



May 5, 2025

Re: LD 438 – An Act to Allow Municipalities to Limit Nonprofit Property Tax Exemptions

To the Honorable Members of the Joint Standing Committee on Taxation:

On behalf of the Community Care Partnership of Maine (CCPM) Board of Managers, I write to express our collectively opposition to LD 438, “An Act to Allow Municipalities to Limit Nonprofit Property Tax Exemptions.”

About Community Care Partnership of Maine (CCPM)

CCPM is a mission-driven Accountable Care Organization (ACO) comprised of 21 nonprofit health care organizations across Maine, including 17 Federally Qualified Health Centers (FQHCs) and 4 community hospitals. Our member organizations provide care to some of Maine’s most vulnerable populations—low-income individuals, medically and socially complex patients, older adults, and those facing significant social determinants of health such as homelessness and transportation insecurity. Together, we serve approximately 120,000 Mainers, many in rural and underserved communities, and are dedicated to improving health outcomes, reducing costs, and ensuring access to quality care statewide. As nonprofit, community-based organizations, every dollar we receive is reinvested into services and programs that directly benefit our patients and communities.

Concerns with LD 438

Nonprofit organizations like CCPM’s 21 member organizations are essential partners in promoting the public good throughout Maine. Our members provide high-impact, community-based services that support government efforts to serve Maine people more effectively and efficiently, thereby reducing the burden on taxpayers. Nonprofits are also a vital part of Maine’s economy, employing 1 in 6 Maine workers and mobilizing over 400,000 volunteers annually. Most Maine nonprofits operate with very limited resources: 88% have annual budgets under \$500,000, and 61% under \$50,000, making every dollar critical to our mission and sustainability.

LD 438 would fundamentally alter the longstanding partnership between government and charitable nonprofits by allowing municipalities to require payments in lieu of taxes (PILOTs) or annual service charges, effectively ending property tax exemption for nonprofits. Unlike for-profit businesses, nonprofits cannot simply pass increased costs on to those we serve. Imposing new taxes or fees would force reductions in existing programs and limit our members’ ability to develop new services to meet evolving community needs.

Impact on Communities and the State

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Nonprofits often take on work that state and local governments are unable or unwilling to address, frequently leveraging private and philanthropic dollars to extend the reach and effectiveness of public services. Tax exemption is not a privilege, but a recognition of the unique role nonprofits play and ensures that every dollar earned and spent is dedicated to the mission and people we serve.

Allowing municipalities to increase taxes or fees on nonprofits would not solve municipal fiscal challenges, rather, it would have negative economic impacts and could exacerbate unmet needs in our communities. The result would be fewer services for those who need them most and a diminished capacity for nonprofits to partner with government in addressing Maine's most pressing challenges.

Conclusion

For these reasons, Community Care Partnership of Maine urges the Committee to reject LD 438. Preserving the property tax exemption for charitable nonprofits is essential to maintaining the safety net and ensuring that every dollar continues to work for the public good.

Thank you for your consideration.

Sincerely,

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Community Care Partnership of Maine Network

- Bucksport Regional Health Center
- Cary Medical Center
- Community Clinical Services, Inc.
- Eastport Health Care, Inc.
- Fish River Rural Health
- Greater Portland Health
- Harrington Family Health Center
- Health Access Network

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- HealthReach Community Health Centers
- Hometown Health Center
- Islands Community Medical Service Inc.
- Katahdin Valley Health Center
- Maine Mobile Health Program *Affiliate Member
- Millinocket Regional Hospital
- Mount Desert Island Hospital
- Nason Health Care
- Pines Health Services
- Regional Medical Center at Lubec
- Sacopee Valley Health Center
- St. Croix Regional Family Health Center
- St. Joseph Healthcare

For more information about CCPM, please visit www.ccpmaine.org

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