



Harold “Trey” Stewart III
Senator, District 2

130th MAINE SENATE

3 State House Station
Augusta, ME 04333

**Testimony of Senator Harold “Trey” Stewart
Presenting L.D. 290, An Act to Stabilize Property Taxes for Individuals 65 Years of Age or
Older Who Own a Homestead for at Least 10 Years
Before the Joint Standing Committee on Taxation
May 12, 2021**

Senator Chipman, Representative Terry and members of the Taxation committee: I am Senator Trey Stewart and I have the honor of representing 51 communities in Aroostook and Penobscot counties. I am before you today to present testimony on L.D. 290, An Act to Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years.

As we compare Maine’s population and tax policy to that of other states it makes sense that we see people leaving Maine. We have the oldest population in the country and according to 2018 data by the Tax Foundation, Maine has the 16th highest property taxes of all 50 states. As property taxes rise from year to year, older generations fixed income isn’t increasing at the same rate. It should not come as a surprise to anyone that once an individual hits retirement age, they look into making their residence in state’s with better tax structures.

Along those lines, I submitted this bill at the request of a constituent who is about 70 years old and could not maintain the increasing property taxes of her family’s camp, and contacted me to help her sell it. As we worked together on this sale, it became clear to me that if we had a policy in place where those 65 years or older with a permanent Maine residence could apply for a property tax stabilization, it may help keep people in their homes – and tax revenue flowing for municipalities and the state.

This bill provides property tax stabilization for individuals 65 years of age and older, who have owned a homestead in Maine for at least 10 years, by maintaining the property tax amount billed in the year prior to their application for stabilization. Each year, the individual would be required to apply for this property tax stabilization – and if eligible, the municipality would be required to stabilize the property tax on the individual’s bill. If the assessed tax exceeds the amount which the property has been stabilized, the municipality could submit a claim to the state where the state would then be liable for covering the remainder of the cost, up to 100 percent. This latter provision is intended to off-set local costs of this tax break, similar to the approach that we used as a committee in the 129th legislature’s property tax relief package in that biennium’s budget.

Ensuring that our seniors are truly able to stay in their homes in their “golden years” should be a priority for every legislator. While we tend to nibble around the edges of this idea with different

ideas like the Homestead Exemption or Revenue Sharing programs, I believe that a proposal such as this gets at the root cause of the problem and proposes a meaningful solution. I hope that this committee will join me in recognizing the value of a policy like this that will go a long way to aiding Maine's senior population without burdening our local governments.

Thank you for your time and consideration of this important legislation. I'm happy to answer any questions the committee may have at this time.