of attention and resources.”

Regionalized assessments, **recommendation:**

- **Regional *support*, not regional-ization**
 - DO: provide resources, software license support, and training on a regional basis
 - DON'T: consolidate formal assessment authority at the regional level
- **Why:**
 - Smaller jurisdictions already rely on shared assessors
 - “Soft regionalization” has already occurred at the vendor and software level
 - Official regionalization is strongly opposed by assessors
 - Difficulty with staffing is mostly a *large* jurisdiction problem

What assessors say: regional support

Support:

“Support entry into the Assessing profession so more young people choose this as a career. Having a CMA is a piece of paper only and does not prepare you for actually performing the work. A yearlong college type class would do wonders.”

Support:

“More funding to Maine Revenue Services Property Tax Division so they have time to perform more auditing and oversight (exemption auditing, etc.). More funding to MRS to support State recordkeeping and analysis (for example, a State Homestead Exemption database, updating the Assessment manual, etc.).”

Top free response: please review tax-exempt property

Support:

“Mandate annual review of exempt properties.”

Support:

“Reviewing exemptions and the current use programs regularly. These items greatly affect the town's valuation and some of the laws and rules are out of date and not as practical as they were when they were instituted.”

Lunch

Relief Programs - Participation

Local Relief Programs have minimal uptake and participation

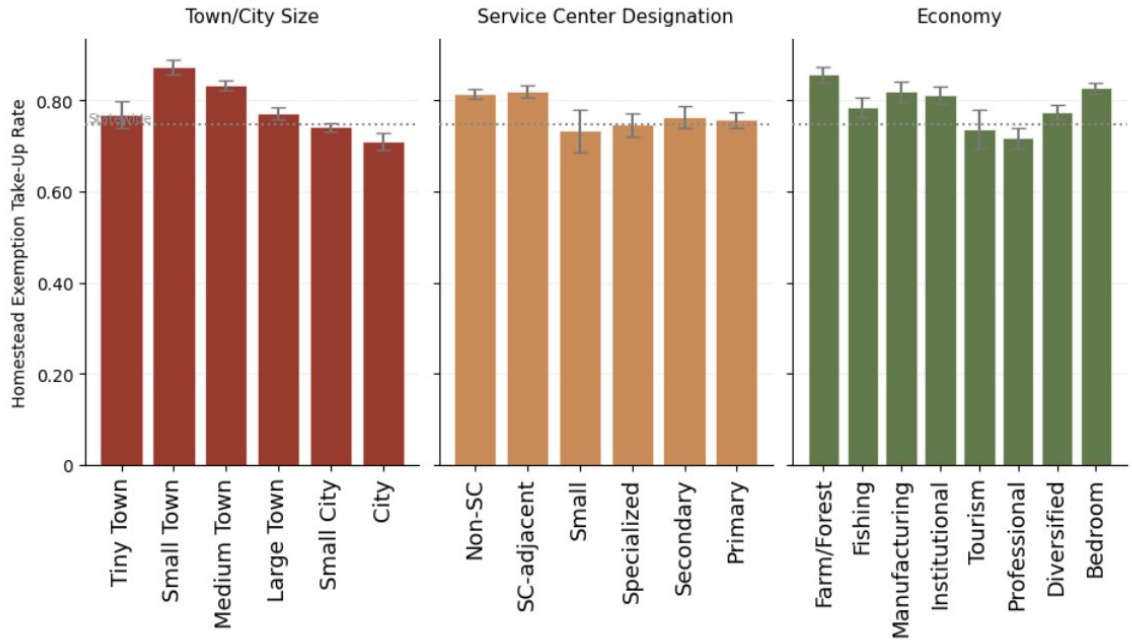
RQ: What are the levels of eligibility and uptake for Maine's property tax relief programs?

- **Municipal Senior Property Tax Deferral Program**
 - Only 6 municipalities have one (Eliot, Hampden, Hiram, Kittery, Moose River, North Yarmouth)
 - Only 36 participants, receiving \$37,700 in relief
- **Senior Volunteer Tax Credit program**
 - Only 6 municipalities (Monmouth, Lagrange, Kittery, Monhegan Plt, Moose River, Cumberland)
 - Only 211 participants, receiving \$80,400 in relief
- **Local Relief Programs**
 - Only 27 municipalities
 - 2,877 participants, receiving \$1.9m in relief

Homestead Exemption

RQ: What are the levels of eligibility and uptake for Maine's property tax relief programs?

