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Carl Sheline – Lewiston
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MAINE MAYORS COALITION
Strengthening Our Cities & Our State

Jodi MacPhail – Saco
Becky Brink – Sanford
Elyse Tipton – South Portland
Michael Morris – Waterville
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**Maine Mayors Coalition Testimony on LD 2212
An Act Making Supplemental Appropriations and Allocations from the General Fund
and Other Funds for the Expenditures of State Government and Changing Certain
Provisions of the Law Necessary to the Proper Operations of State Government for
the Fiscal Years Ending June 30, 2026 and June 30, 2027**

Senator Rotundo, Representative Gattine, Senator Grohoski, Representative Sayre and distinguished members of the Joint Standing Committees on Appropriations and Financial Affairs and Taxation, the Maine Mayors Coalition is providing testimony on proposed initiatives in Governor Mills' supplemental budget. These initiatives are found within the Office of the State Treasurer and the Department of Administrative and Financial Services.

The Maine Mayors Coalition is a nonpartisan group representing the mayors of eleven Maine communities – Auburn, Bangor, Biddeford, Lewiston, Portland, Rockland, Saco, Sanford, South Portland, Waterville and Westbrook – and nearly 300,000 residents. The Coalition advocates on behalf of our citizens and municipalities for policies that recognize the vital services Maine cities provide and the positive impact Maine cities have on our state. The Coalition seeks to work in partnership with state and federal elected officials to meet the needs of Maine people.

Municipal Revenue Sharing

The partners in our Coalition extend our thanks to the Legislature for maintaining municipal revenue sharing at the statutory level over the last several years. Receiving the full amount of revenue sharing allows us to continue providing critical municipal services for our citizens while helping to alleviate the growing tax burdens placed on our property owners. We respectfully ask you to continue fully funding revenue sharing at 5 percent of sales, service provider, personal and corporate income taxes as proposed in this supplemental budget.

Part M – Homestead Exemptions

We understand the Administration's effort to incorporate all homestead property tax exemptions into one program for ease of filing. However, expanding homestead exemptions would serve to exacerbate the property tax crisis already facing property owners across the state.

Municipalities are currently responsible for 24 percent of most homestead exemptions, for some an even higher percentage. Unless the state pays for any new or increased

exemptions, the financial burden would merely shift back onto other property taxpayers, driving up their tax bills. We ask you to consider amending the supplemental budget to require the state be responsible for 100 percent of the costs of any homestead exemptions it wishes to expand.

Part O – Business Equipment Tax Reimbursement (BETR) program

Under the BETR program, qualified businesses pay the full amount of taxes owed directly to municipalities. Maine Revenue Services, which primarily administers BETR, then reimburses the businesses. The Business Equipment Tax Exemption (BETE) program works quite differently. Municipalities are only reimbursed for 50 percent of the exemptions while also administering most of the program.

Should businesses currently eligible for BETR exemptions file under the BETE program, costs to municipalities would substantially increase and be passed along to property taxpayers. Please take into account the significant impact sunseting the BETR program would ultimately have on our property taxpayers.

We understand the difficult decisions you face in balancing the state’s many competing interests. And, we thank you for taking the time to consider the Maine Mayors Coalition’s input on the supplemental budget. Please call on us if we may be of assistance.