



Maine County Commissioners Association

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April 9, 2025

Sen. Grohoski, Chair
Rep. Cloutier, Chair
Joint Standing Committee on Taxation
100 State House Station
Augusta, ME 04333

Re: ***LD 1278, An Act to Change the Property Tax Appeal Process***
LD 1325, An Act to Create Clarity in the Laws Regarding Property Tax Abatement Appeals

Chair Grohoski, Chair Cloutier, and Members of the Joint Standing Committee on Taxation:

On behalf of the Maine County Commissioners Association, we appreciate the opportunity to provide testimony to this Committee in ***support*** of both LD 1278 and LD 1325. Both bills are very similar and are intended to achieve the same goal. As a result, we are providing single testimony in support of both bills, assuming that only one bill would be needed to move forward. If either bill were adopted, it would ensure that municipal property tax appeals involving either nonresidential property or residential property valued above \$1 million would be heard by the State Board of Property Tax Review rather than county commission, which are less accustomed to hearing such appeals..

About MCCA. Briefly, the Maine County Commissioners Association was established in 1890 to assist Maine's county government in providing vital services to Maine citizens in a responsive, efficient, and credible manner. The Association is based in Augusta, represents all 16 of Maine's counties, and is governed by a board with representation from each participating county.

What does LD 1278 and 1325 do? Both LD 1279 and LD 1325 require that property tax appeals involving two types of property -- residential property exceeding \$1 million in valuation, or nonresidential property -- be heard and decided by the State Board of Property Tax Review rather than at the county commissioner's level.

Discussion. MCCA strongly supports the approach taken in these two bills. The State Board of Property Tax Appeals possesses technical expertise and administrative capacity to handle intricate tax matters that often involve sophisticated valuation methodologies and legal interpretations. The Board is comprised of individuals selected to serve based on their specialized experience in this area, and the Board itself can rely on experienced staff and resources to help process appeals.

This is important to understand given current state law which provides that, when a property taxpayer wants to appeal certain property valuation assessments made by local governments in Maine, that appeal can be heard by the State Board or by the county commissioners for the county in which the property is

located. A recent case decided by the Maine Law Court¹ made clear that, despite some ambiguous language in the current law, appeals can be heard by either entity.

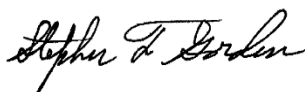
Under the current law, if left unchanged, property taxpayers could continue to choose to have their appeals heard by county commissioners for their county or go to the State Board. As noted above, the State Board has strong expertise and resources to hear appeals. County commissioners also have a deep understanding of their local counties and issues related to property tax assessments. Commissioners also can draw on skilled staff. That said, and despite the strong local knowledge possessed by county commissioners, the fact remains that there are sixteen separate county commissions who only would handle appeals from their individual county. Meanwhile, there is just one State Board that is able to handle appeals from all over the State. This imbalance necessarily means that the State Board is going to have greater familiarity with tax appeals because it handles more tax appeals. Likewise, county staff is highly skilled, but county staff has a broad focus on a diverse range of issues. By contrast, staff for the State Board is focused on the singular issue of property tax appeals, meaning that its experience level with the narrow topic of tax appeals is greater.

Turning to property tax appeals themselves, they frequently present complex factual and legal questions related to property valuation methodologies. Imagine a property tax appeal involving a paper company or other manufacturer that requires business valuation expertise and specific industry knowledge. The State Board is designed to handle such cases regularly, whereas county commissions need to gear up to handle such cases only infrequently.

So, while the Maine Association of County Commissioners quite obviously has great faith in the commissioners who are members of our association, we also recognize that the State Board is better situated to hear complex property tax appeals. The State Board can hear such cases more efficiently than county commissions and that is good for both county government and county taxpayers. For this reason, MCCA believes it is appropriate to require that the State Board hold appellate jurisdiction over property tax appeals related to two classes of property: (1) commercial property; and (2) residential property valued in excess of \$1 million, using the statewide equalized valuation.

Conclusion. We appreciate the opportunity to provide testimony regarding these bills, and we hope you see fit to approve one of them. If you have questions or need additional information, please do not hesitate to let us know.

Respectfully submitted,



Stephen Gorden
Co-Chair, Legislative Policy Committee, MCCA



Jean-Marie Caterina
Co-Chair, Legislative Policy Committee, MCCA

cc: Commissioner Andre Cushing, President, MCCA
James I. Cohen, Verrill Dana, LLP, Legislative counsel for MCCA

¹ *Cassidy Holdings, LLC v. Aroostook Cnty. Commissioners*, [2023 ME 69](#), 304 A.3d 259.

Testimony of MCCA re LD 1278 & 1325

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