

Testimony of the Maine Municipal Association
In Support of

*LD 432, RESOLUTION, Proposing an Amendment to the Constitution of Maine to Allow
Municipalities to Apportion Real and Personal Property Taxes on the Basis of Property
Classification*

May 1, 2025

Senator Grohoski, Representative Cloutier and members of the Taxation Committee, my name is Kate Dufour, and I am submitting testimony in support of LD 432 on behalf of MMA's Legislative Policy Committee, which establishes the association's positions on all municipally relevant legislation.

While the current process for assessing and apportioning property taxes has served the state well for decades, an alternative approach is needed. Because Maine's constitution requires property to be both assessed and apportioned equally, there is no option but to assess the value of property on what a buyer is willing to pay and to raise taxes using the calculated mil rate, regardless of how the property is being used.

LD 432 helps to address that issue by amending Maine's constitution to provide municipalities with the flexibility to apportion taxes based on the property's classification (e.g., residential, commercial, industrial, etc.), which would be regulated by state statutes. Under this practice, differing mil rates would be assessed based on the property's classification, which is an approach already in place in other states, including Massachusetts.

While the approach proposed in the bill may not work in all municipalities, it warrants inclusion as part of a comprehensive solution providing towns and cities with a list of options for reducing the burdens placed on property taxpayers.

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