



Testimony in Support of LD 2162

An Act Regarding the Homestead Property Tax Exemption and the Property Value Reassessment Process

Before the Joint Standing Committee on Taxation
February 7, 2024

Honorable Senator Grohoski, Representative Perry, and distinguished members of the Joint Standing Committee on Taxation:

My name is Jessica Gribbon Joyce. I am a Freeport resident, and a small business owner (Tidal Bay Consulting). I serve as the public member of the Shellfish Advisory Council to the Department of Marine Resources and am a member of the Coastal and Marine Working Group of the Maine Climate Council. I also have the privilege to convene the Coastal Access Strategy Exchange, a diverse group of stakeholders working to preserve working waterfront and coastal access. *My comments today are solely based on being a Maine resident and business owner, and not in any other capacity or role that I serve. I am testifying in support of LD 2162.*

For the last 15 years, I dedicated a significant amount of time to supporting the groundfish and wild-harvest shellfish fisheries in Maine and New England. Working waterfront is critical to being able to access these public-trust marine resources, and since most coastal land is held privately, these two uses are sometimes at odds. Gentrification along our coastline and rising property taxes are threatening the ability of those who *work on the water* to afford to *live on the water*, often times in houses passed down by several generations.

While the frequency of loss of working waterfront property over the last decade has not recently been quantified at a statewide level, practitioners expect this frequency of loss to increase due to recent storm damage and the challenges and risks associated with rebuilding working waterfront infrastructure. **Now is the time to protect these properties and our heritage fisheries more than ever, and the Current Land Use program offers an opportunity to do just that.**

In comparison with the other Current Land Use programs, in 2022, Working Waterfront had 91 parcels enrolled, only 3% of the parcels enrolled in the next closest program, Open Space.¹ While the *size* of parcels (or average acres per parcel) for working waterfront isn't comparable to the size of parcels utilized for Farmland, Tree Growth or Open Space; the relatively low *number* of parcels enrolled indicates that this program is underutilized.

¹ Municipal working waterfront classification as reported to the Maine Revenue Service on annual Municipal Valuation Return (MVR) data, <https://www.maine.gov/revenue/taxes/property-tax/municipal-services/valuation-return-statistical-summary>.

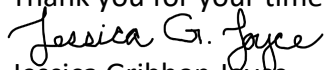
LD 2162 brings tax reduction percentages in line with other Current Use programs (e.g., Open Space tax reductions range from 20-30%), which would provide better incentives to enroll. The reductions would likely result in less overall financial impacts than other programs because the **average parcel size from 2007-2021 was only 1.3 acres.**² This is a stark contrast to the average acres/parcel for Tree Growth (152 acres), Farmland (56 acres) and Open Space (46 acres) over the same period, and their associated values.

The value of all working waterfront acreage in 2022 was \$14M, in comparison to the value of the other three Current Land Use programs, which ranged from \$114-\$664M. **Therefore, the financial impacts to residents and municipalities are an order of magnitude lower than the other three Current Land Use programs.** While the proposed revisions may increase the number of parcels enrolled and/or the average parcel size, there are only a finite number of properties that meet the 50-90% use criteria to enroll in this program.

Revisions to Section 9, sub-§2 (D) broaden this program be inclusive of *access to intertidal land* for commercial fishing activities, including shellfish harvesters (soft-shell clams are consistently the second highest value fishery in the State) and other marine species, as well as sea farmers. Intertidal harvesters often utilize foot paths through private property to access the intertidal mudflats, which is working waterfront, even though it may not have any infrastructure. As written, it appears as though working waterfront land would first need to qualify for uses in Sections A, B, or C in order to be eligible for an *additional 10% reduction*, although clarification would be helpful. While it is my understanding that a “legally binding...easement” is one recorded in the Registry of Deeds, clarification on what constitutes as a “legally binding right-of-way” would also support utilization of this criteria. The Working Waterfront program is the only Current Land Use program that does not have a bulletin, so this addition also offers consistency with the other programs.

Further, as a result of the January 2024 storms, the fishing and aquaculture industries are bracing for an exodus of current working waterfront properties as some owners will be unable to rebuild or unwilling take the risk that another storm will incur similar damage. These properties, if not protected, will likely shift away from water-dependent use forever, and result in properties withdrawing from this program. **LD 2162 provides incentives for working waterfront property owners to be eligible for tax reductions that allow fishermen and women and aquaculturists to access the coast, while also supporting local seafood production and the small businesses that contribute to Maine’s marine economy.**

Thank you for your time and consideration of my testimony.


Jessica Gribbon Joyce
Freeport resident
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² Ibid