

## Real Estate Property Tax Relief Task Force

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

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### Agenda: Meeting #2

- 10:00 am**            **Welcome**  
*Chairs, Senator Nicole Groboski & Representative Ann Matlack*
- 10:05 am**            **Follow up information from Maine Municipal Association**  
*Amanda Campbell, Legislative Advocate*
- 10:30 am**            **Follow up questions from Task Force & discussion with Progress and Poverty Institute**  
*Stephen Hoskins, PPI*
- Task Force member discussion**
- Review previously made or received suggested recommendations
  - Members share own recommendations
- 12:30 pm**            **Lunch**
- 1:00 pm**            **Task Force member discussion continued**
- Additional information that members would find helpful or research requests for PPI
  - Housekeeping
    - Planned next meeting date – June 30<sup>th</sup> Joint Standing Committee on Taxation meeting with the Task Force

Meetings can be livestreamed or viewed as an archived video after the meeting has concluded at the following link by selecting the appropriate meeting date.

<https://legislature.maine.gov/Audio/#127>



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To: Real Estate Property Tax Relief Task Force  
From: Amanda Campbell, Legislative Advocate  
RE: Policy Questions from September 30, 2025

June 10, 2026

Please find attached to this memo responses to the remaining task force member questions from the September 30, 2025, meeting.

The following policy related questions were addressed by our Legislative Policy Committee Property Tax Reform Working Group:

- *To what extent do municipal officials believe current property tax exemption programs, including the homestead exemption, are effective, and should the task force consider potential changes to those programs?*
- *From a property taxpayer impact perspective, are there state programs that are too costly for municipalities to implement? If so, which programs create the greatest strain, and what changes to state policy could help reduce the burdens on property taxpayers?*
- *Do municipal leaders believe they receive sufficient state-level support to make investments necessary to reduce the burdens placed on property taxpayers? If not, what additional support mechanisms are necessary?*
- *What actions can the state take to help reduce municipal costs?*
- *What core values, such as equity, home rule, reimbursement for state mandates and assessment practices, should guide the task force as it develops policy recommendations?*

MMA greatly appreciates the opportunity to provide the task force with this information. I look forward to working with the task force during the interim and with the new taxation committee during the 133<sup>rd</sup> Legislature to continue this partnership, enhance the ways we already work together, and to brainstorm how we can increase opportunities for collaboration.

Please feel free to contact me with any questions.

Sincerely,

Amanda Campbell ([acampbell@memun.org](mailto:acampbell@memun.org))

**LPC Tax Reform Working Group Responses to the Real Estate Property Tax Relief Task Force questions from September 30, 2025.**

**June 10, 2026**

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**To what extent do municipal officials believe current property tax exemption programs, including the homestead exemption, are effective, and should the task force consider potential changes to those programs?**

Homestead Exemption

- The homestead exemption is an effective policy.
- Both value of the exemption and reimbursement for loss of taxes should be increased.
- Homestead value should be indexed to inflation.
- The 12-month waiting period should be removed.
- Improvements to the homestead exemption can encourage more full-time residential property ownership and potentially decrease seasonal and part-time residency.
- Substantial changes to the homestead exemption could accomplish the same intent as a two-tiered taxation system without the need for a constitutional amendment.

BETE/BETR

- The exemption and 50% reimbursement through BETE disproportionately impacts service centers and other communities that are encouraging economic development. These communities see no benefit, beyond revenue sharing, for increases in sales and income tax related to increased economic development and only benefit from 50% of the assessed tax for the many items these businesses declare as personal property.
- BETR should be eliminated

The Shift of Burden

- All exemption programs transfer the burden of each program from the recipient of the exemption to ALL taxpayers, including the program beneficiaries.
- The erosion of the tax base that occurs from exemption programs significantly contributes to the shift of burden.

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**From a property taxpayer impact perspective, are there state programs that are too costly for municipalities to implement? If so, which programs create the greatest strain, and what changes to state policy could help reduce the burdens on property taxpayers?**

### Tree Growth

- The time limitation built into the enforcement procedure for renewals of tree growth applications creates a significant hurdle in an assessor's ability to enforce the program.
- Assessors have no permanent access to a parcel's forestry plan, further limiting enforcement opportunity a time of renewals.
- A loophole exists when a property in tree growth arrears sells to a non-profit entity that then requests exempt status after the purchase. In those cases, municipalities receive none of the penalties owed with no mechanism to collect from the new owner.

### General Assistance

- State reimbursements to municipalities for the direct aid provided to eligible applicants has not increased proportionally to increased costs, thereby functionally reducing state support from the statutory 70%.
- Increased volume of applications has required municipalities to add staff to complete the application process within the statutorily required timeframe. No state reimbursement is available for administration of the program.
- No statewide database exists to streamline the eligibility process and confirm receipt of aid across municipalities.

### Public Safety Answering Points (PSAP)

- Individual communities cobble together multiple contracts for coverage, which is very costly, or provide their own dispatch services which are equally costly.
- No state financial support is available for these services.

### Personal Property Tax

- Annual review of declarations and in-person verification are time intensive and costly.
- Municipalities receive 50% reimbursement for the loss of personal property tax revenues.

### Mandated Ordinance & Zoning Changes

- Costly updates to locally approved ordinances, with state mandated one size fits all changes, are expensive and are needed with increasing frequency.
- Limited opportunities for financial technical assistance.

### Motor Vehicle Registrations / Inland Fisheries Registrations & Licenses

- Agent fees retained by the municipality for the provision of these services at the municipal level have not been increased in a way that acknowledges the increased staffing and time required to complete these transactions.
- Towns that absorb registrations and licensing from other smaller communities are bearing a burden beyond capacity.

-Municipalities bear the full cost of technology upgrades required to complete motor vehicle registration tasks.

Comprehensive Plans & Revaluations

-While these two very time consuming and costly procedures are not explicitly required, both are necessary to maintain access to important grant opportunities and to receive full funding of exemption reimbursements. Technical and financial assistance are not provided for either.

Tax Exempt Properties

-A standard formula to require payments in lieu of taxes from non-taxable properties to cover the costs of local services from which those properties benefit would aid in returning much needed revenue from an eroded tax base.

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**Do municipal leaders believe they receive sufficient state-level support to make investments necessary to reduce the burdens placed on property taxpayers? If not, what additional support mechanisms are necessary?**

When viewed through an economic development lens, the state benefits more from the efforts that municipalities put forth encouraging development than the communities. Increases to sales tax from goods and services and income tax from employees of new businesses, while benefiting communities through the revenue sharing program, certainly benefit the state general fund in a significant way. In addition, municipalities are limited in their collection of taxes to the land and building of a business and only receive 50% of the property tax assessed on business personal property. While this issue certainly impacts service center communities, all municipalities encouraging economic development feel those impacts.

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**What actions can the state take to help reduce municipal costs?**

Beyond the measures listed above, municipal officials encourage legislators to learn more about the municipal budget process, from trusted and knowledgeable practitioners, to help shift the narrative that municipalities have spending problems. Municipalities, like all other sectors, must bear the burden of increased costs of goods, services, personnel, and insurance while providing the essential services that residents expect. An increased “cost of doing business” does not equal out of control spending.

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**What core values, such as equity, home rule, reimbursement for state mandates and assessment practices, should guide the task force as it develops policy recommendations?**

Municipal officials agree that all the suggested values play a role in the development of policy.

Home rule is what makes Maine’s municipalities unique and allows for local choice and approval of how a community evolves or doesn’t. Legislation cannot be drafted with the expectation that the policy will work in communities of 79, 850, 2400, and 65,000 residents. Mainers want to have a say in how their community looks and feels and no two are alike.

Intergovernmental partnership is vital to the successful provision of services. The recognition that both the state and municipalities have a role to play in that partnership is of utmost importance.

**Real Estate Property Tax Relief Task Force**

**Proposed Recommendations Submitted by Members  
2026**

## Olson, Rachel

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**From:** Dick Woodbury <dickwoodbury1@gmail.com>  
**Sent:** Thursday, June 4, 2026 8:33 AM  
**To:** Olson, Rachel  
**Cc:** Allen, Michael J; Bickford, Bruce; carolynn.lear@bangormaine.gov; ed@gardnerregroup.com; Grohoski, Nicole; Kerry Leichtman; Kerry Leichtman; Lacy, Peter W; Matlack, Ann; matt@freeporthousingtrust.org; Nutting, Robert; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; townmanager@stoningtonmaine.org; vinnicaliendo@yahoo.com; Griswold, Jessica; Laxon, Lindsay; Langlin, Steven  
**Subject:** Re: Real Estate Property Tax Relief Task Force - Second Meeting

**This message originates from outside the Maine Legislature.**

Dear Rachel and Task Force Colleagues,

As requested, I am submitting a reform proposal for Task Force consideration.

Homestead Plus - June 2026 Discussion Draft

See you all next week.

Dick

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On Tue, Jun 2, 2026 at 9:32 AM Olson, Rachel <Rachel.Olson@legislature.maine.gov> wrote:

Good afternoon, Task Force members,

Thank you for your responses regarding the second and third meetings of the Task Force this interim. The second meeting is scheduled for **Wednesday, June 10<sup>th</sup> starting at 10 a.m.** in the Tax Committee room (State House 127). If you have previously indicated that you are able to attend in person and you find that you are not able to attend (or need to attend remotely), please let us know. An agenda and any materials will be distributed by email to members and also posted to the Task Force webpage as we get closer to the meeting date. Members attending remotely will receive a Zoom link closer to the meeting date as well.

**Next Steps:** To better facilitate discussion during the next meeting, the chairs have asked that Task Force members provide staff with any initial recommendations that members are considering for providing property tax relief by the end of the day on Friday, June 5<sup>th</sup>. Staff will compile these initial recommendations, along with any previously provided recommendations, to use in the Task Force's discussion.

Members of the public will have the option of attending the meeting in person at the State House or viewing a livestream of the meeting through the Legislature's website. Information regarding the meeting date, time, and location will be sent

to the interested parties list and also posted on the task force webpage: <https://legislature.maine.gov/real-estate-property-tax-relief-task-force>

The third meeting will be scheduled for **Tuesday, June 30<sup>th</sup>** with more details to follow in the coming days.

Please let us know if you have any questions. See you next week on the 10<sup>th</sup>!

Thank you,

Rachel Olson

Legislative Analyst

Office of Policy and Legal Analysis

Maine State Legislature

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<http://legislature.maine.gov/opla>

# HOMESTEAD PLUS

## A Proposal for Property Tax Reform

Dick Woodbury  
Discussion Draft: June 2026

Property taxes have reemerged as a leading topic of public policy concern among Maine residents and policymakers. To explore policy options, and to recommend reforms, the Maine legislature voted by unanimous consent to establish a fifteen-member [Real Estate Property Tax Relief Task Force](#) in July 2025, asserting in its authorizing resolution that “it is imperative that the State deliver immediate property tax relief.”

*Homestead Plus* is an ambitious reform, not an incremental one, designed to reduce the property taxes on Maine residents by an average of 30 percent on their primary residences, and by even more for high burden households. The proposal is also budget neutral at the state level, thereby avoiding the political challenges of either raising other taxes or cutting other categories of state spending in order to deliver property tax relief.

The key question guiding the design of *Homestead Plus*: Is there a way to use the \$2.3 billion<sup>1</sup> that the state already uses for direct and indirect property tax relief, and to reapportion or restructure that spending in a way that makes the property tax system work better? *Homestead Plus* is not a proposal to reduce or replace property tax revenues, or to reduce the budgets of municipalities, counties, or school districts. It is, instead, a proposal to make the apportionment of property taxes fairer, more equitable, and more affordable for Maine resident taxpayers.

### ***Whose Property Taxes Are We Trying to Relieve?***

The key insight in the design of *Homestead Plus* is that most property taxes in Maine are not paid by Maine residents on their primary homes. Based on Maine Revenue Services data from the 2023 Municipal Valuation report, of the \$3.3 billion in property taxes paid that year (including TIF recapture), \$1.1 billion, or 33 percent was assessed on homestead property; \$1.3 billion, or 39 percent, was assessed on non-homestead residential property; and \$0.9 billion, or 28 percent was assessed on other property.

