



**MAINE MUNICIPAL  
ASSOCIATION SINCE 1936**

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Testimony of the Maine Municipal Association

In Support of  
LD 2006, *An Act to Amend the Laws Regarding Adjustments for  
Sudden and Severe Disruption of Municipal Valuation*

January 9, 2024

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Senator Grohoski, Representative Perry, and distinguished members of the Taxation Committee, my name is Amanda Campbell, and I am submitting testimony in support of LD 2006 on behalf of Maine Municipal Association (MMA), representing the interests of municipal government. The 70-member Legislative Policy Committee (LPC), who were elected by their colleagues and peers, directs MMA's advocacy efforts, and assists in the establishment of MMA's position on bills of municipal interest.

If the last several years have taught us anything, it's that a Mainer's yankee ingenuity is alive and well. Through the pandemic, natural disasters, political division and more, municipal officials have led their communities through it all. Selectboards, councils, managers, administrators and finance directors juggle laws, rules and dollars all while striving to keep their communities thriving. During times of financial difficulty, municipalities have limited options. Increases in property taxes are capped and the formula doesn't allow for consideration of a significant change in the tax base. These restrictions can result in an across the board, increased tax burden for all taxpayers. One frequently used option available to municipal officials is an offset to the tax burden through budgeted appropriation of undesignated funds. In a desperate situation, a community may also request an adjustment due to a sudden and severe disruption of their municipal valuation. But under current law, applying both measures results in a reduction of state revenue sharing. This loss in revenue essentially penalizes a community for utilizing funds that their legislative body set aside, specifically for the purpose of reducing the tax burden, at a time when that reduction is desperately needed.

LD 2006 strives to correct this inequity by requiring the state and municipality to add the value of the undesignated funds used to the state valuation and local tax commitment, respectively. Increasing the state valuation in this way, for only the year that the sudden and severe disruption is applied, ensures that a community's revenue sharing funds are maintained. This method prevents communities from requesting emergency funding from the Legislature and provides a consistent and equitable method for rectifying significant tax base disruptions that are beyond the control of any municipal government.

With these positive and appropriate updates in mind, the LPC voted unanimously to support LD 2006 and encourages the committee to vote Ought to Pass. Please feel free to contact me with any questions or concerns at 1-800-452-8786 or by email to [acampbell@memun.org](mailto:acampbell@memun.org).