

Testimony in Opposition to LD 1144, An Act to Reinstate the Property Tax Stabilization Program

April 2, 2025

Sen. Grohoski, Rep. Cloutier, and members of the Taxation Committee, my name is Maura Pillsbury and I am a tax policy analyst at Maine Center for Economic Policy. We are testifying in opposition to LD 1144.

This bill would reinstate the property tax stabilization program that was enacted during the 130th legislature and subsequently repealed during the 131st. The program freezes property taxes at current rates for Mainers 65 and older, regardless of income or ability to pay. This iteration of the bill would cap the home value that qualifies for the freeze at \$900,000 for a primary residence. This is more than double the current median home value in the state.

The legislature was right to repeal this program. While this program sought to support older Mainers struggling with the rising cost of property taxes, it did so in a poorly targeted way. It primarily benefited wealthy Mainers with high value homes, giving them greater benefits than those with lower priced homes more likely struggling to make ends meet and stay in their homes. The ballooning cost of the program threatened local property tax revenues for education and municipal services and was fiscally unsustainable.

Maine has better programs to help older Mainers struggling with the rising cost of property taxes, including the property tax fairness credit and property tax deferral program. Changes have been made in recent years to expand both the benefit amount and eligibility for these programs.

Reinstating this program would be a mistake. At a time when Maine faces a budget shortfall and communities are struggling to keep up with the cost of funding public education, Maine cannot afford costly tax giveaways to the wealthy leaving the rest of us to pick up the tab.

Thank you for your time. I would be happy to answer any questions.

Additional resources:

Property tax freeze fix would benefit older Mainers who need it most

<https://www.mecep.org/blog/property-tax-freeze-fix-would-benefit-older-mainers-who-need-it-most/>

Tax freeze program fails to focus on older Mainers who need it most

<https://www.mecep.org/blog/new-tax-freeze-program-fails-to-focus-on-older-mainers-who-need-it-most/>