That means that when state resources (derived from Maine state income taxes or sales taxes, for example) are transferred to a community and used by the community to lower property tax mil rates across all taxpayers in the community, it takes an average of \$3 in state spending to relieve just \$1 in property taxes on resident homesteads.

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<sup>1</sup> See Maine Revenue Services presentation to the task force on Sept 12, 2025. School funding, including teacher retirement and health insurance, was projected to be \$1.82 billion in FY 2027; revenue sharing was projected to be \$282 million; homestead exemption reimbursements were projected to be \$95 million; and the property tax fairness credit was projected to be \$113 million. Total: \$2.3 billion.

So, to drill down on the question guiding the design of *Homestead Plus*: What if a bit more of the \$2.3 billion that the state already spends on direct and indirect property tax relief were to funnel through to the taxpayers we most want to relieve? *Homestead Plus* is a first pass attempt to structure such a reform.

### ***How Homestead Plus Works***

*Homestead Plus* integrates the current revenue sharing, homestead exemption, and property tax fairness credits into a single program, *Homestead Plus*, paid directly to municipalities, and used to reduce the net property tax invoices that municipalities then send to resident taxpayers each year.

The \$500 million already budgeted for these programs will be 100% paid to municipalities (eliminating the unreimbursed homestead exemption, and the direct-to-taxpayer refunds), thereby enabling municipalities to reduce by \$500 million the net property tax invoices that they send to resident taxpayers on eligible homestead properties. Projecting that homestead property taxes will rise to as high as \$1.5 billion by fiscal year 2027, this equates to a roughly 30 percent reduction, on average, in homestead property tax invoices, and a much larger reduction for high-burden households.

The state-paid funds are essentially pre-payments (credits) on a portion of the property taxes to be assessed on eligible properties, thereby reducing the net taxes still owed by resident homeowners.

While the largest pre-payments will be used to reduce property taxes for low- and middle-income households, nearly all Maine resident taxpayers who are paying more than four percent of their income in property taxes will receive some benefit from the *Homestead Plus* program. The aim is widespread relief to residents, but *without diverting resources to non-homestead property or to those whose property tax burdens are already manageable*.

The *Homestead Plus* payment to each municipality will be prospectively determined, based on the previous year's income and property tax records, as filed by property owners with Maine Revenue Services. The municipality will receive a consolidated listing of the amounts applied to each homestead parcel along with the state's pre-payment of the state share.

Under *Homestead Plus*, it does not matter why a homeowner's property taxes have become a burden. It could be a coastal revaluation, a retirement or job loss, a change in community priorities or character, the closing of a paper mill, or anything else. The policy doesn't discriminate in its application, based on which community you come from, or why your property taxes are unaffordable. It simply relieves them if they are determined by your income to be an undue burden.

### Calibrating the Homestead Plus Formula

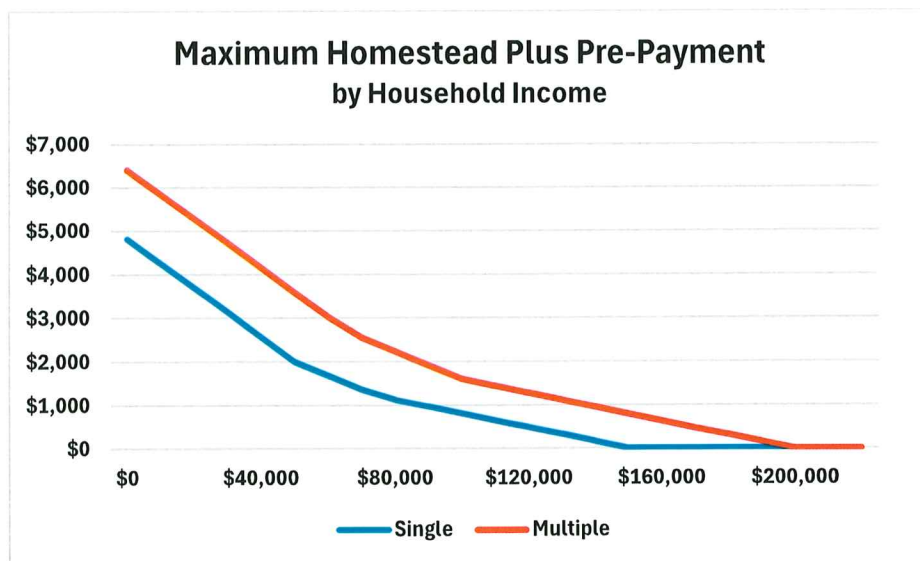
Among the range of approaches to property tax relief adopted in other states, all of the tax policy specialists presenting to the Task Force referred to property tax circuit breaker programs as best practice.

*Homestead Plus* is essentially a state-of-the-art, modernized, ramped up to the current property tax landscape, circuit breaker program, but administered prospectively (rather than refunded retroactively), and with the highest levels of property tax relief of any similar program in any state.

The specific *Homestead Plus* pre-payment formula can be calibrated by the Task Force in consultation with Maine Revenue Services, and with Task Force consultants. *Homestead Plus* v1 (version 1), described here, could be used as a starting place for cost estimation, and for assessing impact on taxpayer burden.

The proposed v1 formula is a pre-payment credit that is 40% of the amount by which property taxes exceeded 4 percent of income in the previous year, 60% of the amount by which property taxes exceeded 8 percent of income in the previous year, and 80% of the amount by which property taxes exceeded 12 percent of income in the previous year. Up to \$6000 in homestead property taxes paid in the previous year will be eligible for *Homestead Plus* consideration for single person households, or up to \$8000 for multiple person households. There is no other cap on the pre-payment amount.

There is, however, an implicit cap on the *Homestead Plus* benefit. The limit on the amount of property taxes that are eligible for *Homestead Plus* consideration acts as a phase-out in benefit eligibility, and in the maximum benefit amount, as incomes rise. The following chart shows the phase-out in the maximum benefit by household income.



To put this in context, the maximum benefit in Maine’s current Property Tax Fairness Credit program, \$1500 for those under 65 and \$2000 for those 65 and older, are scarcely increased from the levels put in place in the LD1 reforms over two decades ago. *Homestead Plus* modernizes the program with both its prospective orientation and its increase in benefit amounts to reflect the dramatically changed landscape of property taxes in Maine today.

**Illustrations of Tax Relief Provided**

As illustration of how the formula works, imagine a retired couple in Auburn with a home they bought in 1983, now assessed at \$315,000. The mil rate in Auburn is 22.88, so their pre-credit property taxes are \$7,207. Their only income is from Social Security, and amounts to \$40,000 per year. For this couple, the current property tax fairness credit arrives too late and simply isn’t enough relief in the current property tax environment.

Applying the *Homestead Plus v1* formula, the couple is responsible for all of their property taxes up to 4 percent of their income. But they get a pre-paid tax credit from the state equal to 40% of the next 4 percent of income (\$640), plus 60% of the next 4 percent of income (\$960), plus 80% of the rest (\$1,926). The net property tax invoice that they receive from the City of Auburn is reduced by half, from \$7,207 to \$3,681. They still have a high tax burden, but *Homestead Plus* makes a notable difference.

| Illustration of Retired Couple in Auburn |                |                      |                        |
|--|----------------|----------------------|------------------------|
| Gross Property Tax - \$7,207             |                |                      |                        |
| Social Security Income - \$40,000        |                |                      |                        |
|  | Taxpayer Share | Invoiced to Taxpayer | Pre-Payment from State |
| Up to 4% of Income                       | 100%           | \$1,600              | \$0                    |
| 4-8% of Income                           | 60%            | \$960                | \$640                  |
| 8-12% of Income                          | 40%            | \$640                | \$960                  |
| Above 12% of Income                      | 20%            | \$481                | \$1,926                |
| Total                                    |                | \$3,681              | \$3,526                |
| Tax Relief Provided (%)                  | 49%            |                      |                        |

Maine Revenue Services and Task Force consultants could experiment with more and less generous formula parameters, based on policymaker priorities, and the target cost of the program: \$500 million for a budget neutral reform, as suggested, or any other amount. The following table shows the percentage reduction in property taxes that results from the *Homestead Plus v1* formula, based on the pre-credit property tax and income of the taxpayer household.

**PERCENT REDUCTION IN PROPERTY TAX  
HOMESTEAD PLUS - v1 FORMULA**

| Income    | Pre-Credit Property Tax Amount                                     |         |         |         |         |         |         |         |          |     |
|-----------|--|---------|---------|---------|---------|---------|---------|---------|----------|-----|
|           | \$500  | \$1,000 | \$2,000 | \$3,000 | \$4,000 | \$5,000 | \$6,000 | \$8,000 | \$10,000 |     |
|           | <b>Percent Reduction in Property Tax - Single Person Household</b> |         |         |         |         |         |         |         |          |     |
| \$0       | 80%  | 80%     | 80%     | 80%     | 80%     | 80%     | 80%     | 80%     | 60%      | 48% |
| \$10,000  | 4%   | 28%     | 52%     | 61%     | 66%     | 69%     | 71%     | 53%     | 42%      |     |
| \$20,000  | 0%   | 8%      | 28%     | 43%     | 52%     | 58%     | 61%     | 46%     | 37%      |     |
| \$30,000  | 0%   | 0%      | 16%     | 28%     | 38%     | 46%     | 52%     | 39%     | 31%      |     |
| \$40,000  | 0%   | 0%      | 8%      | 19%     | 28%     | 35%     | 43%     | 32%     | 26%      |     |
| \$50,000  | 0%   | 0%      | 0%      | 13%     | 20%     | 28%     | 33%     | 25%     | 20%      |     |
| \$60,000  | 0%   | 0%      | 0%      | 8%      | 16%     | 22%     | 28%     | 21%     | 17%      |     |
| \$70,000  | 0%   | 0%      | 0%      | 3%      | 12%     | 18%     | 23%     | 17%     | 14%      |     |
| \$80,000  | 0%   | 0%      | 0%      | 0%      | 8%      | 14%     | 19%     | 14%     | 11%      |     |
| \$90,000  | 0%   | 0%      | 0%      | 0%      | 4%      | 11%     | 16%     | 12%     | 10%      |     |
| \$100,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 8%      | 13%     | 10%     | 8%       |     |
| \$110,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 5%      | 11%     | 8%      | 6%       |     |
| \$120,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 2%      | 8%      | 6%      | 5%       |     |
| \$130,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 5%      | 4%      | 3%       |     |
| \$140,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 3%      | 2%      | 2%       |     |
| \$150,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 0%       |     |

| Income    | Pre-Credit Property Tax Amount                                       |         |         |         |         |         |         |         |          |
|-----------|--|---------|---------|---------|---------|---------|---------|---------|----------|
|           | \$500  | \$1,000 | \$2,000 | \$3,000 | \$4,000 | \$5,000 | \$6,000 | \$8,000 | \$10,000 |
|           | <b>Percent Reduction in Property Tax - Multiple Person Household</b> |         |         |         |         |         |         |         |          |
| \$0       | 80%  | 80%     | 80%     | 80%     | 80%     | 80%     | 80%     | 80%     | 64%      |
| \$10,000  | 4%   | 28%     | 52%     | 61%     | 66%     | 69%     | 71%     | 73%     | 58%      |
| \$20,000  | 0%   | 8%      | 28%     | 43%     | 52%     | 58%     | 61%     | 66%     | 53%      |
| \$30,000  | 0%   | 0%      | 16%     | 28%     | 38%     | 46%     | 52%     | 59%     | 47%      |
| \$40,000  | 0%   | 0%      | 8%      | 19%     | 28%     | 35%     | 43%     | 52%     | 42%      |
| \$50,000  | 0%   | 0%      | 0%      | 13%     | 20%     | 28%     | 33%     | 45%     | 36%      |
| \$60,000  | 0%   | 0%      | 0%      | 8%      | 16%     | 22%     | 28%     | 38%     | 30%      |
| \$70,000  | 0%   | 0%      | 0%      | 3%      | 12%     | 18%     | 23%     | 32%     | 26%      |
| \$80,000  | 0%   | 0%      | 0%      | 0%      | 8%      | 14%     | 19%     | 28%     | 22%      |
| \$90,000  | 0%   | 0%      | 0%      | 0%      | 4%      | 11%     | 16%     | 24%     | 19%      |
| \$100,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 8%      | 13%     | 20%     | 16%      |
| \$110,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 5%      | 11%     | 18%     | 14%      |
| \$120,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 2%      | 8%      | 16%     | 13%      |
| \$130,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 5%      | 14%     | 11%      |
| \$140,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 3%      | 12%     | 10%      |
| \$150,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 10%     | 8%       |
| \$160,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 8%      | 6%       |
| \$170,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 6%      | 5%       |
| \$180,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 4%      | 3%       |
| \$190,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 2%      | 2%       |
| \$200,000 | 0%   | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 0%      | 0%       |

## ***Everyone Else Pays More***

There is no free lunch in public sector finance. If we want government services that cost a particular amount, we need to raise that amount. We just want to raise it in a way that is fair, efficient, and affordable. There is a sense in Maine that the current property tax system no longer meets that fair and affordability objective. But the money still needs to come from somewhere.

