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PROPERTY TAX ASSESSMENT • EQUALIZATION • MAPPING

January 9, 2024

Testimony in Support of LD2006
**An Act to Amend the Laws regarding Adjustments for
Sudden and Severe Disruption of Municipal Valuation**

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

Good afternoon- my name is Paul Binette and I have been the Assessors Agent for the Town of Jay for over 25 years. I stand before you today to ask for your help in making a small amendment to the General Provision outlining our current Sudden & Severe Valuation Loss guidelines.

Rather than bore or confuse this issue with large numbers, I'll focus this time on simply asking this committee to correct an unintended omission in the original drafting of the Provision.

After the Digester Explosion of 2020, we used \$2.25 million dollars of our rainy day fund to offset a devastating tax increase to our citizens. We did this to avoid a crippling 30% increase to everyone's taxbill. It was a difficult decision to make however not doing so would have created financial nightmares for most, if not all, of our taxpayers.

Last year when our Town Manager and I were working on projections due to the Mill Closure, we noticed that Jay's Revenue Sharing results were down from previous year. After we did quite a bit of digging, we learned that by using our Rainy Day Funds to offset the increase, the town was going to receive less revenue sharing monies. The Treasures Office confirmed that if we had not used our rainy days funds for 2021, our projection for 2023 would have been \$600,000 higher. Yes, when we needed help the most, the current law dragged us backwards instead of forward. We truly believe this was an unintended omission from the original framing of the Provision.

We are proposing this 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. This amendment will have little effect on most communities but for those that find themselves in our situation, it will be huge. In Jay, the impact last year was a loss of approximately \$600,000 in Revenue Sharing funds. Adoption of the amended language will solve this oversight for all Maine communities for future years.

The Mill is now shuttered and the paper machines are being sold or scrapped. The Town of Jay remains strong, undefeated and looking forward to tomorrow's opportunities. We could certainly use your help with this as we navigate our way back from these devastating blows.

Thank you all for listening.

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