



Maine Municipal
Association

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Testimony of the Maine Municipal Association (MMA)

Neither For Nor Against LD 130, An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption

March 16, 2023

Senator Grohoski, Representative Perry, and members of the Taxation Committee. My name is Kate Dufour, and I am offering testimony “neither for nor against” LD 130 on behalf of the 70 municipal leaders who were elected by their peers to serve on the Association’s Legislative Policy Committee and directed to establish MMA’s position on bills of municipal interest.

Somewhat akin to the homestead exemption solution found in LD 130, Rep. Maureen Terry has submitted legislation on behalf of MMA’s Legislative Policy Committee that seeks to replace the tax stabilization program with an enhanced and tiered homestead exemption. However, unlike Sen. Bennett’s proposal, the Association’s approach seeks to target additional relief to senior homeowners who meet certain income eligibility standards and requires 100% reimbursement of the lost property tax associated with the increase.

While the proposal found in LD 130 eliminates the need to conduct an income eligibility assessment, offering a \$75,000 exemption to individuals who are at least 65 years of age and have resided in the homestead for at least 10 years, is likely to carry a significant fiscal note. Again, the concern among municipal officials is with respect to the shift in burdens to other property owners, including those who would benefit from the increase, as full reimbursement is not required in the bill. Additionally, municipal leaders question the state’s ability to sustain the higher price tag for years to come.

Like the two bills (LD 37 and LD 529) seeking to eliminate the annual application process, LD 130 is a step in the right direction. Once again, our request is that the Taxation Committee consider postponing a decision on how to address the issues with the tax stabilization law until all solutions have been presented and considered.

Thank you for considering the municipal perspective on this issue. If you have any questions about our position, please contact me at kdufour@memun.org or 592-4038.