As noted in the introduction, *Homestead Plus* does not raise income taxes, sales taxes, or any other tax. Nor does it reduce the services that government provides at any level: state, county, local, or school district. Its goal, instead, is to apportion the \$3.5 billion that we still want to raise in property taxes in a way that is fairer and more affordable than it is now. Residents with a high burden will pay a combined \$500 million less. Everyone else will pay a combined \$500 million more.

*Homesteads.* Under Homestead Plus, there is no longer a population-wide homestead exemption. The value of the current homestead exemption averages around \$300 per household; less in low mil rate communities, more in high mil rate communities. Under *Homestead Plus*, a resident's homestead property taxes need to be more than 4 percent of their income to get the tax relief, but it is generally a lot more than \$300 in relief. Residents without this burden, however, will no longer get this \$300 universal benefit.

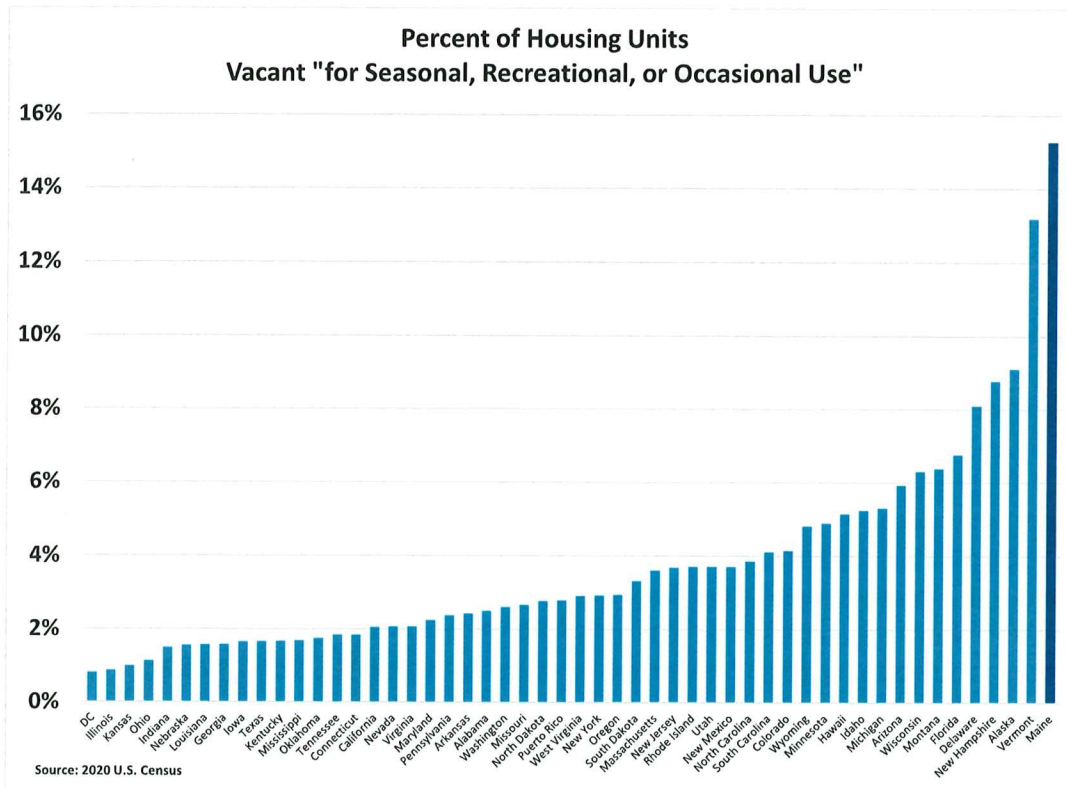
*Tax Rate Increase.* The roughly \$400 million currently transferred to communities for across-the-board tax relief (revenue sharing and homestead reimbursements) will be increased to \$500 million, but unlike now, these funds will be entirely targeted to high burden households. The local tax base will expand with the elimination of the universal homestead exemption, but the overall mil rate will still need to rise to compensate for the loss of across-the-board funding. Maine Revenue Services or Task Force consultants can run through these various moving parts, and estimate the town-specific mil rate impacts, but a very rough calculation is that the statewide average mil rate would need to rise by around \$1 per \$1000 in property valuation. So, taxpayers not eligible for Homestead Plus would see an average tax increase of around 8 percent over what they pay now.

To return to the earlier questions: Whose taxes are we trying to relieve? And how are we going to pay for that relief? *Homestead Plus* is an aggressive reapportionment of tax relief dollars toward resident homeowners with a high tax burden, paid for not with new tax dollars, not with spending cuts, but within the property tax system itself.

## ***Residency Considerations***

Millions of non-residents spend time in Maine: some on short vacations, some with vacation homes, and some who split their time more or less evenly between Maine and another state. Though non-residents do not generally pay Maine income taxes, they do benefit from public services, particularly at the local level.

For decades, Maine has had the single highest ratio of properties vacant “for seasonal, recreations, or occasional use” of any state in the country. In the most recent decennial census, as detailed in the figure below, Maine’s percentage of housing in this category was over 15 percent, compared with a national average of just 3 percent. Some are estate level properties worth millions of dollars. These properties are a substantial part of the valuation base on which property taxes are assessed in the state.



As noted, non-residents who own property in Maine are generally exempt from Maine state income taxes. In return, they are asked to pay their full Maine property tax. Residents, on the other hand, who are generally required to pay Maine state income taxes in addition to Maine property taxes, pay either their full property tax (if it is a low percentage of their income), or a reduced and blended income/property tax amount, as determined by the *Homestead Plus* formula.

This combination of assessments, and the substantial reliance on property taxes specifically, is important to the fiscal health of the state, due to the massive geography-to-population ratio in Maine, compared with most states, and Maine’s globally recognized and publicly resources vacationland appeal. The system also promotes greater equity between the under-six-months non-resident property owners (who don’t pay income taxes) and the over-six-months resident property owners (who do).

## **Other Considerations**

*What if a someone wants to sell a property that has already qualified for a Homestead Plus credit?*

The apportionment of property taxes paid or still owed between buyer and seller is already part of real estate closings. The *Homestead Plus* credit attributed to the seller would still be apportioned to the seller, just as any other property tax payment would be credited at closing.

*What about tax relief for renters?*

*Homestead Plus* is designed to stabilize property tax burdens for resident homeowners. Renters who are currently eligible for property tax fairness credits will continue to be eligible for these benefits but re-labeled as affordability assistance for renters, rather than as property tax credits.

*Why not keep the current programs as they are, and instead find new money for Homestead Plus?*

This is certainly an option. The downside is that so much of the money we already spend on property tax relief is going to taxpayers we are not that worried about relieving. Some are non-residents, some are big box national chain stores, some are very wealthy resident homeowners with very valuable properties. As noted, policies that lower property tax mill rates across the board cost \$3 for every \$1 in relief to resident homeowners on their homestead property taxes. Why not use the money we have already dedicated, and funnel it more effectively to the people we want to relieve, rather than trying to squeeze from the state budget still more money?

*How do we transition from the retroactive reimbursement of the Property Tax Fairness Credit to the prospective tax pre-payment of Homestead Plus?*

This is tricky and needs further thought. The easiest way to transition is probably a double payment in the transition year, implemented as a one-time expense using any excess revenues or reserve funds that may be available on a one-time basis. The retroactive refund could be based on the lower cost formula in current law, while the prospective pre-payment could be based on the modernized *Homestead Plus* formula.

## **Next Steps**

If Task Force members or Maine legislators are interested in pursuing a reform along the lines of *Homestead Plus*, Maine Revenue Services has the data and resources to run cost analyses of alternative formula parameters, and how alternative formula parameters in turn impact taxpayer burdens.

## Olson, Rachel

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**From:** Vinnie Caliendo <vinniecaliendo@yahoo.com>  
**Sent:** Thursday, June 4, 2026 11:14 AM  
**To:** Allen, Michael J; Bickford, Bruce; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Grohoski, Nicole; Kerry Leichtman; Kerry Leichtman; Lacy, Peter W; Matlack, Ann; matt@freeporthousingtrust.org; Nutting, Robert; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; townmanager@stoningtonmaine.org; Olson, Rachel  
**Cc:** Griswold, Jessica; Laxon, Lindsay; Langlin, Steven  
**Subject:** Re: Real Estate Property Tax Relief Task Force - Second Meeting

This message originates from outside the Maine Legislature.

Hello Rachel and Task Force Members:

Ideas for lowering property taxes are premature. We do not understand the answers to our questions at this time. We are not able to explain this to residents yet.

Nevertheless, I offer the following discussion points:

1. State to reimburse the town at the same % rate their budgets increase.
  - o There must be clear separation of elements of the town budget that is their responsibility versus those the state supports.
2. State to fund 100% of mandates, whether partially funded today, or unfunded today. Town must submit a proposal for approval to be reimbursed.
3. Revenue sharing formulas to be adjusted based on the same rate of property valuations, do a catch up from 2020 - 2025, where the COVID impact had the most significant impact on valuations.
4. Utilize a qualified municipal CPA firm(s) to organize the financial reports from a cross section of the state from 2018-2025 to understand "what" is driving costs; to enable discussions as to "why"; where solutions can be pegged to solve the challenge of property taxes increasing faster than ordinary income for most Maine residents.

Thank You

On Tuesday, June 2, 2026 at 09:32:22 AM EDT, Olson, Rachel <rachel.olson@legislature.maine.gov> wrote:

Good afternoon, Task Force members,

Thank you for your responses regarding the second and third meetings of the Task Force this interim. The second meeting is scheduled for **Wednesday, June 10<sup>th</sup> starting at 10 a.m.** in the Tax Committee room (State House 127). If you have previously indicated that you are able to attend in person and you find that you are not able to attend (or need to attend remotely), please let us know. An agenda and any materials will be distributed by email to members and also posted to the Task Force webpage as we get closer to the meeting date. Members attending remotely will receive a Zoom link closer to the meeting date as well.

**Next Steps:** To better facilitate discussion during the next meeting, the chairs have asked that Task Force members provide staff with any initial recommendations that members are considering for providing property tax relief by the end of the day on Friday, June 5th. Staff will compile these initial recommendations, along with any previously provided recommendations, to use in the Task Force's discussion.

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<https://legislature.maine.gov/real-estate-property-tax-relief-task-force>

The third meeting will be scheduled for **Tuesday, June 30<sup>th</sup>** with more details to follow in the coming days.

Please let us know if you have any questions. See you next week on the 10<sup>th</sup>!

Thank you,

Rachel Olson  
Legislative Analyst  
Office of Policy and Legal Analysis  
Maine State Legislature  
(207) 287-1670  
[Rachel.Olson@legislature.maine.gov](mailto:Rachel.Olson@legislature.maine.gov)  
<http://legislature.maine.gov/opla>

## Olson, Rachel

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**From:** Lear, Carollynn <carollynn.lear@bangormaine.gov>  
**Sent:** Thursday, June 4, 2026 11:21 AM  
**To:** Olson, Rachel; Griswold, Jessica; Langlin, Steven; Laxon, Lindsay  
**Subject:** Re: Real Estate Property Tax Relief Task Force - Second Meeting

**This message originates from outside the Maine Legislature.**

Good Morning - Hopefully it is acceptable that my "proposals" don't assume the same level of formality as Mr. Woodbury's. Although, as an aside, the focus that I would like to take certainly aligns with his proposal.

