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04333

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine

Testimony in support of LD 2222, An Act to Establish Municipal Cost Components for Unorganized Territory Services to Be Rendered in Fiscal Year 2026–27
Joint Standing Committee on Taxation
March 5, 2026

Senator Grohoski, Representative Sayre, and members of the Taxation Committee, my name is Senator Russell Black, and I represent Senate District 5. I am writing in support of LD 2222, “An Act to Establish Municipal Cost Components for Unorganized Territory Services to Be Rendered in Fiscal Year 2026–27.”

Each year the Legislature must establish the municipal cost components that fund essential services in Maine’s Unorganized Territories. Because these areas do not have municipal governments, the state and counties work together to provide services that towns would normally provide themselves. LD 2222 allows those services to continue, including education, property tax assessment, land use planning, general assistance and other county services.

Thousands of property owners rely on these services across the Unorganized Territories, and setting these cost components annually is necessary to ensure those services continue without interruption.

While I recognize that this bill will unfortunately result in an increase in property taxes for residents in the Unorganized Territories, I believe the continuation of these essential services is extremely important for the people who live and work in these areas.

Part of the reason for the increase is this year's much smaller Unassigned Fund Balance to offset taxes. This year, \$1,517,668 is being applied, which is significantly less than the approximately \$3.5 million used last year. With less fund balance being used to offset the assessment, more of the cost is ultimately passed on to taxpayers.

For that reason, I would urge the committee to review the use of the Unassigned Fund Balance and determine whether more could be applied to LD 2222 going forward. Returning that balance closer to prior years’ levels could help ease the tax burden on residents in the Unorganized Territories.

I would also note that the increases reflected in this proposal remain relatively modest overall, with state agency services increasing by about 3.4 percent and county services increasing by roughly 1.1 percent.

LD 2222 also includes a provision for a one-time transfer to assist Washington County with a prepayment related to services in the Unorganized Territories, which will help address existing financial obligations.

For these reasons, I encourage the committee to support LD 2222.

Agriculture, Conservation, and Forestry Committee
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Thank you for your time and consideration.