

**TESTIMONY IN OPPOSITION TO LD 438****Olga J. Goldberg, Esq.****May 5, 2025**

Senator Grohoski, Representative Cloutier, Members of the Joint Standing Committee on Taxation, good afternoon.

My name is Olga Goldberg. I am a resident of South Portland and a state and local tax partner with Pierce Atwood LLP. I am here on behalf of Peace Ridge Sanctuary to testify in opposition to LD 438.

By law, in 36 M.R.S. § 652, Maine allows a property tax exemption to benevolent and charitable organizations, hospitals and universities, churches and other houses of worship, and other listed organization that meet the requirements of the law. The State grants the exemption in recognition of the significant economic value of the vital and necessary services charitable organizations provide to Maine residents, to Maine's state and local governments, and beyond. Indeed, the Maine Supreme Court has explained that the exemption is a "quid pro quo" for the charitable organization providing the services that the government would otherwise have to provide. The State exemption promotes uniformity and creates predictability for Maine's charitable organizations—and has done so for well over 100 years.

If enacted, LD 438 would allow any municipality to decrease or even revoke the property tax exemption of any charitable organization, hospital, or church, if the municipal government decides the organization is "detrimental to the residents of that municipality."

Today, section 652 ensure that all charitable organizations are treated equally statewide. Rather than promoting statewide uniformity, LD 438 would lead to disparate treatment of charitable organizations, based solely on the municipality in which they are located.

The "detrimental" standard is also highly subjective and would create significant uncertainty for organizations working with limited budgets. An organization that has long-qualified for the exemption may find its exemption limited or revoked due solely to a change in municipal government, requiring the organization to spend funds that it had budgeted to serve the public and carry out its charitable mission.

Good tax policy dictates that exemptions should be applied uniformly and equitably. LD 438 would do the opposite, creating inequities among similarly situated organizations based solely on municipal lines or changes to municipal government.

In sum, LD 438 should be voted ought not to pass. Thank you for your time, and I am happy to answer any questions.