I believe there are two areas the Committee should focus on by leveraging existing programs rather than the creation of something entirely new.

1. Non-taxable property - The PPI report had a key finding that "Primary service centers carry roughly 5X the NTV burden of non-service-center municipalities. With 24 primary service centers (5% of jurisdictions) holding 43% of statewide nontaxable value but only 18% of statewide taxable value, the structural over-burden of regional anchor cities is large, consistent, and not a statistical artifact." Municipalities with high proportions of non-taxable properties need some mechanism to recoup that non-taxpaying portion of the property tax base that doesn't redistribute the tax burden within the municipality given that service centers also were shown in the PPI report to have lower median incomes. It is possible that this could be accomplished through a state-level program for reimbursement or through modifications the revenue sharing formula. Any solution that focuses on something like PILOTs might be more palatable if it focused in on the largest exempt properties by value.
2. Further Expand Property Tax Fairness Credit - PPI noted that "Primary service centers post the lowest median income of any service-center designation while also posting the highest effective tax rates. Any solution that creates exemptions at the municipal level w/o state reimbursement simply redistributes the tax burden to other taxpayers within that same municipality. For municipalities with statistically lower median incomes compared to the rest of the state, this redistributive effect doesn't actually remedy the underlying issue of the poorest in the state bearing the highest property tax burden. The PTFC focuses on relief for those most in need and the cost is born at the state level - it therefore is the ideal mechanism to deploy additional relief.

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**From:** Olson, Rachel <Rachel.Olson@legislature.maine.gov>  
**Sent:** Tuesday, June 2, 2026 9:32 AM  
**To:** Allen, Michael J <michael.j.allen@maine.gov>; Bickford, Bruce <Bruce.Bickford@legislature.maine.gov>; Lear, Carollynn <carollynn.lear@bangormaine.gov>; dickwoodbury1@gmail.com <dickwoodbury1@gmail.com>; ed@gardnerregroup.com <ed@gardnerregroup.com>; Grohoski, Nicole <Nicole.Grohoski@legislature.maine.gov>; Kerry Leichtman <kleichtman@rockportmaine.gov>; Kerry Leichtman <kleichtman@camdenmaine.gov>; Lacy, Peter W <peter.w.lacy@maine.gov>; Matlack, Ann <Ann.Matlack@legislature.maine.gov>; matt@freeporthousingtrust.org <matt@freeporthousingtrust.org>; Nutting, Robert <Robert.Nutting@legislature.maine.gov>;

peace@qualityhousingcoalition.org <peace@qualityhousingcoalition.org>; psaucier@bernsteinshur.com  
<psaucier@bernsteinshur.com>; townmanager@stoningtonmaine.org <townmanager@stoningtonmaine.org>;  
vinniecaliendo@yahoo.com <vinniecaliendo@yahoo.com>  
**Cc:** Griswold, Jessica <Jessica.Griswold@legislature.maine.gov>; Laxon, Lindsay <Lindsay.Laxon@legislature.maine.gov>;  
Langlin, Steven <Steven.Langlin@legislature.maine.gov>  
**Subject:** Real Estate Property Tax Relief Task Force - Second Meeting

**WARNING: EXTERNAL EMAIL - DOUBLE CHECK THE SENDER'S ADDRESS BEFORE OPENING LINKS OR ATTACHMENTS.**

Good afternoon, Task Force members,

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Please let us know if you have any questions. See you next week on the 10<sup>th</sup>!

Thank you,

Rachel Olson  
Legislative Analyst  
Office of Policy and Legal Analysis  
Maine State Legislature  
(207) 287-1670  
[Rachel.Olson@legislature.maine.gov](mailto:Rachel.Olson@legislature.maine.gov)  
<http://legislature.maine.gov/opla>

## Olson, Rachel

---

**From:** Kerry Leichtman <kleichtman@rockportmaine.gov>  
**Sent:** Friday, June 5, 2026 11:00 AM  
**To:** Olson, Rachel; Allen, Michael J; Bickford, Bruce; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Grohoski, Nicole; Kerry Leichtman; Lacy, Peter W; Matlack, Ann; matt@freeporthousingtrust.org; Nutting, Robert; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; townmanager@stoningtonmaine.org; vinniecaliendo@yahoo.com  
**Cc:** Griswold, Jessica; Laxon, Lindsay; Langlin, Steven  
**Subject:** RE: Real Estate Property Tax Relief Task Force - Second Meeting  
**Attachments:** initial recommendations.docx

This message originates from outside the Maine Legislature.

Rachel and task force members,  
My suggestions and recommendations are attached.  
Thank you,  
Kerry

Kerry Leichtman, CMA  
Assessor  
Towns of Camden and Rockport

[kleichtman@camdenmaine.gov](mailto:kleichtman@camdenmaine.gov) 207.236.3353 ext 7106  
[assessor@rockportmaine.gov](mailto:assessor@rockportmaine.gov) 207.236.6758 ext 5

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**From:** Olson, Rachel <Rachel.Olson@legislature.maine.gov>  
**Sent:** Tuesday, June 2, 2026 9:32 AM  
**To:** Allen, Michael J <michael.j.allen@maine.gov>; Bickford, Bruce <Bruce.Bickford@legislature.maine.gov>; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Grohoski, Nicole <Nicole.Grohoski@legislature.maine.gov>; Kerry Leichtman <kleichtman@rockportmaine.gov>; Kerry Leichtman <kleichtman@camdenmaine.gov>; Lacy, Peter W <peter.w.lacy@maine.gov>; Matlack, Ann <Ann.Matlack@legislature.maine.gov>; matt@freeporthousingtrust.org; Nutting, Robert <Robert.Nutting@legislature.maine.gov>; peace@qualityhousingcoalition.org; Philip Saucier <psaucier@bernsteinshur.com>; townmanager@stoningtonmaine.org; vinniecaliendo@yahoo.com  
**Cc:** Griswold, Jessica <Jessica.Griswold@legislature.maine.gov>; Laxon, Lindsay <Lindsay.Laxon@legislature.maine.gov>; Langlin, Steven <Steven.Langlin@legislature.maine.gov>  
**Subject:** Real Estate Property Tax Relief Task Force - Second Meeting

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Please let us know if you have any questions. See you next week on the 10<sup>th</sup>!

Thank you,

Rachel Olson  
Legislative Analyst  
Office of Policy and Legal Analysis  
Maine State Legislature  
(207) 287-1670  
[Rachel.Olson@legislature.maine.gov](mailto:Rachel.Olson@legislature.maine.gov)  
<http://legislature.maine.gov/opla>

## Initial Recommendations and Discussion Topics

Kerry Leichtman, 6/5/2026

- Shift jails and schools to income tax
  - As a result of this shift, consider eliminating revenue sharing
- Broad change to all current use programs
  - Add a Maine residency requirement for participation
    - offer 12-month period in which participants can exit penalty free or become Maine residents
  - Do not permit participants of one program to transfer into another program for the purpose of avoiding having to pay a withdrawal penalty
  - Then, more specific program changes to eliminate abuses in the programs
    - examples of this are:
      - Farmland
        - increase gross income requirement
        - do not allow, or restrict amount of allowance for, consumed farm products
        - eliminate Farmland tree growth
        - require MRS, Ag Dept to follow 36 MRS §1119 in which they are required to develop guidelines of suggested acreage value ranges for all categories of permitted farm products
      - Tree Growth:
        - increase minimum acreage
        - allow assessors to keep plans on file
        - require that harvested trees be processed at Maine facilities
        - land on which trees may not be harvested are ineligible for the TG program
        - land whose terrain or other physical features make harvesting exceedingly difficult, impossible or impractical are not eligible for the TG program
      - Open Space
        - require carbon sequestration as the primary goal in managed forest category
        - tighten and more precisely define public benefits list
- Exemptions
  - add Schools category and define what kind of schools are exempt

- public schools and accredited private schools are exempt
    - schools for professional development and hobbies are not
  - consider changes to religious exemption
  - review benevolent and charitable guidelines
  - eliminate exemption for machinery and equipment leased to hospitals
    - require that exempt hospitals supply municipalities with lists of leased equipment attributed to the leasing vendor
- Increase MRS oversight of assessing standards
  - 70-110% ratio standard should be 90-110
  - revals required every 3, 5 or 7 years (might require Constitutional amendment)
  - real penalties for non-compliance
- Split tax rate Constitutional amendment
  - possible splits
    - homestead properties : non-homestead
    - commercial : residential

## Olson, Rachel

---

**From:** Town Manager <townmanager@stoningtonmaine.org>  
**Sent:** Friday, June 5, 2026 11:20 AM  
**To:** Olson, Rachel; Allen, Michael J; Bickford, Bruce; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Grohoski, Nicole; Kerry Leichtman; Kerry Leichtman; Lacy, Peter W; Matlack, Ann; matt@freeporthousingtrust.org; Nutting, Robert; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; vinniecaliendo@yahoo.com  
**Cc:** Griswold, Jessica; Laxon, Lindsay; Langlin, Steven  
**Subject:** RE: Real Estate Property Tax Relief Task Force - Second Meeting

This message originates from outside the Maine Legislature.

Hi all,

I will be at the meeting on the 10<sup>th</sup>.

As many of our towns are ratifying school referendum budgets riding on the election on the 9<sup>th</sup> regarding or have just had town meeting just puts the issues in prospectives more for me-

- The school budget formulas absolutely need to be overhauled, especially coastal communities who may not or be able to have one anymore. Our school budget jumped almost \$1M this year alone. A huge local share burden on both Stonington and Deer Isle. I hopefully would like to see some equity with who can or who can't afford local houses, whether it is a huge increase in Homestead which has not occurred in many years.
- Jail costs are the same-medical costs and health care should not be from property owners which it appears to be now, folk incarcerated can't work for whatever reasons, but would seem they would qualify for some of the social services benefits afforded to others.
- Definitely many of the tax exemption's should have more criteria, what burden's do they place, what is a "public benefit" vs a not so much public benefit. Others like tree growth as well need attention, especially those on the shorelines getting a tax break and not doing any meaningful tree management programs.
- The Tax circuit breaker programs I could hope be more robust especially for economically disadvantaged and the elderly to stay in their homes. It is more than likely cheaper than building and paying housing subsidies.

See you on the 10<sup>th</sup>,

Kathleen

---

**From:** Olson, Rachel <Rachel.Olson@legislature.maine.gov>  
**Sent:** Tuesday, June 2, 2026 9:32 AM  
**To:** Allen, Michael J <michael.j.allen@maine.gov>; Bickford, Bruce <Bruce.Bickford@legislature.maine.gov>; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Grohoski, Nicole <Nicole.Grohoski@legislature.maine.gov>; Kerry Leichtman <kleichtman@rockportmaine.gov>; Kerry Leichtman <kleichtman@camdenmaine.gov>; Lacy, Peter W <peter.w.lacy@maine.gov>; Matlack, Ann <Ann.Matlack@legislature.maine.gov>; matt@freeporthousingtrust.org; Nutting, Robert <Robert.Nutting@legislature.maine.gov>; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; Town Manager <townmanager@stoningtonmaine.org>; vinniecaliendo@yahoo.com  
**Cc:** Griswold, Jessica <Jessica.Griswold@legislature.maine.gov>; Laxon, Lindsay <Lindsay.Laxon@legislature.maine.gov>;

Langlin, Steven <Steven.Langlin@legislature.maine.gov>

**Subject:** Real Estate Property Tax Relief Task Force - Second Meeting

Good afternoon, Task Force members,

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Thank you,

Rachel Olson  
Legislative Analyst  
Office of Policy and Legal Analysis  
Maine State Legislature  
(207) 287-1670  
[Rachel.Olson@legislature.maine.gov](mailto:Rachel.Olson@legislature.maine.gov)  
<http://legislature.maine.gov/opla>

## Olson, Rachel

---

**From:** Allen, Michael J <Michael.J.Allen@maine.gov>  
**Sent:** Friday, June 5, 2026 2:13 PM  
**To:** Olson, Rachel; Bickford, Bruce; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Grohoski, Nicole; Kerry Leichtman; Kerry Leichtman; Lacy, Peter W; Matlack, Ann; matt@freeporthousingtrust.org; Nutting, Robert; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; townmanager@stoningtonmaine.org; vinniecaliendo@yahoo.com  
**Cc:** Griswold, Jessica; Laxon, Lindsay; Langlin, Steven  
**Subject:** RE: Real Estate Property Tax Relief Task Force - Second Meeting  
**Attachments:** Property Tax Relief Issues.docx

**This message originates from outside the Maine Legislature.**

Hi Everyone,

Attached is a list of property tax proposals that we think should be considered by the task force. The Administration does not necessarily support these proposals, they are merely a list of ideas that we have come across over the years, have been included in bills before the Maine Legislature, or have recently been proposed by gubernatorial candidates. Look forward to seeing you all on Wednesday.