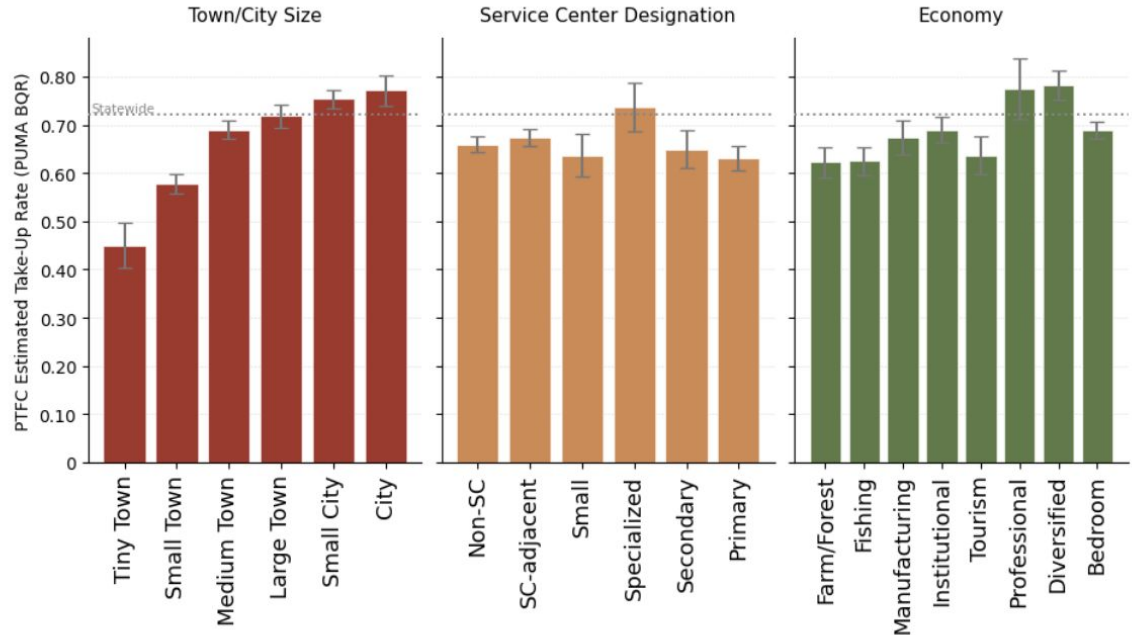
- Participation: MVR
- Eligibility: ACS owner-occupied units
- Statewide take-up ~75% (likely higher)
- Higher participation in small/rural areas
- Likely reflects: tenure, higher share of property value



Property Tax Fairness Credit

RQ: What are the levels of eligibility and uptake for Maine's property tax relief programs?

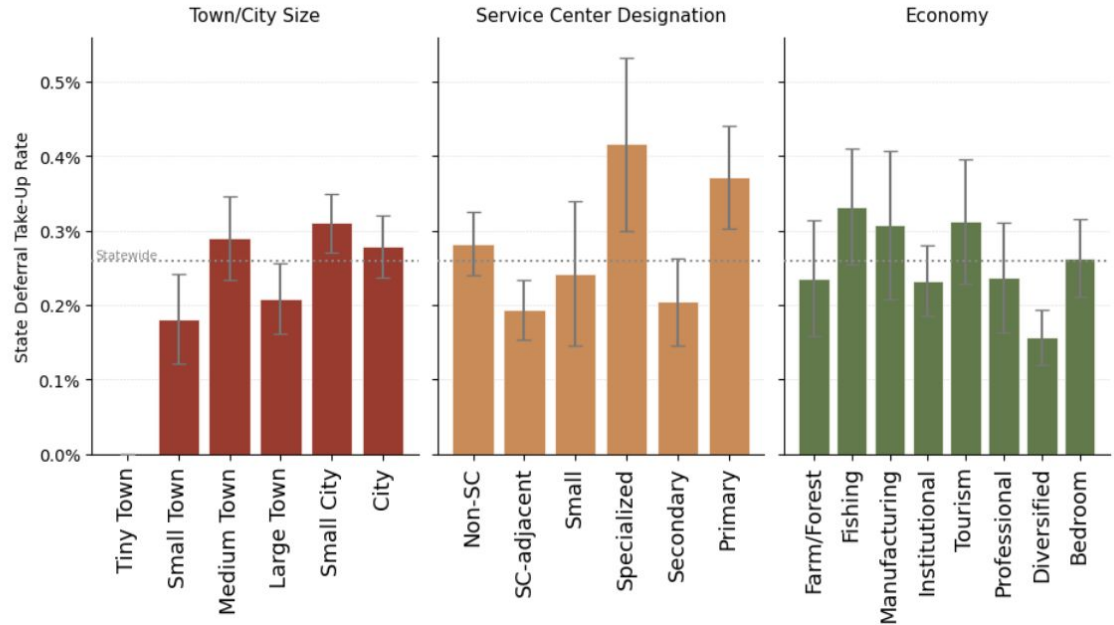
- Participation: Tax returns (1040ME)
- Eligibility: ACS, muni-level age x income, PUMA-level burden test
- Statewide take-up ~72% (likely higher)
- Higher in urban areas
- Likely reflects: non-filers, bias in eligibility measure



