

MAINE SERVICE CENTERS COALITION

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Testimony of the Maine Service Centers Coalition

LD 140, An Act to Incrementally Increase the Homestead Property Tax Exemption

LD 658, An Act to Lower Property Taxes by Increasing the Homestead Property Tax Exemption

**LD 570, An Act to Provide an Additional Maine Resident Homestead Property Tax Exemption
Based on Income**

**LD 7, An Act to Increase the Homestead Property Tax Exemption for
Residents 65 Years of Age or Older**

**LD 934, An Act to Provide 100 Percent of the Maine Resident Homestead Property Tax Exemption
Amount to Seniors and Veterans**

Senator Grohoski, Representative Cloutier and esteemed members of the Joint Standing Committee on Taxation, the Maine Service Centers Coalition is submitting testimony in opposition to LD 140, LD 658, LD 570, LD 7 and LD 934.

The Maine Service Centers Coalition, comprised of 26 towns and cities across the state, articulates the importance of healthy and thriving service center communities, advocates for public policy that supports and contributes to the economic and social viability of our communities, and collaborates with municipal officials, legislators, state agencies and nonprofits to pursue quality of life for all who live and work in our state.

We appreciate the sponsors' good intentions to increase homestead exemptions in order to reduce property taxes for Maine home and business owners. However, the net effect of these bills would be to simply shift the municipal tax burden. For the bills specifying eligibility, the shift would be onto other property owners. The bills providing every eligible resident with a higher exemption would raise tax rates for all property owners.

The reason – all but one of these bills would not reimburse municipalities for the full amount of the exemptions. The state now reimburses municipalities for only 76 percent of exemptions under the program. LD 934 is the exception as it would cover 100 percent reimbursement for eligible persons who are at least 65 years of age or a veteran, though that could change during the legislative process.

You know all too well these past several years have seen more financial responsibilities placed on municipal governments at a time when the costs for goods and services are also rising. These are among the factors that have led to steadily increasing property taxes. As service center communities, it is critically important we meet our municipal obligations for the residents of our own cities and towns as well as for those who live around us and rely on our programs, facilities and amenities.

We urge you to vote against these bills as any increase in exemptions under the homestead program would force us to pass along the unfunded portion to our already overburdened property owners.

Thank you for your time and attention.