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Testimony of the Maine Municipal Association

Neither For Nor Against

*LD 2162, An Act Regarding the Homestead Property Tax Exemption
and the Property Value Reassessment Process*

February 7, 2024

Senator Grohoski, Representative Perry and distinguished members of the Committee on Taxation, my name is Amanda Campbell, and I am submitting testimony in support of LD 2162 on behalf of the Maine Municipal Association (MMA), and the 70-member Legislative Policy Committee, who were elected by their colleagues and peers to determine MMA's position on bills of municipal interest.

LD 2162 aims to add a new level of property tax relief through an expanded homestead exemption and amendments to the working waterfront current use program.

Municipal officials appreciate the need for property tax relief for struggling members of their communities and are supportive of this effort to increase the number of eligible homesteads for exemption, given that the 100% reimbursement funding, outlined in the bill, is provided. Any reimbursement less than the 100% directed by the bill, will shift the property tax burden created by the exemption to all other taxpayers.

The amendments to the working waterfront current use program look to increase the eligible portions of an enrolled parcel to include the homesite, currently not included in the value reduction calculation. It is unclear if the language as drafted is intended to include the home structure itself. The change would allow the valuation of structures like docks, wharves and piers to be included in the program calculations. Also proposed is an increase in the allowable reductions in value, by percentage, for parcels enrolled in the program, changing the current 10% reduction to 20% and the current 20% reduction to 30% and would also allow those already enrolled properties, with deeded access to the working waterfront, to be eligible for an additional reduction.

As written, and as proposed, the working waterfront program does not provide any municipal reimbursement for lost property tax revenue.

As current times have shown, now more than ever, our local fishing families need support. Municipal leaders support their fishing communities and recognize this need but suggest that additional avenues be explored to provide relief that does not come at the expense of all other property taxpayers.

Thank you for your consideration of this position.

If you have any questions regarding MMA's position on this bill, or other bills with municipal impact, please contact me at acampbell@memun.org