State Property Tax Deferral Program

RQ: What are the levels of eligibility and uptake for Maine's property tax relief programs?

- Participation: MRS counts
- Eligibility: ACS, muni-level age x income, statewide PUMS for adjustments (owner-occupancy rate, liquid asset test)
- Statewide take-up ~0.3%
- Higher in urban areas (?)
- May reflect: awareness, high interest rate, lien aversion



Relief Programs - Distributional Effects

Municipality-level modeling

Model 1: What if the homestead exemption had been indexed to house prices since 2020?

Context: TF considering a recommendation to index homestead exemption to inflation (#5)

Reduction in Property Taxes vs Median Income, by Muni

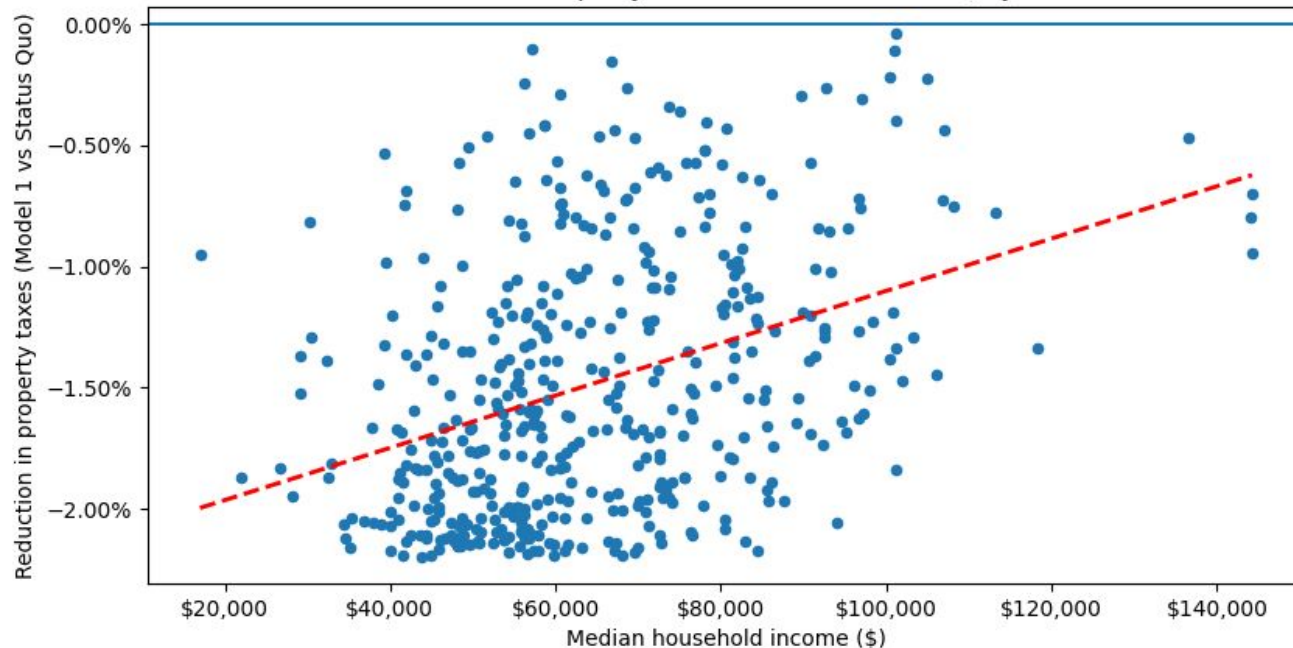
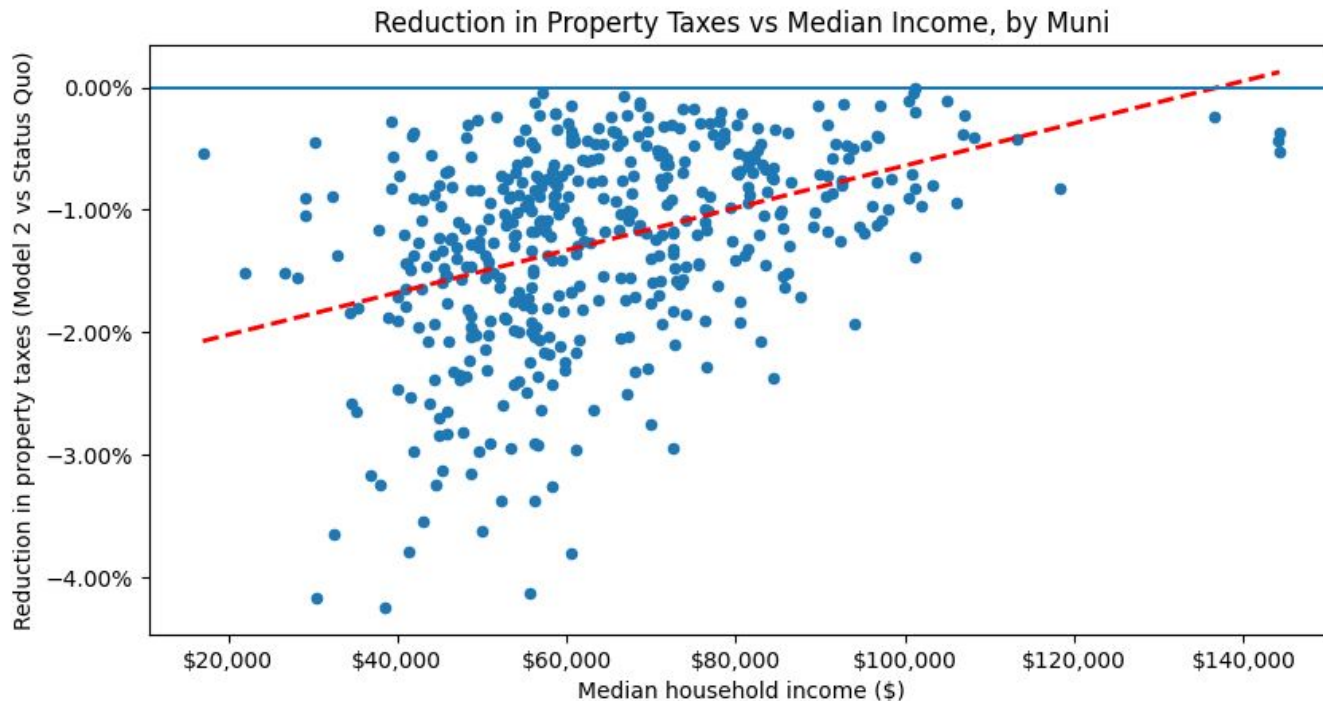


Chart shows the relationship between each municipality's income and its average reduction in property taxes from the proposed policy.

Model 2: What if the homestead reimbursement rate were 100%?

Context: TF considering a recommendation to increase municipal reimbursement for homestead exemption to 100% (#6)



Model 3: What if REV-I were increased by +10%?

