



CITY OF BANGOR

Joint Standing Committee on Taxation

Testimony on LD 1144 - “An Act to Reinstate the Property Tax Stabilization Program”

April 1, 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 on LD 1144.

Property tax relief is of paramount importance to all our residents and is a constant concern and consideration of the Bangor City Council as well as the Legislature, as evidenced by the number of bills submitted to increase property tax exemptions.

The original program was well-intended and certainly provided welcomed property tax relief for a significant number of seniors. However, the prior legislation was fraught with issues which were raised throughout the hearing, adoption and implementation phases. Those concerns included that benefits were not tied to household income, the ability to “port” a low tax bill from a “homestead” to a more substantial dwelling, the added burden to municipal operations to manage the application and reimbursement process as well as the fiscal unsustainability of the program (legislature appropriated \$15 million, actual cost \$26.5 million).

It is a well-established position that the principal problem of financing municipal services, many of which are mandated by federal and state law, is a burden on the property taxpayer; and 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 State government.

In order for the Legislature to effectuate true property tax relief to a targeted demographic, such as seniors, there must be a corresponding increase in State reimbursements to the municipality.

Alternatively, the Legislature could further amend the Maine Property Tax Fairness Credit program. When the Property Tax Stabilization Program was repealed in July of 2023, this program was expanded to provide additional property tax relief to seniors.

The City of Bangor supports property tax relief, and our local elected body will work diligently in the coming months to contain property taxes to the extent possible. Should the Legislature reinstate the Property Tax Stabilization Program, it must provide a full reimbursement to the municipality to ensure the intended property relief is realized. Or the Legislature could once again amend the existing Maine Property Tax Fairness Credit program, which would guarantee the Legislature’s ability to provide targeted property tax relief to our seniors. Thank you for your consideration, and please do not hesitate to reach out with questions.

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