Mike

---

**From:** Olson, Rachel <Rachel.Olson@legislature.maine.gov>  
**Sent:** Tuesday, June 2, 2026 9:32 AM  
**To:** Allen, Michael J <Michael.J.Allen@maine.gov>; Bickford, Bruce <bruce.bickford@legislature.maine.gov>; carollynn.lear@bangormaine.gov; dickwoodbury1 <dickwoodbury1@gmail.com>; ed@gardnerregroup.com; Grohoski, Nicole <nicole.grohoski@legislature.maine.gov>; Kerry Leichtman <kleichtman@rockportmaine.gov>; Kerry Leichtman <kleichtman@camdenmaine.gov>; Lacy, Peter W <Peter.W.Lacy@maine.gov>; Matlack, Ann <ann.matlack@legislature.maine.gov>; matt@freeporthousingtrust.org; Nutting, Robert <robert.nutting@legislature.maine.gov>; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; townmanager <townmanager@stoningtonmaine.org>; vinniecaliendo@yahoo.com  
**Cc:** Griswold, Jessica <Jessica.Griswold@legislature.maine.gov>; Laxon, Lindsay <lindsay.laxon@legislature.maine.gov>; Langlin, Steven <steven.langlin@legislature.maine.gov>  
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Thank you,

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Office of Policy and Legal Analysis  
Maine State Legislature  
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<http://legislature.maine.gov/opla>

## BROAD SCOPE PROPOSALS TO REDUCE PROPERTY TAXES FOR CONSIDERATION

**Consolidation of Municipal Services and Schools to achieve cost efficiencies:** Reducing local government costs will translate into lower property taxes.

**Property Tax Limitations:** Limitations like Proposition 2.5 in MA and Proposition 13 in CA. Limitations can be on the tax rate and/or the assessed value of property, or overall levy limits. Note, the ME Constitution may prohibit limitations on the assessed value of certain properties.

**Split-Rate Taxation:** The ability to tax different types of property at different rates. For example, being able to tax homestead property at a lower rate than second/vacation homes, short-term rental properties (STRs) in otherwise residential homes, or general commercial property, or taxing land at a higher rate than structures. Note, the ME Constitution may prohibit a split tax rate.

**Municipal Property Tax with a Very Large Homestead Exemption:** This may be another way to achieve a split tax rate. Note, the ME Constitution may prohibit this form of effectively having a split tax rate.

**Statewide Property Tax with a Very Large Homestead Exemption:** This may be another way to achieve a split tax rate. Revenue raised would be returned to the municipalities through revenue sharing, EPS, or enhanced PTFC. Note, the ME Constitution may prohibit this form of having a split tax rate.

**Expand the Authority of Municipalities to Impose Service Charges:** Current law limits the imposition to only residential property that is used to provide rental income, and provides that the service charges “must be calculated according to the actual cost of providing municipal services to that real property and to the persons who use that property.” Broaden the law to allow imposition of service charges on any property owned by an organization exemption under 36 M.R.S. § 652, which includes a wide range of institutions and organizations. This helps municipalities with a high percentage of tax-exempt property to diversify their tax base. Further limit to entities with \$10+ million of assets. Authorization of service charges in excess of actual costs may raise issues under the ME Constitution. **LD 1521 “An Act to Amend the Property Tax Laws” Rep. Hilliard, 128<sup>th</sup> Legislature**

**Property Tax Stabilization Program for Senior Citizens: LD 290 “An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years” Sen. Stewart, 130<sup>th</sup> Legislature**

Reestablish the Property Tax Stabilization program that was repealed for property tax years beginning on or after April 1, 2024. Some forms of tax stabilization programs may raise issues under the ME Constitution.

**Allow a targeted local option sales tax:** A local option sales tax that is on a limited set of goods and services (e.g. lodging, prepared foods) that piggybacks off the state level sales tax base is a way for municipalities to diversify their tax base and lower their reliance on the property tax. Although the boundaries are unclear, and the specific statutory language and circumstances would need to be considered, a local option sales tax may raise potential constitutional concerns under the ME Constitution.

**Transfer the State Telecommunications Excise Tax to Municipalities:**

Effective for property tax years beginning on or after April 1, 2026, telecommunications equipment will be subject to local property taxation like any other property in a municipality. Estimated GF revenue loss of \$9.0 million in FY27.

Office of Tax Policy  
Maine Revenue Services  
Department of Administrative and Financial Services

0 Dsc sin upss

## Olson, Rachel

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**From:** Grohoski, Nicole  
**Sent:** Friday, June 5, 2026 4:54 PM  
**To:** Allen, Michael J; Olson, Rachel; Bickford, Bruce; carollynn.lear@bangormaine.gov; dickwoodbury1@gmail.com; ed@gardnerregroup.com; Kerry Leichtman; Kerry Leichtman; Lacy, Peter W; Matlack, Ann; matt@freeporthousingtrust.org; Nutting, Robert; peace@qualityhousingcoalition.org; psaucier@bernsteinshur.com; townmanager@stoningtonmaine.org; vinniecaliendo@yahoo.com  
**Cc:** Griswold, Jessica; Laxon, Lindsay; Langlin, Steven  
**Subject:** Re: Real Estate Property Tax Relief Task Force - Second Meeting

Hi all - Rep. Matlack and I worked together on some possible solutions to explore, which are pasted below. We haven't reviewed other recent recs, so we're just adding these to the mix, and look forward to more conversation next week.

Have a great weekend!

Nicole

- Addressing the property tax burden of service centers
  - Look at Rev Sharing 2 - restructure to get more relief for service centers
    - Potential formula changes
      - Consider nontaxable property percent?
      - Tie definition to designated service centers?
      - Would need to think through potential hold harmless/ramp possibilities
  - Increase revenue generation for municipalities
    - “Local option” taxes
      - Ask MRS to identify legal considerations
- Increase uptake of property tax deferral (& change program to be more appealing)
  - Changing income/asset limits to better address the needs of the current demographics that are facing challenges?
  - Disallow credit agencies from utilizing these liens in credit scores and/or create a different kind of lien that is NOT allowed to impact someone’s credit score
  - Lower interest rates (currently 9% annually)?
    - Stop interest from accruing if they leave the program?
  - Direct MRS to come up with a better payment over time option for Mainers who inherit properties that are enrolled in this program (currently have up to 6 years to pay back)?
    - Payment plans for family members beyond just surviving spouse?
  - Allow for ownership models besides “fee simple” to be eligible for the program?
  - Increase amount of acreage that can be included (10 acres is current limit)?
- Additional funding for CASH Maine or other entity to increase utilization rates via outreach efforts
  - This might require a conversation with MMA, MRS, CASH Maine to determine what the right solution is here
  - Require municipalities to include certain information RE: property tax relief when sending out property tax bills (& provide funding to municipalities to cover those costs)?
- MRS staff - additional staff members for outreach/communicating to municipalities - with the goal of increasing utilization rates of property tax relief programs (up to 5)?
  - Outreach to veterans RE: homestead changes
  - Outreach to municipalities RE: their municipal programs
  - Coordination with CASH Maine to increase uptake on all property tax relief programs

- Changes to assessing
  - Would like more information on why municipalities are not following best practices?
    - Are there municipalities in Maine that are/are not that we can learn more from?
  - What incentives/penalties exist that could be utilized here?
  - One time investment from the state to do revaluations statewide (either via grants to municipalities or the state contracts with an entity and then just provides the services to municipalities)
    - Is there the workforce in Maine necessary to do this?
    - How do we support likely increased use of appeal/abatement process?
  - How could we make this a ramp for municipalities?
  - Moving forward, if all municipalities are current, how can we incentivize them to stay current?
- Coastal towns/vacant homes/second homes
  - Enabling two separate rates for homestead vs. non-homestead properties
    - Ask MRS to look into legal questions
      - Administrative questions, e.g., multi-unit vs. single-family
    - Any administrative barriers (MMA/MRS?)
      - Is a 12 month waiting period necessary?
- Possible recommendations for bills
  - Data collection? Requiring MRS/MOCA to collect this data, regularly report to the Legislature (every 4 years? Every 2 years?)
    - Regularly report metrics RE: property taxes, where pairing individual income tax data with actual parcels
      - What should be in the MVR that is not?
  - Municipal spending
    - Directing someone (?) to collect data/collect a report about this?
    - Report out a bill for a future study in 2027?
- Other:
  - Incentivizing regionalization of lower priority services (NOT education related)
    - Could MOCA/COGs do this? Or support this?
  - Municipal property tax relief programs - which municipalities do this? Are there any models we should uplift? How could we support municipal level relief from the state level?
  - Setting up regular review cycles for different tax exempt property types (current use programs, benevolent and charitable, etc.)
    - Look into the impact of TIFs statewide?
    - Track PILOTs (MRS does not currently track)

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Nicole Grohoski, Senator (she/her)  
District 7: Most of Hancock County  
Passamaquoddy and Penobscot Aboriginal Homeland  
PO Box 1732, Ellsworth, ME 04605  
207.358.8333

\*\*\*Please be advised that anything sent to me in my capacity as a legislator may become a matter of public record, per the Maine Freedom of Access Act, [www.maine.gov/foaa/](http://www.maine.gov/foaa/), which means that other people can ask to read these messages.\*\*\*

# Real Estate Property Tax Relief Task Force

**Recommendations from PPI Mid-2026 Report - Final  
Version:** Research and Analysis for the Maine Real Estate  
Property Tax Relief Task Force (*Progress and Poverty Institute  
& Center for Land Economics*)

## Real Estate Property Tax Relief Task Force

### Summary of Recommendations from PPI's Mid-2026 Report

June 10, 2026

PPI's Mid-2026 Report provides the following three recommendations for the Task Force's consideration. Note that this summary includes express recommendations only—it does not include any other takeaways, findings, conclusions, etc. that may be drawn from the data provided in the Report.

**1. Recommendation: Enforce existing standards regarding revaluation and assessment**  
(Report at 115, slide 60)

Maine already requires physical re-inspection at least every four years, annual sales-ratio studies, a certified ratio of no less than 70% (and no more than 110%), and a general valuation at least every ten years. These standards, if enforced, are sufficient to ensure fair and equitable valuations, but the data and survey evidence both suggest they are not consistently being met. Roughly 70% of jurisdictions with certified ratios below 0.7 are also more than ten years past their last recorded revaluation; an additional 139 municipalities lack any recorded last-valuation date at all. New legal mandates are unlikely to help if existing ones are being ignored. The higher-leverage intervention is twofold: stronger enforcement mechanisms and better reporting infrastructure, so the State can verify constitutional compliance in real time rather than retrospectively.

**2. Recommendation: Regional support, not regionalization** (Report at 125, slide 69)

Pushing for hard regionalization, which would take assessment authority out of local hands, would face overwhelming opposition from the assessors who would be asked to implement it, and at least some of that opposition reflects substantive concerns about local knowledge, home rule, and the heterogeneity of Maine's municipalities. The Task Force could pursue much of the outcome of regionalization (capacity, technical depth, software efficiency) by providing regional and statewide support: training and continuing education, pooled software licensing, MRS oversight funding, and entry-pathway development for the assessment profession.

**3. Recommendation: Review exemptions annually** (Report at 126, slide 71)

One topic the survey did not ask about, but which assessors raised repeatedly in free-response, was the proliferation and complexity of Maine's property-tax exemptions. Carve-outs accumulate over decades; over time the cumulative administrative burden grows substantially, and some long-standing exemptions may serve obsolete policy goals. Two specific concerns surfaced repeatedly: first, that exemptions deserve periodic merits review on a regular basis rather than persisting indefinitely once enacted, and second, that the BETE (business equipment tax) exemption has produced large unreimbursed local revenue losses well beyond what was anticipated when the program began. The City of Bath's assessor reported that BETE alone now

costs Bath taxpayers \$0.83 in increased mill rate, more than six times the \$0.13 from all other partial exemptions combined. A modest, high-leverage step for the Task Force to consider: a statutory requirement that MRS conduct an annual review of property-tax exemptions, and that the legislature reauthorize them on a defined cadence.