Context: TF considering a recommendation to increase municipal revenue sharing (#8)



Relief Programs - Distributional Effects

Household-level simulations

Household-Level Simulations



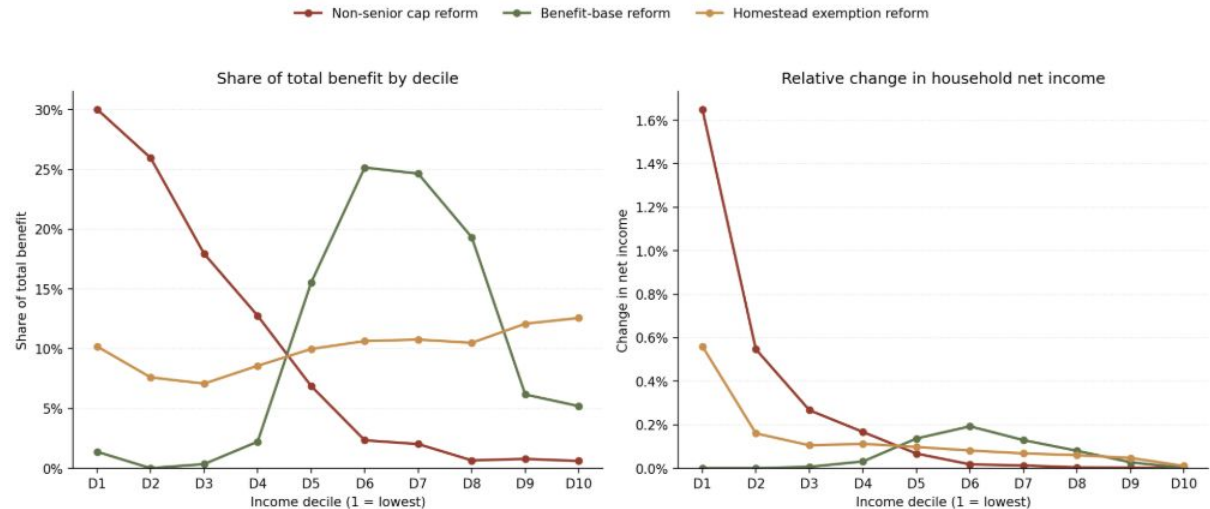
PolicyEngine: Micro-simulation of tax policy impacts

Modeled Three Policies (all the same simulated fiscal cost):

1. **PTFC Non-Senior Cap:** increasing to \$1,500 (matches LD2212)
2. **PTFC Benefit Base Reform:** increases non-senior benefit base to 27.5%
3. **Homestead Exemption:** Flat expansion equivalent to ~\$94 per homestead

Simulating Changes to Relief Programs

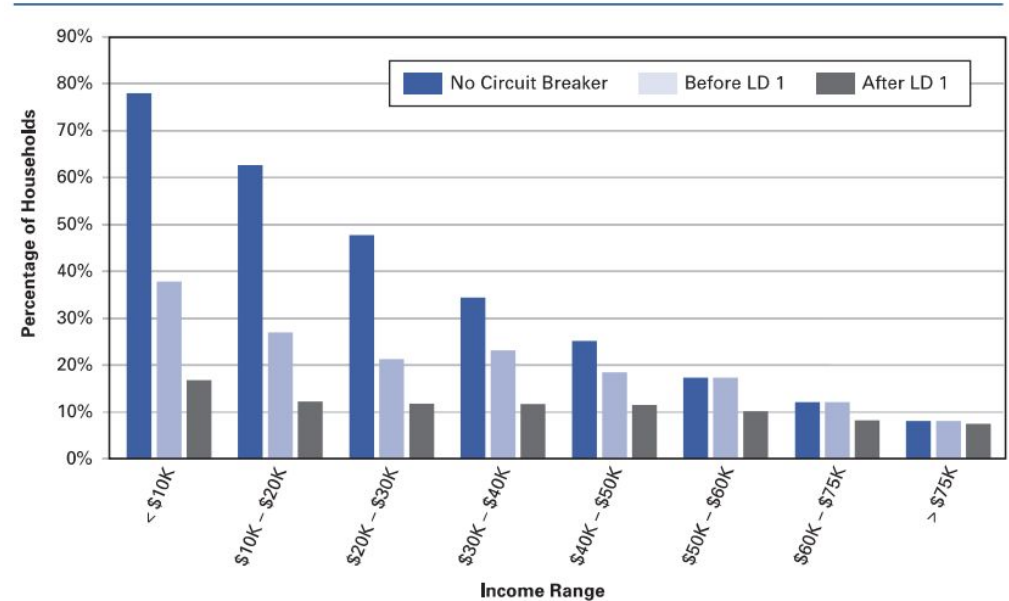
- Raising PTFC max benefit (per LD 2212) is the most progressive of the simulated policies
- Homestead exemption mildly progressive (but not tenure-neutral)
- Raising PTFC benefit base largely helps upper-middle class



