

## **LD 1 Testimony**

### **February 8, 2023**

Good morning, Chair Rotundo, Chair Sachs, and distinguished members of the AFA Committee.

My name is Sandy Carder. I live in Gray and am the Chair of the Gray Town Council. I am testifying today in reference to Part "I" updates statues relevant to the General Fund appropriations limit.

The Town of Gray urges you to repeal LD 1: §5721-A. Limitation on municipal property tax levy.

As my former colleague, Anne Gass has stated in her testimony, the current law puts an undue burden on Towns that chose to utilize the referendum option for passing budgets. This artificial property tax levy limit can create a situation where a limited number of residents effectively have veto power over the majority of voters who cast ballots in support of the budget.

To provide an example, I will briefly recount what occurred in Gray in 2020.

As we are all aware, the State was under pandemic restriction in 2020 delaying municipal elections until July, 2020. Gray had 8 budget warrant articles detailing operations, CIP, council pay, etc. We were required to add a separate warrant to cover the property tax levy limit increase mandated by the State. Because of the election delay, the MILL rate was known and was NOT increasing.

1,804 residents cast ballots passing all 8 budget warrants overwhelmingly with an average of 75% approval (1,352 yes votes on average). The LD1 question failed by a margin of 58 votes and with 136 voters leaving the question blank – striking down the entire budget.

Because all budget articles passed overwhelmingly and there was no MILL rate increase, the Council had no way of understanding what spending might be causing the LD1 warrant to fail. In addition, it was clear from the 136 blank ballots cast, many voters were confused by the question, but not by the budget warrants individually. In reaching out to residents, many also stated they did not know what the question meant, so voted "no" even after fully supporting the budget warrants.

In the past, the Council would call a Town Meeting to reconsider the LD1 question; however, due to pandemic restrictions, mass gatherings were capped at 100. Town Staff and the Council spent a great deal of time talking to facilities, communication vendors and public safety personnel trying to determine if a meeting could be held safely. It was clear this was not an option. That meant a full additional referendum would need to be held and with absentee ballot requirements, at least 30 days notice was required.

The revote was held on Sept 8<sup>th</sup> with only 478 residents casting ballots, the LD1 question passed by a margin of 62. The Town was forced to expend funds to hold this second election and run on the previous year's budget until the article passed.

It was disheartening for all involved to ponder the events and results. We believe the referendum approach to the budget provides a robust avenue for our residents to communicate their thoughts on our proposed budget by considering each individual warrant and voting to either support it or not on its own. The state mandated additional separate property tax levy limit warrant provides a convoluted and confusing figure which cannot be traced back to any one budget line or piece of data provided to our residents. It punishes them for participating, creating an additional burden for them, and increasing local election expense. It also empowers a smaller number of residents to effectively veto the will of the majority voters.

I will repeat what my colleague Anne stated, the LD 1 language imposes burdensome requirements on towns like Gray, making a budget process that is already complex and confusing for voters even harder to explain. And to no real purpose; voters already have other tools they can use to reduce budgets. **Therefore, we urge you to repeal this draconian law altogether.**

In the event that a full repeal isn't possible, we urge you to make two substantive revisions:

- 1) Eliminating the requirement that towns have voters approve the override through a separate warrant article. This would bring us into alignment with Towns using the other methods (Town meeting or Council/Board approval) and make it much less confusing for voters.
- 2) Amending the restrictive language regarding the calculation of the base from which allowable tax increases can be calculated.

Thank you for your consideration.