

Testimony of the Maine Municipal Association

Neither For Nor Against LD 1538, *An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units*

May 10, 2023

Senator Grohoski, Representative Perry, and members of the Taxation Committee. My name is Kate Dufour, and I am offering testimony neither for nor against LD 1538 on behalf of the 70 municipal leaders who were elected by their peers to serve on the Association's Legislative Policy Committee and directed to establish MMA's position on bills of municipal interest.

Municipal officials appreciate that LD 1538 presents a housing inventory solution that focuses on incentives rather than mandates and could assist in the development of the seasonal workforce housing that is desperately needed in Maine's tourist communities.

However, local leaders question what role assessors might play to support the state's implementation efforts. As evidenced by the Senior Property Tax Stabilization program, the devil and work are in the details when it comes to the implementation of presumed straight-forward proposals.

Furthermore, as history is prone to repeat itself, municipal officials are concerned the program will suffer the same fate the Business Equipment Tax Reimbursement did when it morphed into the Business Equipment Tax Exemption, thereby reducing by 50% the tax revenue collected on qualifying business equipment. Municipalities cannot afford another reduction in property tax revenue.

Thank you for considering the municipal perspective on this issue. If you have any questions about our position, please contact me at kdufour@memun.org or 1-800-452-8786.