



60 Community Drive | Augusta, ME 04330-9486
1-800-452-8786 (in state) | (t) 207-623-8428
(f) 207-624-0129

**Testimony of the Maine Municipal Association (MMA)
Neither For Nor Against**

*LD 807, An Act to Limit the Number of Free Motor Vehicle Registrations
| That May be Provided to a Disabled Veteran and
Reimburse Municipalities for the Loss of Excise Tax*

April 3, 2025

Senator Nangle, Representative Crafts and distinguished members of the Joint Standing Committee on Transportation, my name is Amanda Campbell, and I am submitting testimony on behalf of the Maine Municipal Association's 70-member Legislative Policy Committee (LPC) neither for nor against LD 807.

Municipal officials overwhelmingly appreciate the service and sacrifices made by our nation's veterans and their families.

LD 807 looks to limit the number of free motor vehicle registrations that an eligible veteran may obtain to three. Current statute provides no limitation which has caused, in some member communities, significant loss of excise tax creating a shift in burden to the rest of the community, including the veteran receiving the excise tax exemption. With few guardrails in place on the program, some municipalities have seen multiple vehicles, registered at no cost, to veterans and members of their families. One community alone reported 26 vehicles registered to nine veterans, since July 1, 2024, with an excise tax loss of nearly \$8,600. These figures include seven registrations to one single registrant.

This procedure is simply unsustainable, especially in an atmosphere of increased costs for municipal services and increased property taxes. Excise taxes are retained by the municipality and are used directly towards reducing the overall tax burden of a community. When those revenues are lost through an exemption, everyone pays the difference.

The bill today would amend 29-A MRS §523, sub-§2 by limiting the number of free registrations to three and adding language that would require municipalities to submit a report to the SOS office outlining the number of free registrations and the amount of excise tax lost. After receiving a subsequent report from the SOS office, the State Controller would reimburse municipalities for the lost excise tax revenue.

Although this language provides for reimbursement of lost excise tax revenue, the reporting requirements, which require data not already accessible through municipal registration software, could trigger the state mandate reimbursement requirement under the Maine Constitution, Article IX, Section 21, for 90% of municipal administrative costs. It is also likely that updates to registration software, at both the state and local level, would be required.

Last fall, in conversations between MMA and the Secretary of State's office, language for a potential solution to this concern was discussed that would instead amend 36 MRSA §1483, by requiring that disabled veterans who are eligible for the free registration outlined in Title 29-A, would be limited in number of registrations that are also eligible for an excise tax exemption. The vehicles would also be required to be "titled in the name of the veteran," a guardrail that would guarantee it is the veteran registrant receiving the benefit.

Municipal officials appreciate the intent of this bill, and I look forward to working with the sponsor, the committee and the SOS office on a solution that meets the needs of both veterans and the municipalities.

Thank you for the opportunity to speak with you and share the municipal perspective on this important topic. Please feel free to contact me or any member of the MMA Advocacy team with any questions related to municipal operations.