**Real Estate Property Tax Relief Task Force**

**Public Comment Received Since Last Task Force Meeting**

## Olson, Rachel

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**From:** Berry Manter <bmanter1@gmail.com>  
**Sent:** Tuesday, June 2, 2026 12:51 PM  
**To:** Olson, Rachel  
**Subject:** Re: [Real.Estate.Prop.Tax] Real Estate Property Tax Relief Task Force - Second Meeting (2026)

This message originates from outside the Maine Legislature.

Dear Rachel,

It is not possible for me to attend a meeting on real estate property taxation. However, I wish to reiterate my concern as pertains to my own home as well as longtime property owners across the state of Maine.

Following the pandemic, our license plate motto could easily be changed from "Vacationland" to "RemoteWorkLand". The value of our real estate skyrocketed, even faster than in prior years. Every longtime Mainer who lives in a "now desirable" location near a city, the coast, or pristine lake finds the cost to retain ownership becoming prohibitive. We chose to live in Maine during our earning decades for the quality of life over the level of income compensation. I know I did. And, I have no plans to leave.

My personal situation is this. I bought a property 27 years ago on "the undesirable side of Portland". I could afford it, it was rental property and my home and I worked multiple jobs, including landlord, to keep a roof over my head. I am not rich. I love my home. It's now assessed at an unimaginable value due to the whims of a real estate market having decided my neighborhood is "hot". My taxes, my fiscal responsibility to my city, are based on this fickle market number. I haven't move, I've made no "upgrades" beyond taking good care of this building. It's my primary asset. However, the rate of taxes due from me have become unaffordable. I do not qualify for subsidies. I am retired (outside of being an airbnb chambermaid/landlord, which I will be unable to do as time passes..) and will not foist unimaginable rate hikes on longtime tenants who I value and wish to retain. I am calculating an increase today, so am compelled to write.

My property tax is based on a statewide formula based on real estate value. This will displace many Mainers. Many of us have no place to reasonable relocate to. I feel strongly that when a party or individual purchases a property they do so fully aware of their tax responsibilities and reasonable increases. This means they enter a transaction fully accepting all financial burdens. I did this in 1998. **The tax burden increase should be based upon inflation percentages, cost of living increases, the same as my social security increase is based.** Every municipality needs to conduct business, figure its annual budget, based on the general annual increase of the cost of doing business. We ALL do this in our personal lives. As property sales in my city (Portland) and value of our properties skyrockets a fair increase in tax revenue should provide more than adequate increase in city income to continue to provide services. It is greedy and irrational to peg real estate market values as the indicator of municipal taxes. I never dreamed I would someday be unable afford to live in my home, which has had an advantage of also being "a business", allowing me to adjust, but property taxation based on what new neighbors from wealthy backgrounds are willing to pay is wrong.

Thank you for your attention and understanding.

Berry Manter  
Portland, ME

On Jun 2, 2026, at 9:34 AM, Olson, Rachel <[Rachel.Olson@legislature.maine.gov](mailto:Rachel.Olson@legislature.maine.gov)> wrote:

Good afternoon, Real Estate Property Tax Relief Task Force interested parties,

The chairs have scheduled the Task Force's second meeting this interim on **Wednesday, June 10, 2026, starting at 10:00 a.m.** in the Taxation Committee Room (State House Room 127).

The agenda and other materials will be posted to the Task Force's webpage in the near future. Members of the public will have the option of attending the meeting in person at the State House or viewing a livestream of the meeting through the Legislature's website.

The third meeting will be scheduled on Tuesday, June 30, 2026. Additional details will follow.

Thank you,

Rachel Olson  
Legislative Analyst  
Office of Policy and Legal Analysis  
Maine State Legislature  
(207) 287-1670  
[Rachel.Olson@legislature.maine.gov](mailto:Rachel.Olson@legislature.maine.gov)  
<http://legislature.maine.gov/opla>

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-

## Olson, Rachel

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**From:** roadways@juno.com  
**Sent:** Monday, June 8, 2026 3:02 PM  
**To:** Olson, Rachel  
**Subject:** Re: [Real.Estate.Prop.Tax] Real Estate Property Tax Relief Task Force - Second Meeting (2026)  
**Attachments:** ROADWays Tax Relief Task Force.pdf

This message originates from outside the Maine Legislature.

Hello Rachel,

Could you please forward the attached testimony to the members of the Real Estate Property Tax Relief Task Force? I'm sorry it's short notice for the upcoming meeting - we've been haying! I've also been scrambling to get things done before I start my summer job as a Counselor for Maine Robotics Camps. Please pass my apologies on to the members of the Task Force along with this testimony.

Thank you!

Roberta Manter, Maine ROADWays

----- Original Message -----

**From:** "Olson, Rachel" <Rachel.Olson@legislature.maine.gov>  
**To:** "real.estate.prop.tax-ip@lists.legislature.maine.gov" <real.estate.prop.tax-ip@lists.legislature.maine.gov>  
**Subject:** [Real.Estate.Prop.Tax] Real Estate Property Tax Relief Task Force - Second Meeting (2026)  
**Date:** Tue, 2 Jun 2026 13:34:04 +0000

Good afternoon, Real Estate Property Tax Relief Task Force interested parties,

The chairs have scheduled the Task Force's second meeting this interim on **Wednesday, June 10, 2026, starting at 10:00 a.m.** in the Taxation Committee Room (State House Room 127).

The agenda and other materials will be posted to the Task Force's [webpage](#) in the near future. Members of the public will have the option of attending the meeting in person at the State House or viewing a livestream of the meeting through the Legislature's [website](#).

The third meeting will be scheduled on Tuesday, June 30, 2026. Additional details will follow.

Thank you,

Rachel Olson

Legislative Analyst

Office of Policy and Legal Analysis

Maine State Legislature

(207) 287-1670

[Rachel.Olson@legislature.maine.gov](mailto:Rachel.Olson@legislature.maine.gov)

<http://legislature.maine.gov/opla>

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June 8, 2026

To the Members of the Real Estate Property Tax Relief Task Force:

My name is Roberta Manter, I live in Fayette, and I am the founder of Maine ROADWays, which is an acronym for Residents & Owners on Abandoned & Discontinued Ways. I attended your May session to see what you are working on, and am now more convinced than ever that you may be able to help with a serious issue of unfair taxation.

Maine ROADWays represents people statewide who live on or own property on abandoned or discontinued roads, who feel they are unfairly taxed to support services they cannot receive. This is a widespread problem. The DOT has a listing of around 3,000 former county ways that were discontinued by the counties prior to 1976. That doesn't include town ways that were discontinued by towns, nor does it include former county roads discontinued after 1976 when all county ways within organized townships became town ways. Not all of these roads are problems - yet - but Maine ROADWays has so far identified over 275 towns that have problem roads, and most of those have multiple problem roads. And those are just the ones I know about. For the past few years, Maine ROADWays has been receiving on average one new complaint per week, and that doesn't include ongoing complaints that have yet to be resolved.

Depending on which law was acted upon, in some cases the road ceased to exist as a road at all, leaving properties completely land locked with no access whatever. This land has NO value, unless you can land on it with a helicopter.

In other cases, in an attempt to preserve access, the road has been retained as a "public easement." A public easement is defined in 23 MRS sections 3021 and 3022 as providing public access by foot or motor vehicle to land or water not otherwise connected to a public way. According to the Maine Supreme Court in Town of Fayette v Manter, footnote 1, the public has an "unfettered right of access" over public easements, but has no responsibility to provide maintenance. As I'll explain below, this also results in access issues which should be taken into account when assessing property.

The problem is, a public road will not remain passable without maintenance. Unlike a private road, where public access can be restricted or excluded to limit wear on the road, on a public easement the abutters are not allowed to restrict public travel, even in mud season. (My husband spent 8 days in jail for trying to stop a logging operation from ruining the road he had built and maintained at his own expense for years.)

In 1968, a law was passed called the "Limited User Highway" law. It allowed the Selectmen of a town to determine that a road was of limited use and value to the traveling public, and declare it to be a limited user highway. From that time forward, the road would remain a public way and was not discontinued, but the public no longer had any responsibility for maintenance, nor liability for defects in the road. It only took until 1970 for a dispute to make its way through the Maine Supreme Court.

In the case of Jordan v. the Town of Canton, the Court declared that, "... a public easement of travel is meaningless if there is no longer any public responsibility for maintenance and repair." ... "The ability to use the road for vehicular travel and thus the abutter's easement of access to and over the road to the public road system will inevitably be destroyed." Since access is a property right attached to property, when that access is damaged, that constitutes a "taking" under the Maine (and U.S.) Constitutions, requiring just compensation. Since the law provided none, it was declared unconstitutional and was repealed.

We contend that a "public easement" retained after discontinuance is essentially the same thing as the "public easement of travel" created as a "limited user highway." Although the process by which it is created is different, the result is exactly the same - a public easement of travel with no public maintenance. And as Maine ROADWays has found, people all over the state are experiencing just what the Court in Jordan predicted. Public use destroys their access. Although the discontinuance law requires a determination of damages, many towns consider that because legal access to abutting properties is preserved in the form of a public easement, no compensation is necessary. What they fail to consider is the future and ongoing destruction of all practical access caused by continued public use. There is no way that one-time compensation can cover that.

In order to preserve access, then, the abutter has no other choice but to build and maintain the public road at their own expense. But if they improve the road, public use inevitably increases. We joke that Maine ROADWays' motto is, "Build a better public easement and the world will BEAT the pathway to your door!") Worse yet, towns will often then grant building permits so that what was undeveloped land, often in tree growth, can then be taxed as residential property. We call it "mining taxes." Abutters on these roads receive few or no public services, (even emergency access may be impossible during winter and mud season,) so they cost the town little or nothing. Not a penny of their tax dollar goes back into maintaining the road that generated it. That money can be spent elsewhere in town, yet unlike on a private road, members of the public can use the public easement for free any time of the year - at the expense of the landowners.

I noted at your May meeting that there was a concern for reducing taxes for those with lower income. Many of those who live on these roads purchased the land there because it was cheap enough for them to afford. They include young couples trying to find their footing, homesteaders, senior citizens on a fixed income, and (perhaps not surprisingly) veterans with PTSD who thought they were finding solitude. (My husband is one of those, and for the last 55 years he has been burdened with the expense of maintaining nearly 3/4 mile of a road the town originally told him they had nothing to do with, but later decided it's their public easement.)

According to Maine ROADWays' contacts, a typical cost of maintaining a public easement is around \$4,000 per mile per year, and that's just to try to keep public use from making it impassable, not to build a really decent road. Since many of the residents on these roads are living on social security or disability, that can be a huge burden - in some cases equivalent to a month's income each year. And that doesn't count the cost of purchasing and maintaining equipment to maintain the road for the public. (People get inventive. I've seen someone try to plow the road with a sheet of plywood strapped to the front of his pickup so he could get his

handicapped daughter to the school bus because the town refused to help.)

There are various ways tax relief could help. Currently, I have heard one assessor say they consider the fact that access is over a discontinued road when they value a property. Residents with whom I am in contact say their towns do not. Our town's assessor says there is nothing in the rules that requires it. They once tried to raise our taxes because we were on an "improved" road, but they reduced them again when we objected that the only improvement had been at our expense. I have also seen towns charge more because a property had "privacy." But it seems there is no automatic reduction due to the only access being over a discontinued road.

Another alternative might be to allow a tax credit of some sort if an abutter puts money into road maintenance. There are various ways that could be calculated. (It used to be common policy to allow taxpayers to work off their taxes by maintaining roads.) Or towns could be given some sort of incentive for giving up public rights and assisting abutters in working out voluntary agreements to grant each other shared private access. That is currently allowed under 23 MRS section 3026-A, but towns are reluctant to give up public rights that they get to use for free. Or towns could be required to provide enough maintenance to support designated public uses, and restrict other public use.

