

## MMA Testimony

*LD 1481, An Act to Amend the Law Governing Stabilization of Property Taxes on Homesteads of  
Individuals 65 Years of Age or Older*

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*LD 1541, An Act to Provide Property Tax Relief for Senior Residents*

April 15, 2025

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Senator Grohoski, Representative Cloutier and members of the Taxation Committee, my name is Kate Dufour, and I am submitting placeholder testimony for LD 1481 and LD 1541, because our 70-member Legislative Policy Committee will establish its official positions on both bills later this week.

However, it is probable that the policy committee will elect to oppose both initiatives, as these measures conflict with our members' belief that all classes of homeowners need property tax relief, rather than a select few.

Municipal officials are also concerned that the state's obligation to reimburse municipalities for 100% of the lost property tax revenue required in these bills will revert to the constitutional requirement of 50% as the cost of the program increases annually. This is especially true for LD 1541, which offers a 100% exemption, and directs the Office of Program Evaluation and Government Accountability to evaluate the exemption, including an assessment of whether the cost to the state is fiscally sustainable. Compounding the concern, is history, as the state miscalculated reimbursement amounts for both the lost property tax revenue and the reimbursement to municipalities for administering the program when the law was first enacted. On that note, municipal officials are also concerned with the administrative burdens both bills will place on assessors.

The state's inability to fully fund the benefit proposed in either bill will shift additional burdens onto those left to fund local government services, including schools, counties and both state mandated and desired municipal government services.

While we appreciate efforts to address the issues surrounding the property tax stabilization program, as illustrated in the income limit proposed in LD 1481, municipal officials are still likely to oppose these initiatives. If the provision of this benefit is a priority for the Legislature, then there is nothing that prevents the use of state revenue—that is not otherwise committed to local government partners—to deliver the relief without putting all other property owners at risk.

Should MMA's official position on these bills vary from the testimony provided above, staff will submit supplemental testimony for the committee's consideration.

Thank you for your time and consideration of the municipal perspective on this issue.