

March 16, 2023

Maine Legislature
Taxation Committee
2 State House Station
Augusta, Maine 04333

Re: LDs 37, 529, 89 and 130

Chairpersons Grohoski and Perry, and honorable members of the Taxation Committee:

My name is Kerry Leichtman. I am a Certified Maine Assessor serving the jurisdictions of Camden, Rockport and Rockland. Thank you for the opportunity to address you on four bills today, all of which seek to amend or repeal and replace last year's LD 290, An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years. This well-intentioned but ill-conceived Legislation has disrupted the operations of assessing departments throughout the state, it invites scams that require very little ingenuity, it is available to the needy and well-to-do alike, and is an affront to the fair and equitable sharing of the tax burden among the state's citizens.

It has also raised the hopes of the state's senior and elderly population with the promise of true and necessary tax relief, when there is no doubt the program will do such severe financial harm it can't possibly be sustained.

There is no promise in the bill that its stated 100% reimbursement to municipalities would be honored in the future, and when it isn't mil rates will surely rise and along with it, local property taxes, the brunt of which will be borne by everyone younger than 65 years old. Maine will become inhospitable to the young. Who then will be our tax paying workforce? Maine's population is already the oldest in the nation. When this bill has a had few years to do its real damage, those who can leave will be gone.

Assessing offices throughout the state were overwhelmed with hundreds, and in some larger municipalities, well over a thousand applications; applications that required processing and thorough vetting which required hundreds of hours of manpower. Even though the Constitution's Article IX Section 21 clearly states that municipalities must be compensated for 90% of the costs associated in the implementation of Legislation, the bill contained no such compensation mechanism, though it did provide \$315,242 to Maine Revenue to process and audit the work we were expected to do for free.

The bill is an affront to the fair and equal sharing of the tax burden as stated in the Constitution where Article IX Section 8 very clearly states that, "All taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally according to the just value thereof."

So with that preamble to serve as a backdrop, I offer comments on the four bills before you today.

LD 37 eliminates the requirement to refile an application every year and adds the requirement that a new application be filed when a program participant establishes a new homestead in the state. If LD 290 is not repealed, this bill needs to be enacted. LD 529 is similar to LD 37. The only difference being that in 529 the beneficiary of the stabilization bill is responsible for notifying the municipality of any changes in ownership of the estate. I agree with that as well.

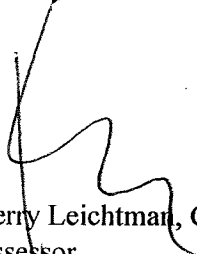
LD 89 wants to extend the eligibility to a surviving spouse if the applicant passes away. It requires that the couple be married ten-years before the spouse's death – yet another paper chase for assessing offices. It says nothing about the surviving spouse's age, so presumably a young widow or widower would be eligible as well. If the spouse moves to a new homestead, LD 89 also makes the municipality where

eligibility was first established responsible to notify the new municipality of the person's eligibility. LD 290 bill is already hard enough to administer. This makes it more so and should not be enacted.

LD 130 repeals LD 290 and replaces it with a \$75,000 homestead exemption for seniors, if they have owned the homestead property for at least 10 years. I think a \$75,000 homestead represents real property tax relief but it needs to be targeted to those who actually need the help, otherwise it too becomes a financial burden to young Mainers. Means testing to an income level coupled with reimbursement to municipalities at 100% for the portion greater than the existing homestead exemption would provide targeted property relief at a level that might be affordable to the state.

There is a fifth bill, sponsored by Representative Terry, that had not been printed in time for today's hearing that is similar to LD 130. I would like to see the best features of both bills combined if and when you hold a work session to discuss these bills.

Thank you for allowing my testimony.



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