



# HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0002  
(207) 287-1440  
TTY: (207) 287-4469

## Sheila Lyman

14 Lyman Lane,  
Livermore Falls, ME 04254  
Residence: (207) 320-0588  
Sheila.Lyman@legislature.maine.gov

January 9, 2024

Senator Grohoski  
Representative Perry  
Joint Standing Committee on Taxation  
100 State House Station  
Augusta, ME 04333

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

Senator Grohoski, Representative Perry, and the distinguished members of the Committee on Taxation, I am Sheila Lyman, and I proudly represent the citizens of House District 76, which includes Jay, Livermore Falls, and part of Livermore. I am writing to urge your support of LD 2006, "An Act to Amend the Laws Regarding Adjustments for Sudden and Severe Disruption of Municipal Valuation."

In spring of 2020, the pulp digester at the paper mill in Jay exploded. Shortly after this explosion, the mill closed and the Town of Jay suffered a loss of more than \$200 million from the mill's valuation.

Following the mill's closure, Jay applied to the State under our current Sudden and Severe law and the valuations were adjusted. Unfortunately, it was discovered that the added revenue sharing would not take effect until the next year. In order to deal with this incredible funding gap, Jay used \$2.25 million from its undesignated fund balance (UFB-savings). This made it so that the tax rate went up only 3 mils instead of the 8.8 mils it would have if the UFB was not used.

Last year, when state revenue sharing projection numbers were released, Jay learned that their revenue sharing had dropped from the prior year. It turns out that using the UFB to stabilize tax rates hurts towns when it comes to revenue sharing. If Jay hadn't used the UFB, it would have received \$600,000 more in revenue sharing. That is why I submitted a bill last year, LD 1954, which would have provided the difference to Jay. This bill was supported by almost the entire committee. We should not be penalizing towns who go to their rainy day funds to cover unexpected losses.

The loss of the mill has hit Jay hard. And there are numerous towns in our state where a similar catastrophic event could create incredible hardships for residents. We should change our current Sudden and Severe law so that it doesn't punish towns for being fiscally responsible.

House District 76 Jay, Livermore & Livermore Falls

I urge you to pass LD 2006 to prevent desperate towns being put in a worse position.

Sincerely,

A handwritten signature in cursive script that reads "Sheila Lyman".

Sheila Lyman  
State Representative