



**Roo Dunn**

Councilor Ward 4

[ward4@cityofbath.com](mailto:ward4@cityofbath.com)

+1 215 880 6232 (m)

+1 207 442 0111 (r)

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Good morning, Senator Grohoski and Honorable members of the Committee on Taxation.

Thank you for the opportunity to submit testimony in support of LD 1206 – ***“An Act to Control Property Taxes by Increasing the Percentage of the Business Equipment Tax Exemption That Municipalities May Recover”***

My name is Roo Dunn and I am a second term Councilor representing Bath’s Ward 4. I’m a homeowner in Bath and most importantly the father of an RSU 1 student and a Morse graduate off at college.

As a member of the City Finance and the Sagadahoc County Budget Advisor committees I have a front row seat to the effect of local, state, and federal taxation policy on our residents. The subject of the business equipment tax reimbursement rate is immediately clear as we work through the City of Bath FY26 budget and the continued tax impact it brings to residents.

The 50% reimbursement rate, in effect since 2013, shifts tax burden directly onto property owners by retaining 50% of the business equipment taxes collected at the state level. We are proud to be the home of Bath Iron Works, Maine’s largest industrial employer and the world’s finest shipbuilders. As the city we face the increased cost of running a municipal business, providing police, fire, EMS, and public works. We work hard to support storm water separation, and climate mitigation. We face an impossible balancing act caused in part by the 50% of business equipment taxes, largely but not exclusively from BIW, that do not return to Bath.

Our rate payers know that the reimbursement limit is a direct cost shift to local rate payers. But who are our effected neighbors? Bath’s median income of \$63,000 is 8% lower than the state average and only 3% of residents earn more than \$200,000 which is 57% below the state average while those earning less than \$25,000 is 20% higher than the state. Directly related, the rate of residential renters is 11% higher and the rate of home ownership is 12% lower than the Maine’s average.

Modifying the reimbursement schedule as proposed in LD 1206 by Sen. Tepler and the co-sponsors we will over a period of years re-balance an essential portion of the tax burden placed on local property owners and, through their landlords, renters.

The budget presented to City Council by Bath City Manager Marc Meyers was built with the department heads and staff. Council then cuts it further, line-by-line. We know that the burden we pass along is the city’s portion of the property tax burden and, to the staff, the job of pulling the frayed edges together to get us safely through another year.

Committee members, Bath is an engaged, hard-working community with great civic pride and municipal spirit. We believe deeply in the institutions of Maine’s government and are proud to support our entire state. To help Bath help Maine thrive we need and appreciate your support in reporting out LD1206 “Ought to Pass.”

Thank you.