

**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: *March 12, 2025*

LD 744 – “*An Act to Remove Certain Wharves and Piers from the Laws Governing the Current Use Valuation of Working Waterfront Land*”

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Senator Grohoski, Representative Cloutier, and members of the Taxation Committee – good morning, 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 in Support of LD 744, “*An Act to Remove Certain Wharves and Piers from the Laws Governing the Current Use Valuation of Working Waterfront Land.*”

Eligible working waterfront land is subject to current use valuation under Article IX, section 8 of the Maine Constitution and 36 M.R.S. §§ 1131 – 1140-C. Since the enactment of the current use programs in the early 1970s, eligible property in all the programs has been limited to land, consistent with the language in Art. IX, Sec. 8, which allows for current use valuation for only four specified “types of real estate,” all described as “lands” or “land.” The statutory change that passed last session expanded eligibility in the working waterfront program for the first time to include certain structures and buildings. There were concerns expressed at the time that the expansion of a current use program to include types of property beyond land would be an unprecedented change in the current use programs and raised potential constitutional concerns. This bill resolves those concerns by again limiting eligibility in the working waterfront program to only land, consistent with the other current use programs.

The language being amended by this bill has been in effect for less than a year. However, there may still be a small number of taxpayers who are currently participating in the working waterfront program that could see an increase in the value of a portion of the property on their working waterfront land because of this change. That said, the Administration is in support of this bill because of the potential constitutional concerns and the benefit of maintaining consistency across the current use programs.

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.