



MAINE MUNICIPAL ASSOCIATION **SINCE 1936**

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Testimony of the Maine Municipal Association (MMA)

In Opposition to

*LD 1879, An Act to Support Maine's Agricultural Economy by Increasing Revenue
from the Corporate Income Tax and Providing Property Tax Exemptions*

May 16, 2025

Senator Grohoski, Representative Cloutier and distinguished members of the Joint Standing Committee on Taxation, my name is Amanda Campbell, and I am submitting testimony in opposition to LD 1879 on behalf of the Maine Municipal Association's 70-member Legislative Policy Committee (LPC).

To be clear, MMA is offering testimony only with respect to section 2 of the bill, which proposes to exempt 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 undoubtedly a bill will be filed in a future legislature to extend the exemption beyond the April 1, 2036 expiration date proposed in the bill. 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.

While municipal officials understand that the bill provides full reimbursement for lost property tax revenues, there are no guarantees. The fear among municipalities is that a future Legislature will revert to the constitutional minimum, requiring reimbursement for only at least 50% of the lost revenues, as new spending priorities crowd out the promise made in LD 1879. It is too great of a risk.

If the committee and legislature believe the proposed exemption is necessary, then municipal leaders urge you to take a different approach to providing relief, such as an income tax credit, in lieu of a property tax exemption.

Thank you for your consideration of the municipal perspective on this important topic. Please feel free to contact any member of the LPC or the MMA Advocacy team with any questions relating to municipal operations.