



Maine County Commissioners Association

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LD 286, An Act to Allow County Commissioners Greater Flexibility When Establishing a Payment Schedule for Municipalities to Pay County Tax Bills

February 24, 2025

Chair Baldacci, Chair Salisbury, and Members of the Joint Standing Committee on State and Local Government, on behalf of the Maine County Commissioners Association, we appreciate the opportunity to provide testimony to the Committee in qualified support of LD 286.

About MCCA. Briefly, the Maine County Commissioners Association was established in 1890 to assist Maine's county government in providing vital services to Maine citizens in a responsive, efficient, and credible manner. The Association is based in Augusta, represents all 16 of Maine's counties, and is governed by a board with representation from each participating county.

What does LD 286 do? Under current law, county commissioners collect taxes from municipalities once per year. LD 286 would allow county commissioners to establish quarterly, biannual or other due dates throughout the year by which a specific portion of the total tax amount must be paid to county commissioners by municipalities.

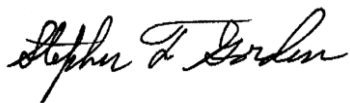
Discussion. Under current law, counties have flexibility in setting the date by which municipal tax payments must be made to support county operations, provided the payment date is after September 1. In this respect, it is not clear whether this bill is needed. However, MCCA is not opposed to making clear that counties do have the flexibility to determine the timing and frequency of municipal tax payments. In expressing our support for flexibility, we do wish to make clear that counties would *not* support any change in law that would delay municipal tax payments to counties. Such an outcome would create cashflow shortages and might require counties to borrow money for short-term needs, which would add costs to county operations.

Need to amend LD 286. As noted above, our support for LD 286 is qualified. That is because there are two changes that must be made to the bill for it to be workable:

1. The current bill states that "biannual" tax payments would be allowed. This appears to be a typo because "biannual" means once every two years. What we believe was intended is the word "semi-annual," which means twice per year. If this change is not made, it could result in counties not receiving tax revenues for two years, which would be untenable.
2. Under the current bill, county commissioners are given full discretion to determine whether or not to provide flexibility in the timing by which municipal tax payments are made. The bill does not require that municipalities agree to any changes made, including instances where a county might ask municipalities to make payments earlier than when otherwise due in current law. In this respect, we would recommend amending the bill to require that changes in the tax payment schedule be jointly agreed upon by a county and a municipality.

Conclusion. We appreciate the opportunity to provide testimony on this bill and express our qualified support for LD 286, provided it is amended as noted above. Thank you, and please let us know if you have questions or need additional information.

Respectfully submitted,

Handwritten signature of Stephen T. Gorden in black ink.

Stephen Gorden
Co-Chair, Legislative Policy Committee, MCCA

Handwritten signature of Jean-Marie Caterina in black ink.

Jean-Marie Caterina
Co-Chair, Legislative Policy Committee, MCCA

cc: Commissioner Andre Cushing, President, MCCA
James I. Cohen, Verrill Dana, LLP, MCCA Legislative Counsel