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May 6, 2025

### *Testimony of Representative Holly Eaton in opposition to*

### **LD 438 & LD 1795**

### *Before the Joint Standing Committee on Taxation*

Senator Nicole Grohoski, Representative Kristen Cloutier, and esteemed members of the Joint Standing Committee on Taxation,

My name is Holly Eaton, and I represent House District 15 — a coastal and island district where nonprofits play a vital role in preserving local history, supporting year-round economies, and maintaining community well-being. I write in strong opposition to LD 438 and LD 1795, which would allow municipalities to assess property taxes or fees in lieu of taxes on nonprofit organizations.

Institutions like the Mount Desert Island Historical Society are not only caretakers of our heritage — they are also major contributors to the public good. They operate without municipal support and depend largely on private donations to serve thousands of residents and visitors each year through education, preservation, and public programming.

These bills risk undermining that work. If nonprofits are forced to redirect limited funds toward property taxes or municipal fees, many would be forced to cut staff, reduce access to services, or divest from important properties. For communities like mine, the impact would be deeply felt.

Beyond the immediate financial burden, I'm concerned about the broader implications. This approach calls into question our long-standing recognition of the public benefit nonprofits provide. It sets a precedent that could weaken the nonprofit model over time and put Maine's cultural, educational, and community assets at risk.

I respectfully urge the committee to vote Ought Not To Pass on LD 438 and LD 1795. These bills would harm organizations that serve the public interest, especially in rural and island communities that rely heavily on their presence.

District 15: Brooklin, Deer Isle, Eagle Island Township, Frenchboro, Southwest Harbor, Stonington, Swan's Island, Tremont, Isle au Haut, Vinalhaven