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

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee, my name is Brenda Cummings, and I am the Assessor for the City of Bath, located in Sagadahoc County. Thank you for the opportunity to provide testimony for your consideration.

Bath taxpayers were significantly affected by the Property Tax Stabilization program. We had over 650 property owners enrolled in the program. For many, it felt like a lifeline that would provide certainty that they would be able to continue to afford their homes despite the rapid growth in property values in Maine.

When the program quickly imploded over the long-time cost projections, it was both devastating to and expected by our taxpayers, who appear to be much more realistic than Maine legislators. It was even more devastating when taxpayers received their 2024 property tax bills and had to manage the impact of two years of property tax increases at once.

Unfortunately, the problems with the Property Tax Stabilization program are systemic and are not resolved by this bill.

1. The costs of the program are too high for the state to afford.
2. There are no meaningful limitations on eligibility for the program, such as a means test.
3. There are no meaningful limitations on efforts to “game” the program via the portability and improvement elements.
4. The administrative burden of the application process, including proving residency, and the ongoing costs of continued annual applications, is untenable for local jurisdictions.
5. The benefits of this program are specifically regressive. The benefits are much larger for property owners who own the most valuable properties, or who own properties that they can afford to improve, and are much smaller for those who own property that is less valuable, when it is likely that those who can least afford their current property taxes are those with the least valuable property.
6. Most importantly, there will be devastating impacts of shutting down the program in the future, which would certainly be required.

I urge the committee to oppose this bill, and instead to invest in an expanded homestead exemption and Property Tax Fairness Credit.

Sincerely,

Brenda Cummings, CMA
Assessor, City of Bath