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LD 1818

Honorable Chair and Members of the Joint Standing Committee on Taxation, Thank you for the opportunity to provide testimony on LD 1818, a resolution proposing amendments to the Maine Constitution to restrict tax increases by requiring greater legislative and taxpayer approval. As a Maine resident and taxpayer, I support this bill because it strengthens the voice of citizens in decisions that directly impact our financial well-being, while also ensuring fiscal responsibility in government. LD 1818 proposes three key changes to the Maine Constitution, each designed to give taxpayers more say in tax policy:

1. Part A: Requiring a two-thirds vote in both houses of the Legislature to alter income, motor vehicle excise, or general sales tax rates, except in cases of inadequate funds for debt payment.
2. Part B: Allowing municipalities to opt out of the unreimbursed portion of the homestead exemption through a referendum, with the ability to reverse that decision later.
3. Part C: Requiring a two-thirds vote of a municipal legislative body to increase local property tax mill rates or implement a local sales tax, with the condition that any local sales tax must provide property or excise tax relief.

I support LD 1818 because it empowers taxpayers by ensuring that significant tax increases—whether at the state or local level—require broader consensus and, in some cases, direct voter input. For too long, Maine residents have faced rising property taxes and other costs that strain household budgets, particularly for those on fixed incomes or in rural communities. The two-thirds legislative vote requirement in Parts A and C creates a higher bar for tax increases, encouraging lawmakers to prioritize spending efficiency and explore alternative revenue sources before burdening taxpayers. Similarly, Part B's referendum option for the homestead exemption gives local communities flexibility to tailor tax policies to their unique needs, fostering local democracy.

For example, Maine's property tax burden is among the highest in the nation, often ranking in the top 10 states. Many residents, including seniors and working families, struggle to keep up with rising mill rates. By requiring a supermajority vote for local property tax increases (Part C), LD 1818 ensures that such decisions reflect broad community support, preventing unilateral or rushed tax hikes that could disproportionately harm vulnerable residents.

Part C appears to be headed in the right direction giving residents more say over local taxes. The argument we tend to hear from our elected officials is taxpayers should vote different people in to city and town councils if they want taxes handled differently but it seems like no matter who we vote in they increase taxes against voters wishes so this seems sadly necessary. I do think the discussions limited focus on mill rate however is a mistake. Knowing that property values keep rising which would allow municipalities to raise taxes while lowering the mill rate seems like a poor decision. Also in the event that a 2008 style correction happens towns would need to increase the mill rates simply to maintain current budgets and this needs to be considered. I'd be in favor of requiring a vote from residents of towns and cities budgets increase more than a specific percentage above inflation or something along those lines as a more appropriate way to address runaway spending in our towns and cities.

In conclusion, LD 1818 is a step toward restoring taxpayer trust in how tax decisions are made. By requiring greater legislative consensus and offering communities a direct say in certain tax policies, this bill aligns with Maine's tradition of participatory governance. I respectfully urge the committee to support LD 1818 and advance it to the full Legislature for consideration, with amendments as needed to balance taxpayer protections with the state's fiscal responsibilities.

Thank you for your time and dedication to serving the people of Maine. I am happy to answer any questions or provide further input.
Sincerely,