Results mirror previous analyses

- Property Tax Fairness Credit is best-practice
 - Improves progressivity
 - Directly targeted on income
 - Tenure-neutral
- PTFC use: 134k recipients, \$113m in credits

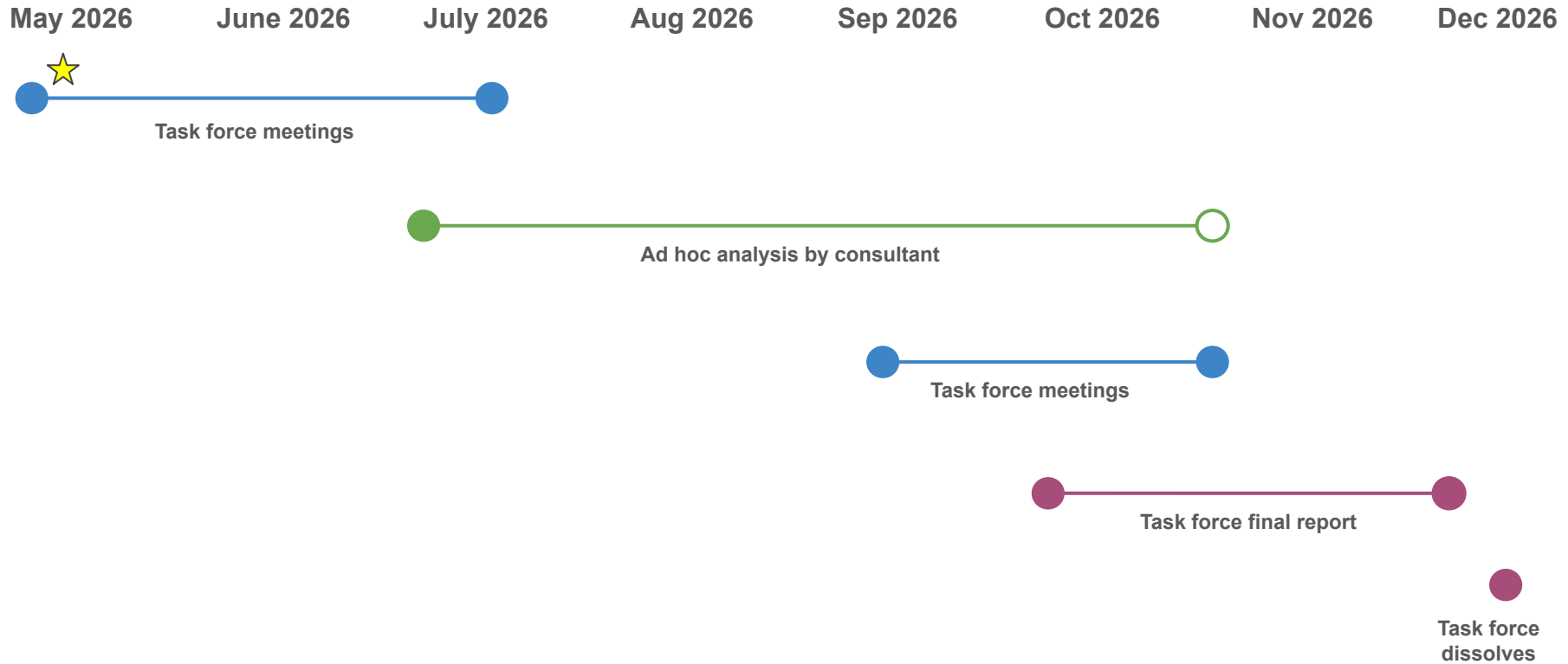
FIGURE 4: **Percentage of Maine Households with Property Tax Burden above 6 Percent of Income**



Source: Allen and Woodbury 2006

Where do we go from here?

Where do we go from here?



Avenues for Further Discussion & Modeling

- Modeling further changes to relief programs:
 - At the muni level = fine
 - At the parcel & census tract level = great where TCB shared, okay otherwise (but ignores renters)
 - At the household level = TBD (requires joining income x parcel data)
- Programs:
 - PTFC
 - Homestead
 - Rev-share
 - Land value tax shift
 - Others?

Questions / Discussion