

Testimony in Opposition of

LD 2178: An Act to Establish the Independent Office of Tax Appeals and Make Other Changes to the Laws Governing the Tax Appeals Process

February 10, 2026

Good afternoon Chairpersons Senator Grohoski and Representative Sayre and honorable members of the Taxation Committee.

My name is Kerry Leichtman. I am a Certified Maine Assessor serving the jurisdictions of Camden and Rockport and am testifying today in opposition to parts of LD 2178.

Just a few years ago, the State Board of Property Tax Review was a hot mess. Cases were backlogged, many in excess of a year, some for multiple years. Cases took so long to be heard and resolved that assessors and municipalities were fearful of entering the State Board black hole. I have been a member of the state board since 2020. One of the reasons I wanted to serve on the board was to help fix it.

The Governor wanted it fixed as well. She put funds in her 2020 budget for the state board's first ever Executive Director and an Admin Assistant. Phil St. Onge, a member of the board, was hired to become Executive Director. The Governor also did not renew, with two exceptions, the then currently serving members. Phil and I were the two exceptions. Once the new panels were in place, we worked hard for the first two years, and heard cases until the backlog was gone.

We have kept at it. When new cases are filed with the board we hear them within a month or two. If there's a delay in proceeding it is always from the parties in the case, not the state board. As I testify today, there is no backlog at the state board. I am not aware that any of our decisions have been appealed. The state board's turn-around is a governance success story.

Each state board case is heard by a panel of five members. There are three panels. With the exception of the Executive Director and his Admin Assistant, we are all volunteers. Each five-member panel has an attorney, engineer, assessor, real estate broker or appraiser, and a member of the public. It works. The mix is important as it provides the appellant, defendant and the board with a good assortment of perspectives and experiences.

LD 2178's Part C would reduce the panel size to just three members. A panel of three, or quorum of two, is just not enough, especially if none on the panel are assessors. I don't know of any instance where the Executive Director had trouble assembling a five-person panel to hear a case. Changing to a three-person panel seems to me to be one of those instances of a solution looking for a problem.

There are two other aspects to LD 2178 that I question. Value thresholds are changed. As it is now, the state board hears valuation disputes of non-residential properties with a value of at least \$1 million. LD 2178 changes that, but the bill's wording is such that, despite many attempts reading it, I don't understand what it is proposing. Part C-9 states a qualifying threshold of \$500,000 and Part D-1, D-2 and D-3 states a qualifying threshold of \$2 million.

Part E promises a 2028 report to the Legislature that will recommend “further simplifying and modernizing the tax appeals process.” I can’t speak to whether or not Parts A and B are successfully simplifying and modernizing the appeals process those sections speak to, but I am well qualified to comment on the state board sections. Changes, such as what is proposed in parts C and D would have benefited from seeking input from the people involved with the state board. I do not look forward to more of the same in 2028.

Thank you for considering my testimony.

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