

**TESTIMONY OF
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation
Hearing Date: *April 9, 2025*

LD 1278 – “*An Act to Change the Property Tax Appeal Process*”
and
LD 1325 – “*An Act to Create Clarity in the Laws Regarding Property Tax
Abatement Appeals.*”

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am presenting combined testimony at the request of the Administration Neither For Nor Against LD 1278, “An Act to Change the Property Tax Appeal Process” and LD 1325, “An Act to Create Clarity in the Laws Regarding Property Tax Abatement Appeals.”

Both bills would similarly amend 36 MRSA section 844 with respect to the property tax appeals process. To provide the committee with background, a 2023 Maine Law Court decision, *Cassidy Holdings, LLC v. Aroostook County Commissioners*, 2023 ME 69, held that based on the plain reading of the statute, section 844 allowed owners of nonresidential property valued over \$1 million the option “to appeal an abatement decision directly to county commissioners or to the State Board of Property Tax Review when the municipality does not have a board of assessment review.”

Historically, the statute had been in practice generally understood to require the appeals of these high-value nonresidential properties to go to the State Board of Property Tax Review (SBPTR), whose membership is statutorily comprised of attorneys, real estate brokers or appraisers, engineers, assessors, and members of the public.

The administration has one important technical concern: the bill should include an application date to clarify how to handle the timing of the change and address cases already under way.

There are reasons to consider the change proposed by the bill. It is the Administration's understanding that the County Commissioners have expressed concerns about their ability to decide complex non-residential property tax appeals. The removal of the county commissioners from the property tax appeals process for these properties would likely streamline and shorten the appeals process and would allow these more complicated appeals to be handled by SBPTR, whose membership is made up of individuals with expertise in this area. At the same time, it is anticipated that the Governor will submit a bill this Session that would direct the Office of Tax Policy to study the SPBTR structure and case jurisdiction, with a report and recommended legislation for the 2nd Session of this Legislature.

In sum, the Administration is Neither For Nor Against both bills but brings the technical comment and policy considerations to the Committee for its consideration.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee's questions.