



CITY OF BANGOR

Joint Standing Committee on Taxation

Testimony in support of LD 283 – “An Act to Expand Local Revenues by Including Meals and Lodging Sales Tax Revenue Under the State-Municipal Revenue Sharing Program”

Feb. 27, 2025

Sen. Grohoski, Rep. Cloutier, and members of the Joint Standing Committee on Taxation, my name is Debbie Laurie and I am the City Manager of Bangor. I am providing testimony today on behalf of the City of Bangor in support of LD 283, “An Act to Expand Local Revenues by Including Meals and Lodging Sales Tax Revenue Under the State-Municipal Revenue Sharing Program.”

State-Municipal Revenue Sharing is a partnership. The efforts of a municipality to support development and job creation result in the broad-based tax revenues received by the State. The same concept holds true for LD 283, which would create an additional revenue-sharing source for municipalities by distributing 1% of meals and lodging sales tax revenue to the municipality where the tax was collected.

The need for a portion of broad-based taxes to partially offset the cost of municipal services is the core reason the Revenue Sharing program was established. At the time, the Legislature found that the primary problem of financing municipal services is the burden on the property tax, and that to stabilize the municipal property tax burden and to aid in financing all municipal services, it is necessary to provide funds from the broad-based taxes of the State.

As a service center community, Bangor is a vital local, regional and statewide economic engine that provides educational, employment, retail, professional, medical and social services not available in other locales. While our 31,628 residents certainly benefit from the broader tax base over which to spread the financial burden, as well as access to enhanced municipal services, they are also assuming more than their fair share of that financial burden.

By returning a portion of the broad-based meals and lodging tax generated within the City of Bangor, the burden on our property taxpayers would be eased. Further, as meals and lodging taxes are generated in communities of all sizes, it would ensure an equitable distribution of broad-based taxes to offset the municipal investment in services and infrastructure that support our State’s overall economy. Bangor businesses reported meals and lodging revenues of \$274,659,296 in 2024. Sharing 1% of the sales tax generated by our businesses would increase our revenue sharing by \$2,746,593, which would equate to a 4.15% reduction in our tax rate, and the average residential tax bill would drop by \$170.

The budgetary challenges that will be faced by the Legislature and the Bangor City Council have many similarities. While the State’s revenue streams are broad, at the municipal level our primary revenue stream is limited to property taxes. With the plethora of bills under consideration in the coming session, it is clear that one of our shared priorities for the coming year is property tax relief.

The City of Bangor believes LD 283 is a continuation of the State and local partnership that will provide direct relief to our property taxpayers. With the full support of the Bangor City Council, I urge you to pass LD 283. Thank you for your consideration, and please do not hesitate to reach out with questions.

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