



May 30, 2023

Testimony in Support of LD1954  
**An Act to Address the Recent Mill Closure in Jay**

Senator Grohoski, Representative Perry and esteemed members of the Taxation Committee:

Good afternoon- my name is Paul Binette and I am the Assessors Agent for the Town of Jay. I stand before you today to ask for your help in making a one-time adjustment of \$600,000 to help offset an already crippling increase in our upcoming tax commitment. We're asking for this today because of an unintended omission we discovered in Maine's Sudden & Severe Valuation Loss formula with its relationship to Maine Revenue Sharing. This unintended oversight exposed a \$600K shortfall in our 2024 Revenue Sharing projections.

Following the massive loss in valuation due to the Digester Explosion in April of 2020, the Town of Jay used monies from our "Rainy Day Fund" to offset an immediate massive tax increase. You see, the "Sudden & Severe Valuation Loss" application doesn't take effect immediately following these types of disasters but begins the following year. We used monies saved from our "Rainy Day Fund" and the tax rate increased from \$17.50 to \$20.50 per thousand. If we had not done this, our tax rate could have been a crippling \$29.00 per thousand.

We learned earlier this year that by using monies from our "Rainy Day Fund" to offset that increase, our projected Revenue Sharing is \$600K less due to an unintended formula omission.

We are proposing an amendment to the Sudden and Severe law that would direct Maine Revenue Services to recognize the specific funds that a town uses to mitigate an extreme tax increase in the year following an event that qualifies for sudden and severe. We realize that this will have little effect on most communities but for those that find themselves in our situation, it will be huge. If your community suffers a loss such as ours, this could be a life saver for your residents. In Jay, the impact this year is a loss of approximately \$600,000 in revenue sharing. Adoption of the amended language will solve this for future years.

The Town of Jay is requesting a special appropriation in the amount of \$600,000 to mitigate this unforeseen impact on our residents in the current year.

I thank all of you for listening.

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