



Maine County Commissioners Association

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January 14, 2026

Sen. Grohoski, Chair
Rep. Sayre, Chair
Joint Standing Committee on Taxation
100 State House Station
Augusta, ME 04333

Re: ***Comments of MCCA in opposition to LD 382, An Act to Provide Fair and Predictable Property Taxation for Landowners in the Unorganized Territory***

Chair Grohoski, Chair Sayre, and Members of the Joint Standing Committee on Taxation:

On behalf of the Maine County Commissioners Association (MCCA), we appreciate the opportunity to provide testimony in ***opposition*** to LD 382, as recently amended by Senator Martin on January 8, 2026. While we understand and appreciate the desire to address concerns raised by recent property tax revaluations in the Unorganized Territory (or “UT”), MCCA has significant concerns that the amended bill would create confusion, operate retroactively, and disrupt existing fiscal obligations in a way that could undermine tax fairness and predictability.

About MCCA. Briefly, the Maine County Commissioners Association was established in 1890 to assist Maine’s county government in providing vital services to Maine citizens in a responsive, efficient, and credible manner. The Association is based in Augusta, represents all 16 of Maine’s counties, and is governed by a board with representation from each participating county.

What does LD 382, as amended, do? As amended by Senator Martin, LD 382 would make several changes to the valuation and taxation of real and personal property in Maine’s Unorganized Territory. Beginning April 1, 2026, the bill would require that the valuation of all such property remain at or revert to its April 1, 2024 valuation until a statewide revaluation of the Unorganized Territory is conducted once every ten years, beginning with the 2030 tax year. The amendment would also require that assessment procedures in the Unorganized Territory be applied uniformly and would preempt any conflicting provisions of law. In addition, the amended bill would limit annual increases to the Unorganized Territory mill rate by prohibiting the State Tax Assessor from establishing a mill rate that increases by more than the percentage increase in the federal Social Security cost-of-living adjustment compared to the prior tax year.

Unorganized territories are governed by the State but administered by counties. Maine is comprised of hundreds of incorporated cities and towns. The remaining territory in Maine is part of the Unorganized Territory, which territory is governed by the State of Maine itself but administered by counties. The State of Maine collects property taxes from property owners in the UT, and these collections along with other General Fund revenues are used to pay for services and infrastructure within the UT. Meanwhile, the

responsibility for maintaining local roads and other local services falls to county government, subject to reimbursement from the State.

Discussion. Counties are concerned that the amendment would not only introduce substantial confusion with regard to the finances of the Maine's Unorganized Territories, but counties are also concerned that the proposed amendment to LD 382 is both unfair and likely unconstitutional.

By way of background, the Unorganized Territory has recently experienced a large-scale property tax revaluation conducted by Maine Revenue Services intended to bring property values in line with current market conditions after years of underassessment. This is consistent with Maine law requiring that property valuation for property tax assessment purposes be within a certain percentage of actual market value. Maine's Constitution further requires that property taxes be based on a property's "just value," and that property must be subject to equal valuation. If Maine were to pass a law mandating that property valuations within the UT revert back to valuations in effect prior to this revaluation, its risks undermining the integrity of the revaluation, creates uncertainty for taxpayers, counties, and the State, and erodes confidence in the tax system. It also could violate Maine law and the Maine Constitution.

Retroactive impacts and disruption of existing obligations. MCCA is also concerned by the retroactive nature of the proposed valuation freeze. Property taxes collected in the Unorganized Territories are used to fund the services provided by the State and counties within the UT. For counties, these tax payments offset costs to county government that are otherwise paid for by residents of the organized municipalities within each county. The cost of providing services to the UT is part of the annual budget process of counties and the State of Maine, and state and local governments rely on stable and predictable valuation data to meet existing financial obligations, such as education, general assistance, fire protection and road and bridge maintenance. For years, property values in the Unorganized Territory were underassessed, and the recent revaluation ensured that there was better alignment between the actual market value of particular properties and how they are assessed for property tax purpose. Rolling valuations back after the fact, coupled with a limitation on mill rate assessments, would have the two-fold effect of: (1) retroactively shifting property tax burdens onto those properties whose relative valuation went down due to the recent valuation; and (2) depriving the State and counties of necessary revenues for their operation of the UTs, and shifting those costs onto other taxpayers within the organized cities and towns of the counties.

Fairness and predictability. While the amended bill is framed as promoting predictability, MCCA believes it may have the opposite effect. After-the-fact statutory intervention undercutting a completed revaluation sends mixed signals about the durability of valuation decisions and makes long-term planning more difficult. Counties are concerned that this approach could set a precedent for revisiting valuations whenever tax impacts are politically difficult, rather than addressing affordability concerns through more targeted and transparent mechanisms. Retroactively revising property valuations by statute, coupled with limitations on mill rates, also could trigger revenue shortfalls for state and local governments who set their budgets based on current valuations and mill rates.

Additional concerns regarding limits on mill rate adjustments. MCCA is particularly concerned about the provision in the amendment that would prohibit the State Tax Assessor from increasing the mill rate in the Unorganized Territory by more than the percentage increase in the federal Social Security cost-of-living adjustment from the prior tax year. This is simply not workable. Throughout the State of Maine, local property tax mill rates are set based on the valuation of property and the amount of property tax revenues needed to meet the cost of providing budgeted services. If there is a cap on mill rates, there are two potential results: (1) there will be a shortfall in revenues needed to meet budgeted services, which shortfall would need to be offset by higher taxes on the organized territories within a county; or (2) services must be cut proportionately to the degree of cut to the mill rate.

The double whammy created by the proposed amendment to LD 382 is the reduction in property valuation coupled with a reduction in the mill rate. Reducing both figures means an artificial reduction in property tax revenues, meaning cuts in services, or the need to pass the buck to other county taxpayers in the organized territories. Neither is fair nor equitable.

Constitutionality. Article IX, Section 8 of the Maine Constitution provides:

All taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof.

The amendment to LD 382 undermines this provision by mandating that property valuations not be apportioned according to the just valuations recently set by Maine Revenue Services. Moreover, to the extent that the amendment caps mill rates retroactively, it effectively apportions a greater share of costs to properties outside the UT than those within the UT.

Conclusion. For these reasons, the Maine County Commissioners Association respectfully opposes LD 382, as recently amended by Senator Martin. MCCA stands ready to work with the Committee, the Legislature, and the Administration to explore more measured approaches to addressing tax impacts in the Unorganized Territory without undermining recently completed revaluation efforts or disrupting existing fiscal obligations.

Respectfully submitted,



Commissioner Kevin Kelley, Waldo County
Co-Chair, Legislative Policy Committee, MCCA

Commissioner Jean-Marie Caterina, Cumberland County
Co-Chair, Legislative Policy Committee, MCCA

cc: Commissioner Andre Cushing, Penobscot County. President, MCCA
James I. Cohen, Verrill Dana, LLP. Legislative counsel for MCCA

