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THE MAINE SENATE
131st Legislature

Testimony of Senator Richard A. Bennett
LD 130, "An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption"
16 March 2023

Senator Grohoski, Representative Perry and honorable members of the Joint Standing Committee on Taxation. I am Senator Rick Bennett of Oxford, and I have the honor of serving the people of 14 communities in Western Maine in the State Senate. I am here to introduce LD 130 "An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption."

Though certainly well intentioned, the Property Tax Stabilization Program that passed last session, lacked, in my opinion, proper vetting before enactment. After its passage I have heard from many municipalities concerned about how the new program would be implemented, the paperwork required for them, and how they would be reimbursed. Though the Department has done well to implement the program, I propose we instead expand our existing Homestead Exemption Program.

I understand there may be concerns from some regarding lost revenue to cities and towns over the expansion of the Homestead Exemption. It was certainly not my intent to pass the burden of this property tax revenue loss on anyone other than the state. Though the fiscal note has not yet been determined for this bill, I intend for the cost to be funded by the state. With the Property Stabilization Program ending, there will certainly be money available to fund this expansion instead. I note that the Governor has recommended appropriating nearly \$50 million over this coming biennium for the introduction of the Property Tax Stabilization Program. That cost will balloon in the outyears.

And worse, I believe the Property Tax Stabilization Program will create unintended consequences and many inequities going forward. It will be gamed by people who have ample means to pay property taxes to pass their costs to others. It will allow those who get windfalls such as large inheritances to move their residences to homes with high property taxes and avoid paying them. If this program is allowed to continue, I believe we will come to regret it.

Helping our seniors' age in place in their own homes is a worthy investment. With this bill I am seeking to streamline government by expanding a program Maine has had for years that lowers property taxes, while eliminating another that has been confusing for many.

I thank you for your time and I would be happy to answer any questions.