Yet another option is to create a lesser standard of road, so that towns do not have to keep roads that only serve one home to the same standard as roads that see heavy trucks and high volume travel daily. We know that towns struggle to afford to maintain all their roads. Currently the only alternative to a full town road standard is to do nothing, and there is no incentive for towns to provide even minimal assistance because the public still gets to use the road for free. We say, if public easements work so well, let's just make ALL of our town ways into public easements. Just think how much THAT would save on our taxes! But seriously, towns could save some money while still preserving access if they were not required to keep every minimal-use road to the same standard as heavily traveled roads.

At any rate, I would love to have the opportunity to come speak to the Task Force on this subject in greater detail. Is that a possibility? I also serve on the Abandoned and Discontinued Roads Commission, but over the past three years they have struggled to make much progress on the issue. Towns have a good deal going here - they get to collect taxes from properties to which they provide few or no services, and they get to use these roads for free. So getting them to agree to any sort of change has been difficult because there is no monetary incentive. Please let me know if you would like to hear more. Your Task Force could be part of the solution for residents on discontinued roads who desperately need some relief.

Thank you for considering this important issue,

Roberta Manter, Maine ROADWays

# Real Estate Property Tax Relief Task Force

## PROPOSED RECOMMENDATIONS FOR TASK FORCE REVIEW

The following charts include recommendations for changes related to property taxes in the State made by Task Force members in 2025 that were noted as of more immediate concern, recommendations from PPI's report, recommendations from all public comment received to date, and recommendations submitted by Task Force members in advance of the second Task Force meeting of 2026. The recommendations have been consolidated and categorized, with each broad topic represented in a single chart organized by sub-topics.

### Broad Topics:

- Existing Relief Programs
- Property Tax Assessment Processes
- Municipal (non-school) & County Level Proposals
- New Options for Assessing Property Tax Values, Generating Revenue, or Shifting Revenue Sources
- School Funding

**Real Estate Property Tax Relief Task Force – Outline of Possible Recommendations for Discussion  
Prepared for Task Force Meeting #2: June 10, 2026**

| <b>Existing Relief Programs</b>  |   |   |
|--|---|---|
| <b>Homestead Exemption</b>   | <b>Property Tax Fairness Credit</b>   | <b>Property Tax Deferral Program</b>  |
| <ul style="list-style-type: none"> <li>• Expand (increase) the homestead exemption (PC) (TFM <i>Billings</i>)*</li> <li>• Expand eligibility to include irrevocable trusts, particularly when beneficiaries are long-term, full-time residents (PC)</li> <li>• Expand the homestead exemption for individuals who have been at the location for 10 years, subject to means testing, with a 100% reimbursement to municipalities (TF 2025)</li> </ul>   | <ul style="list-style-type: none"> <li>• Expand eligibility and/or increase benefit amount (PC) (TF 2025) (TFM <i>Lear</i>) *</li> <li style="padding-left: 20px;">○ Focus expansion on those who are economically disadvantaged and the elderly who wish to stay in their homes (TFM <i>Billings</i>)</li> <li>• Consider PTFC homeowner benefit with interest transmitted by MRS to municipality to offset next property tax bill rather than as income tax refund (TF 2025)</li> <li>• Limit property tax liability to no more than 10% of income and provide relief to residents with a burden exceeding 6% of income regardless of property value (TF 2025)</li> </ul> | <ul style="list-style-type: none"> <li>• Increase income limit for property tax deferral program and index to median income changes (TF 2025)</li> <li>• Decrease interest rate associated with deferred property taxes (TF 2026)</li> <li>• Increase uptake of program &amp; make program more appealing; changes to income/asset limits, impact of lien on credit score, interest rate, payment plans/eligibility for those who may inherit, ownership models, acreage limits (TFM <i>Grohoski, Matlack</i>)</li> </ul> |
| <ul style="list-style-type: none"> <li>• Combine Homestead Exemption, PTFC and senior deferral into one automatic income-sensitive benefit (PC)</li> <li>• Homestead Plus – integrate current revenue sharing, homestead exemption and property tax fairness credit into a single program, paid directly to municipalities to reduce net property tax invoices send to resident taxpayer each year – relief based on income to property tax burden ratio (TFM <i>Woodbury</i>)</li> <li>• Reestablish the Property Tax Stabilization program (TFM <i>Allen</i>)</li> </ul> |   |   |

**Key:**  
(PPI) = Recommendations from PPI Report of May 2026.  
(PC) = Recommendations from Public Comment received during 2025 interim and prior to the June 10, 2026 Task Force meeting.  
(TF 2025) = Recommendations included in December 5, 2025 Task Force discussion document that were identified by members as more immediate recommendations.  
(\*) = Same or similar recommendation included in interim Task Force report.  
(TFM *name*) = Recommendations submitted by Task Force member for June 10<sup>th</sup> meeting.

**Existing Relief Programs continued**

| <b>Current Use Programs</b>  | <b>Exempt Property</b>  | <b>Personal Property Tax Changes</b>  |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Review and reform current use programs to reduce misuse or extent of negative impact on municipal tax bases (TF 2025) (TFM <i>Billings</i>)*</li> <li>• Review and reform Farmland, Tree Growth and Open Space programs to eliminate abuse in programs (TFM <i>Leichtman</i>)</li> <li>• Restrict the tree growth program. (TF 2025)               <ul style="list-style-type: none"> <li>◦ Specifically review tree growth program criteria related to shoreline zones (TFM <i>Billings</i>)</li> </ul> </li> <li>• Require 12 months of Maine residency to qualify for all current use programs (TFM <i>Leichtman</i>)</li> <li>• Prohibit transfers between current use programs for the purpose of avoiding a withdrawal penalty (TFM <i>Leichtman</i>)</li> <li>• Expand current use classification to include Rural Residential Stability (PC)</li> </ul> | <ul style="list-style-type: none"> <li>• Review benevolent and charitable exemptions (TFM <i>Leichtman</i>)</li> <li>• Establish statutory restrictions on compensation of directors etc. for qualifying entities (PC)</li> <li>• Municipalities with high proportions of non-taxable properties need some mechanism to recoup that non-taxpaying portion of the property tax base that doesn't redistribute the tax burden within the municipality. This could be accomplished through a state-level program for reimbursement or through modifications the revenue sharing formula. Any solution that focuses on something like PILOTs might be more palatable if it focused in on the largest exempt properties by value (TFM <i>Lear</i>)</li> <li>• Add an exemption for schools and clearly define what is eligible (TFM <i>Leichtman</i>)</li> <li>• Consider changes to the religious exemption (TFM <i>Leichtman</i>)</li> <li>• Have MRS track PILOTs (TFM <i>Grohoski, Matlack</i>)</li> </ul> | <ul style="list-style-type: none"> <li>• Either eliminate or increase the exemption threshold for personal property taxes (PC)</li> <li>• Only offer BETR/BETE to small in-state businesses, not to large multi-national corporations (PC)</li> <li>• Improve the administration and perception of business personal property taxes, perhaps by establishing thresholds for when personal property tax would kick in or base it on the number of employees or a combination of the two criteria (PC)</li> <li>• Eliminate exemption for machinery and equipment leased to hospitals and require that exempt hospitals supply municipalities with lists of leased equipment attributed to the leasing vendor (TFM <i>Leichtman</i>)</li> </ul> |
| <b>Administration, Review, &amp; Reporting</b>   |   |   |
| <ul style="list-style-type: none"> <li>• Review property-tax exemptions annually (PPI)</li> <li>• Set up regular review cycles for different tax-exempt property types (TFM <i>Grohoski, Matlack</i>)</li> <li>• Have MRS track PILOTs (TFM <i>Grohoski, Matlack</i>)</li> <li>• Examine impact of TIFs statewide (TFM <i>Grohoski, Matlack</i>)</li> <li>• Set up regular review cycles for different tax exempt property types (TFM <i>Grohoski, Matlack</i>)</li> </ul>   |   |   |

| <b>Other Ideas</b>  |  |
|---|--|
| <b>Targeted relief – age, income, residency</b>   | <b>Awareness/Education</b>   |
| <ul style="list-style-type: none"> <li>• Encourage/incentivize local senior income-based property tax assistance programs (i.e., percentage reimbursement or allowable use of TIF funds) (TF 2025)</li> <li>• Property tax caps for seniors and/or long-term property owners (PC)</li> <li>• Provide relief for those facing financial hardship regardless of age (PC)</li> <li>• Consider a property tax cap and inheritance benefits similar to propositions 13 and 19 in California (PC)</li> <li>• Consider property tax limitations, such as proposition 2.5 in MA and proposition 13 in CA (TFM <i>Allen</i>)</li> <li>• Find solutions in the short term that favor Maine residents and Maine businesses that provide paychecks that drive the entire economy (TF 2025)</li> </ul> | <ul style="list-style-type: none"> <li>• Improve enrollment in relief programs via increased outreach efforts (ex. CASH Maine) (TF 2025) (TFM <i>Grohoski, Matlack</i>)</li> <li>• Increase education and awareness of eligibility (PC)</li> <li>• State to provide additional staff at MRS for outreach/communication to municipalities with goal of increasing utilization rates of property tax relief programs (TFM <i>Grohoski, Matlack</i>)</li> </ul> |

**Real Estate Property Tax Relief Task Force – Outline of Possible Recommendations for Discussion  
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| <b>Property Tax Assessment Processes</b>  |  |   |  |
|---|--|---|--|
| <b>Information &amp; Communication</b>  | <b>Determining Assessed Value</b>  | <b>Errors &amp; Appeals</b>   | <b>Administration, Review, &amp; Reporting</b>   |
| <ul style="list-style-type: none"> <li>• Increase information &amp; communications about existing property tax relief programs (TF 2025) *</li> <li>• Fund municipalities to insert information about real estate property tax relief programs in property tax bill mailings (TF 2025) (TFM <i>Grohoski, Matlack</i>)</li> <li>• The property data parameters on which assessments are based should be communicated to all property owners, and those parameters should be the same for all Maine municipalities (PC)</li> <li>• If the property record is not available online, it should be mailed each year with the property tax bill (PC)</li> <li>• Assessors should be required to provide specific data on how they determined the assessed value of the property, including comparable sales reports (PC)</li> </ul> | <ul style="list-style-type: none"> <li>• Do more frequent revaluations (PC)</li> <li>• Require revaluations every 3, 5, or 7 years (TFM <i>Leichtman</i>)</li> <li>• Enforce existing standards regarding revaluation and assessment (PPI)</li> <li>• Examine why municipalities are not following best practices and what incentives/penalties exist (TFM <i>Grohoski, Matlack</i>)</li> <li>• Consider one-time investment from State to conduct statewide revaluations and possible incentives for municipalities to say current moving forward (TFM <i>Grohoski, Matlack</i>)</li> <li>• Provide regional and statewide support for assessment, rather than pushing regionalization (PPI)</li> </ul> | <ul style="list-style-type: none"> <li>• If the property taxpayer is overcharged for an assessment error, the municipality should be required to reimburse the taxpayer if the property taxpayer can prove it was the assessor who made the error (PC)</li> <li>• If a property taxpayer files an appeal of their assessed value, an assessor should be required to visit the property in person if the property taxpayer allows it (PC)</li> </ul> | <ul style="list-style-type: none"> <li>• Allow for monthly property tax payments (TF 2025) *</li> <li>• Require MRS/MCOA to collect data and regularly report to the Legislature (metrics about property taxes and individual income tax data with actual parcels) (TFM <i>Grohoski, Matlack</i>)</li> </ul> |

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|--|---|--|--|
|  | <ul style="list-style-type: none"><li>• Ratio standard should be 90%-110%, not 70% to 110%, with real penalties for non-compliance (TFM <i>Leichtman</i>)</li><li>• Make the sales price the presumptive town assessment (PC)</li><li>• For small towns with limited sales data, adjacent, similar municipalities should be able to be used to determine recent sales data and comparable properties (PC)</li><li>• Consider reducing assessed value of property that has limited roadway access or providing tax credits to property owners who provide maintenance on abandoned or discontinued roadways that are considered public access easements (PC)</li></ul> |  |  |
|--|---|--|--|

