

**TESTIMONY OF
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation
Hearing Date: *February 11, 2025*

LD 326 – “*An Act to Increase the Property Tax Exemption Provided to Individuals
Who Are Legally Blind*”

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Neither For Nor Against LD 326, “*An Act to Increase the Property Tax Exemption Provided to Individuals Who Are Legally Blind.*”

While we have not identified any technical or legal concerns with the bill as drafted, we did want to bring to the committee’s attention that an increase in the blind exemption would trigger the municipal reimbursement requirement under the Maine Constitution, Article IV, Part Third, Section 23. Under that provision, the State is required to reimburse municipalities at least 50% of the tax loss associated with statutory property tax exemptions enacted after April 1, 1978. The blind exemption in current law is not reimbursed because it predates the April 1, 1978, exemptions date specified in the Constitution. However, the expansion of the existing exemption would trigger the reimbursement requirement, but only for the additional \$6,000 exemption amount proposed in this bill. The estimated annual reimbursement if this bill is enacted is less than \$50,000.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee's questions.