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MAINE MAYORS COALITION

Strengthening Our Cities & Our State

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**Testimony in Support of Representative Sachs' Proposed Amendment to LD 646,
An Act to Fully Reimburse Municipalities for Lost Revenue Under the Property Tax Stabilization
for Senior Citizens Program**

Senator Rotundo, Representative Sachs and distinguished members of the Joint Standing Committee on Appropriations and Financial Affairs, the Maine Mayors Coalition is submitting testimony in support of Rep. Sachs' proposed amendment to LD 646. The amendment, if passed, will provide \$15 million in additional funding to reimburse municipalities for the Property Tax Stabilization for Senior Citizens program.

The Maine Mayors Coalition is a nonpartisan group representing the mayors of ten Maine communities – Auburn, Biddeford, Lewiston, Portland, Rockland, Saco, Sanford, South Portland, Waterville and Westbrook – and more than 265,000 residents. The Coalition advocates on behalf of our citizens and municipalities for policies that recognize the vital services Maine cities provide and the positive impact Maine cities have on our state. The Coalition seeks to work in partnership with state and federal elected officials to meet the needs of Maine people.

Maine's housing crisis directly impacts each of our cities, and housing is top of mind for all of us. Increased property values and rising property taxes are among the economic consequences of the housing crisis, especially for our seniors. Every day we see them struggling to stay in their homes and in their communities among their families and friends.

In response to this pressing and immediate need, the Legislature passed the Property Tax Stabilization for Senior Citizens program. Given the program's popularity, its costs were expected to increase significantly over the years. In response, the Legislature voted to eliminate the program following this fiscal year, and in its place, enhance the Property Tax Fairness Credit and Senior Property Tax Deferral Program.

With so many seniors applying to the Property Tax Stabilization program, funding ran out before municipalities were reimbursed at the 100% level as intended by the Legislature. Rep. Sachs' amendment will correct this issue by transferring \$15 million from the unappropriated surplus of the General Fund to fully reimburse municipalities for the lost revenue.

We urge the Committee to support Rep. Sachs' amendment. As you're well aware, we rely on the state's commitment to reimburse our cities so we can keep property taxes as low as possible for all our citizens and in particular for our seniors.

Thank you for your time.