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| <b>Municipal (non-school) &amp; County Level Proposals</b>  |   |   |
|---|---|---|
| <b>Municipal Spending</b>   | <b>Municipal Consolidation of Services</b>  | <b>Establish/Reform other Taxes/Fees or Revenue Sources</b>   |
| <ul style="list-style-type: none"> <li>• Limit what municipalities can spend money on (PC)</li> <li>• Cap the tax increase every year to inflation or inflation + 1% or 2% (PC)</li> <li>• The tax burden increase should be based upon inflation percentages and cost of living increases, the same as the social security increase is based. (PC)</li> <li>• Restrict the amount of money in taxes that municipalities can put into reserve accounts (PC)</li> <li>• Limit the amount of overlay in the budget (PC)</li> <li>• Implement state and county oversight to ensure municipalities perform consistent/annual audits and remain transparent in their spending (PC)</li> <li>• Local governments should be required to rethink and control their overall management, operation, maintenance and capital costs with growth and development caps to prevent excessive expenditures and real estate property tax increases (PC)</li> </ul> | <ul style="list-style-type: none"> <li>• Consolidate municipal services (TFM <i>Allen</i>)</li> <li>• Incentivize regionalization of lower priority services (not education related) (TFM <i>Grohoski, Matlack</i>)*</li> <li>• Incentivize municipalities that consolidate services such as public safety, education administration or financial services by offering a performance bonus from the Fund (PC)</li> <li>• Incentivize municipal revenue sharing compacts, allowing two or more municipalities to pool revenue sharing funds for the purpose of delivering regional services or infrastructure, which would make those municipalities eligible for additional aid from the Fund (PC)</li> </ul> | <ul style="list-style-type: none"> <li>• Establish new sources or increase existing sources of revenue from part-time residents and tourists               <ul style="list-style-type: none"> <li>○ Establish a seasonal/non-primary residence surtax based on establish value threshold (PC)</li> <li>○ Establish a Seasonal Residential Property Surcharge (PC)</li> <li>○ Establish a Tourism Resilience Fee, with fees being directed into a fund that would issue grants to municipalities based on certain criteria related to tourism infrastructure and seasonal population (PC)</li> <li>○ Have all residents and property owners pay county/municipal services tax, with nonresidents paying more (PC)</li> </ul> </li> </ul> |

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| <ul style="list-style-type: none"> <li>• Utilize a qualified municipal CPA firm(s) to organize the financial reports from a cross section of the state from 2018-2025 to understand "what" is driving costs; to enable discussions as to "why"; where solutions can be pegged to solve the challenge of property taxes increasing faster than ordinary income for most Maine residents (TFM <i>Caliendo</i>)</li> <li>• Direct someone (state agency, contracted entity, etc.) to collect data/collect a report about municipal spending (possible Resolve for future study in 2027) (TFM <i>Grohoski, Matlack</i>)</li> </ul> |  | <ul style="list-style-type: none"> <li>○ Transfer State Telecommunications Excise Tax to municipalities (TFM <i>Allen</i>)</li> <li>• Local taxes <ul style="list-style-type: none"> <li>○ Allow municipalities to impose local option sales tax (PC) (TF 2025) (TFM <i>Allen</i>) (TFM <i>Grohoski, Matlack</i>)</li> <li>○ Expand authority of municipalities to impose service charges to include organizations exempt under 36 MRSA §652 (TFM <i>Allen</i>)</li> <li>○ Region-level, optional sales tax with option to include or exclude hospitality and a distribution formula (to be distributed at county level) to achieve property tax stabilization (PC)</li> </ul> </li> <li>• Consider municipal property tax relief programs – increase existing programs, consider new options (TFM <i>Grohoski, Matlack</i>)</li> <li>• Consider other revenue sources for municipalities, especially those that are utilized in other states (TF 2025)</li> <li>• Change Real Estate Transfer Tax (RETT) formula to allow local governments to retain a greater portion of the RETT (PC)</li> </ul> |
|--|--|--|

**Municipal (non-school) & County level proposals continued**

**State Reimbursement/State Responsibilities**

| Revenue Sharing  | State Reimbursement  | State Responsible to Pay the Costs   | New Uses for the Local Government Fund Revenues  |
|--|--|--|--|
| <ul style="list-style-type: none"> <li>• Increase revenue sharing (TF 2025)</li> <li>• Consider incorporating the following elements into the revenue sharing II formula: seasonal population, lodging units per capita, percent of tax-exempt property, local housing affordability, regional cost-of-living indices and public safety call volume (PC)</li> <li>• Expand revenue sharing sources to include revenue from the sales tax, short-term rental excise tax, lodging tax, cannabis excise and sales tax, boat and aircraft excise taxes and marketplace facilitators and remote sellers' taxes (PC)</li> <li>• Revenue sharing formulas to be adjusted based on the same rate of property valuations, do a catch up from 2020 - 2025, where the COVID impact had the most significant impact on valuations (TFM <i>Caliendo</i>)</li> <li>• Look at restructuring Revenue Sharing II to get more relief for service centers (TFM <i>Grohoski, Matlack</i>)</li> </ul> | <ul style="list-style-type: none"> <li>• State to reimburse the town at the same % rate their budgets increase. There must be clear separation of elements of the town budget that is their responsibility versus those the state supports (TFM <i>Caliendo</i>)</li> <li>• Endorse higher state municipal reimbursement rate of 90-100% (PC)</li> <li>• State to fund 100% of mandates, whether partially funded today, or unfunded today. Town must submit a proposal for approval to be reimbursed (TFM <i>Caliendo</i>)</li> <li>• Increase state funding to municipalities, including education funding, revenue sharing and general assistance funding (PC)</li> </ul> | <ul style="list-style-type: none"> <li>• Require the State to pay PILOTs for state properties (TF 2025)</li> <li>• Recommend State assume greater responsibility for jail funding, either through substantially increased state support or by transferring jail operations back to state administration. Legislature should support maintaining MaineCare eligibility for persons who have been detained due to medical expenses as significant portion of jail expenses (PC)</li> <li>• Jail costs, especially those related to healthcare/medical expenses, should not be the responsibility of local property owners (TFM <i>Billings</i>)</li> <li>• Shift costs for jails and schools to income tax revenue, consider eliminating revenue sharing (TFM <i>Leichtman</i>)</li> </ul> | <ul style="list-style-type: none"> <li>• Create a rural service fund to support municipalities with fewer than 2,500 year-round residents that demonstrate a high service cost per capita or limited tax base. Funds could be used for ambulance service, road maintenance, fire protection and broadband infrastructure. Funds for the fund would come from the Local Government Fund (PC)</li> <li>• Create a Climate &amp; Infrastructure Stress Fund using funds from the Fund (PC)</li> </ul> |

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| <b>New Options for Assessing Property Tax Values, Generating Revenue, or Shifting Revenue Sources</b>  |  |  |
|--|--|--|
| <b>Determining Property Tax Values</b>   | <b>Generating Revenue or Shifting Revenue Sources</b>  | <b>Other Changes to Taxes and General Costs</b>  |
| <ul style="list-style-type: none"> <li>• Split-rate property taxes               <ul style="list-style-type: none"> <li>○ Split-rate property taxes with one mill rate for land and a separate mill rate for buildings, land-value tax, or a universal building exemption (PC) (TFM <i>Allen</i>)</li> <li>○ Split-rate property taxes for either homestead v. non-homestead (or commercial v. residential) (TFM <i>Leichtman</i>) (TFM <i>Allen</i>) (TFM <i>Grohoski, Matlack</i>)</li> <li>○ Split-rate property taxes – either municipal or statewide with very large homestead exemption (TFM <i>Allen</i>)</li> </ul> </li> <li>• Explore property tax benefits and impacts of policies that would allow for different types of properties to be taxed differently (PC)</li> <li>• Increase taxes on second properties owned by out-of-state residents and/or high value second homes (PC)</li> <li>• Consider a hybrid system of determining property taxes that uses just value and income sensitivity, similar to a system used in Vermont (PC)</li> <li>• Task Force must focus on valuation methodology, county apportionment formulas and education funding interactions, including:               <ul style="list-style-type: none"> <li>○ The relationship between equalized valuation on state subsidy formulas</li> <li>○ The impact of seasonal density and nonresident ownership on certified valuation</li> <li>○ The mismatch between income growth and valuation growth</li> <li>○ The long-term fiscal sustainability of relying on expanding refundable credits as a corrective mechanism (PC)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Increase sales taxes and shift bulk of state funding to sales tax and income tax in order to shift the burden away from property tax (PC)</li> <li>• Look to other state revenues to help with property tax costs (PC)</li> <li>• Increase progressive revenue – income taxes (PC)</li> </ul> | <ul style="list-style-type: none"> <li>• Reevaluate the cumulative “hidden” taxes on working people and businesses, i.e. high fuel taxes, high electric costs, subsidizing out-of-state solar companies and other hidden service taxes (PC)</li> <li>• Consider allowing new federal tax breaks for 2026 (PC)</li> </ul> |

## New Options for Assessing Property Tax Values, Generating Revenue, or Shifting Revenue Sources continued

### Comprehensive Reform of State Tax Structure (PC)

- Personal income tax:
  - Add 2 new brackets
  - Impose a surtax on pass-through income above \$500,000
  - Require high-income taxpayers to pay at least 5.5% of Maine AGI, regardless of deductions
  - Include capital gains on second-home sales and out-of-state trust income received by Maine residents to expand the tax base
  - Expand Earned Income Tax Credit; make refundable
  - Establish a refundable \$500 child tax credit per dependent
  - Cap itemized deductions at \$50,000 for income above \$500,000
- Sales Lodging and Service Tax
  - Expand base to include luxury and professional services
  - Increase rate from 5.5% to 5.75%, dedicate extra to K-12 education
  - Dedicate 1% of lodging tax to municipalities with high tourism or STR density
  - Add high-income service sectors to service provider tax
  - Exempt providers earning under \$100,000 or operating in rural areas
- Excise Tax
  - Increase vehicle excise tax through MSRP-based surcharges, tiered based on MSRP of vehicle.
  - Add boat and aircraft excise taxes – direct revenue to municipalities and climate and infrastructure stress fund
  - Short term rental excise taxes with funds directed to host municipalities and tourism resilience fund
  - Carbon-based fuel surcharge, dedicated to rural transit and EV infrastructure
  - Tiered cannabis excise tax
- Corporate and Estate taxes
  - Add 10% bracket for corporate net income over \$5 million
  - Apply AMT of 5.5% of Maine AGI for businesses grossing over \$5 million
  - Lower exemption threshold for estate taxes, add tiered rates

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| <b>School Funding</b>   |  |  |
|---|--|--|
| <b>Funding Formula</b>  | <b>School Spending</b>   | <b>Consolidation</b>   |
| <ul style="list-style-type: none"> <li>• Overhaul the school funding formula (TFM <i>Billings</i>)</li> <li>• Recommend Legislature prioritize school funding (PC)</li> <li>• Inquire with EDU/MEPRI if they are looking at other funding sources for education, or just how the current funds are allocated (TF 2025)</li> <li>• Eliminate system where property taxes are principally used to support schools and instead separate the funding for county/municipal services and schools (PC)</li> <li>• Collect school taxes as 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” schools for the poor (PC)</li> <li>• Have all residents and businesses pay school taxes, with a different rate for residents and businesses. The resident rate should be based on income and one’s ability to pay, not homestead (PC)</li> <li>• Parents and guardians of students should pay more (PC)</li> <li>• Update and streamline statewide education funding, administration and bureaucracy with resulting cost savings being directed towards reducing real estate property taxes. (PC)</li> <li>• Modernize and Equalize State Education Funding Formula (PC)               <ul style="list-style-type: none"> <li>○ Revise calculation of local fiscal capacity</li> <li>○ Tiered required local effort based on fiscal capacity</li> <li>○ Fund 60% or more of EPS</li> <li>○ Provide additional weighted subsidy allocations</li> <li>○ Amend the equalization cap for high-valuation districts</li> <li>○ Adjust for emerging costs related to transportation, technology and climate resilience</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Fix school spending (PC)</li> <li>• Investigate the “school burden to towns” and require all school districts to be audited by an independent audit company (PC)</li> </ul> | <ul style="list-style-type: none"> <li>• Prioritize consolidation of school districts (PC) (TFM <i>Allen</i>)</li> </ul> |

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