



MAINE MUNICIPAL ASSOCIATION SINCE 1936

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Testimony of the Maine Municipal Association (MMA)

LD 210, An Act for Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027

In Support of Certain Initiatives Relating to Property Tax

February 3, 2025

Senator Rotundo, Senator Grohoski, Representative Gattine, Representative Cloutier and distinguished members of the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Taxation, my name is Amanda Campbell and I am submitting testimony on behalf of the Maine Municipal Association's 70-member Legislative Policy Committee (LPC).

As proposed, the governor's biennial budget, printed as LD 210, continues to support municipal operations through several initiatives and funding. Municipal officials appreciate the support of the following programs:

Homestead Property Tax Exemption Reimbursement
Business Equipment Tax Exemption Reimbursement
Property Tax Stabilization (LD 290) Reimbursement
Tree Growth Tax Program Reimbursement
Veterans Property Tax Exemption Reimbursement

These programs support full-time Maine residents, businesses, and property owners, as well as those who have invested in our heritage timber products industry and have served in the U.S. Armed Forces. Municipal reimbursements for these programs provide the needed revenue to account for lost property tax revenue and assist communities in maintaining appropriate levels of service delivery.

While these reimbursements are an important portion of municipal revenue, it is important to note that when one property taxpayer receives a benefit in the form of an exemption or program, and less than 100% of those lost revenues are reimbursed, all property taxpayers pay a little more, including the intended beneficiary.

Perhaps most important to municipal officials, is the administration's commitment to the State-Municipal Revenue Sharing program. Since its inception in 1971, Maine municipalities have been able to rely on this funding from the state to help offset the property tax burden. While the program has had its share of difficulties, the return and commitment to the statutory sharing of 5% of sales and income tax to municipalities is vital.

Thank you for the opportunity to speak with you and share the municipal perspective on these important programs. Please feel free to contact me or any member of the MMA Advocacy team with any questions related to municipal operations.