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Statement by Kerry Casey
Treasurer, Town of Mount Vernon
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To Members of the Appropriations and Financial Affairs Committee

Regarding L.D. 646 revised title "An Act to Fully Reimburse Municipalities for Lost Revenue Under the Property Tax Stabilization for Senior Citizens Program"

February 13, 2024

Senator Rotundo, Representative Sachs, and members of the Appropriations and Financial Affairs Committee, thank you for the opportunity to give testimony to you today. I am Kerry Casey, a 40+ year resident and Treasurer of two small municipalities in central Maine – Vienna and Mount Vernon.

Today I am here to voice unequivocal support of LD 646.

The property tax stabilization bill was a valiant attempt to help our senior citizens, and I very much appreciate the effort – both as a Treasurer, and [albeit not fun to admit] a senior citizen. Tax Collectors and Assessors jumped through hoops to accommodate the collection of applications, while the municipal software folks worked on patches to accommodate the flagging of accounts and the 'freezing' of the taxes. The payback was some very appreciative and relieved tax payers.

The directions were clear – the town would lose revenue, but the bill provided for funding of the lost revenue to come back to the town. We went about setting tax rates based on our assessments, and revenue needed – which included what was lost to stabilization, because we would get it back. The problem is, the funding was short and municipalities only got back 56% of what they lost – and now have a budget hole.

EVERY municipality in Maine is facing two consequences. Those with older populations have a larger problem than some communities with younger populations.

The first problem is the impact on the very people the stabilization was trying to help – they will get a 'double' hit on their 2024 taxes. When folks started coming in this fall to file their stabilization forms for 2024.....we had to explain that the program was repealed and it was very difficult conversations. Assume that a town averages a 3% increase each year. They had one year of frozen taxes, so they 'missed' the impact of a 3% increase, but now they are facing a 6% increase this year (their taxes will jump from the frozen amount to last year's amount, and then they will face whatever increase that the municipality has this year). When many of them are on fixed income and overall inflation in everything, this is a real shock to their finances.

The second problem is this has betrayed EVERY tax payer, in that the lost revenue was promised back to the town.... but it didn't happen. The town did as instructed and set tax rates assuming the reclamation of lost stabilization revenue.

The hole that the shortfall left in each town may not seem significant, but let me try to put into perspective. Small towns are painfully aware of tax payer hardships and do all kinds of contortions trying to balance the tax burden vs the towns needs and wants. The reality is that 83-85% of my two towns budgets, is fairly non-negotiable.....The education assessment and the county tax is over half, and then there is transfer station/waste disposal and road maintenance/repair. The remaining 15% is **all** of the other workings of the town.

This 15% is

administration (town clerk, tax collector, treasurer, selectboard, assessor, code enforcement, town hall heat/electric, town building upkeep, office supplies etc.)

health/welfare (fire, rescue, ambulance, dispatch, animal control)

then there are social services (library, athletic fields, beaches, food pantry, family violence services, hospice to name a few).

In my specific towns, the shortfall alone would cover one of these items in the town budget:

- * Salaries of 2 of the 3 part time librarians in a great library that serves multiple towns
- * All of the municipal support to family violence, hospice and food bank
- * Salary of fire chief and rescue director
- * General assistance allocation (emergency fuel, food etc.)
- * Street lights and animal shelter contract

My point is, the shortfall amount actually does do some important things in each town.

I leave you with the hope that you will pass this bill to make the municipalities whole on the stabilization lost revenue, and keep the trust of the towns. It is just the right thing to do.

Thank you again for your time