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## Testimony of the Maine Municipal Association

In Opposition to Part B of  
*LD 1739, An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural Sector, to Create an Agricultural Buildings Property Tax Exemption and to Direct the Department of Agriculture, Conservation and Forestry to Study Barriers to Its Financial Assistance Programs and Study the Potential for a Common Application for Those Programs*

May 13, 2025

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Senator Rotundo, Representative Gattine, and members of the Appropriations and Financial Affairs Committee. My name is Kate Dufour, and I am submitting written testimony in opposition to LD 1739 on behalf of the Legislative Policy Committee, which establishes MMA's position on bills of municipal relevance.

To be clear, MMA is offering testimony only with respect to Part B of the bill, which proposes to exempt certain agricultural buildings from the property tax. While municipal leaders recognize that agriculture is an important heritage industry, they strongly oppose initiatives that seek to further erode the property tax base, even if it is for a limited period. Not only do exemptions beget exemptions, but undoubtably legislation will be filed in a future legislature to extend the exemption beyond the 10-year limit. We have all been here before.

Additionally, it is important to remember that the state is already far too dependent on the property taxpayers to fund K-12 school programs, county services, municipal programs and services, as well as unfunded state mandates. These costs continue to grow, and initiatives seeking to erode the property tax base, without fully reimbursing municipalities for the lost revenue, simply shift burdens onto other property owners, including young families, seniors, veterans and business owners.

If the \$55.6 million bond also proposed in LD 1739 is not enough to adequately support Maine's agricultural sector, then municipal leaders respectfully urge the committee to look at other avenues, such as income tax incentives, to supplement the bond. The property taxpayers cannot afford to shoulder another property tax exemption.

Thank you for considering the municipal perspective on this important issue.