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## **LD 15-SP0062 Argument to Retain the Excise Tax on Camper Trailers**

The proposed elimination of the excise tax on camper trailers would impose significant burdens on municipalities, creating administrative inefficiencies, increased costs, and logistical challenges. I feel that Senator Libby, and Representatives Pomerleau and Walker were probably just doing as a constituent asked. However, the shift to taxing camper trailers as personal property, as mandated by Title 36 §602 and §603, would be an unfunded mandate that places unnecessary strain on local governments and taxpayers. Under 36§655, all items of individually owned personal property with a just value less than \$1000 are exempt from taxation except for items used for industrial or commercial purposes and vehicles as defined in §1481 that are not subject to an excise tax.

### **1. Administrative Burden of Personal Property Taxation**

Under existing statutes, camper trailers would be classified as personal property if the excise tax were eliminated. This change would require:

- **Issuance of Personal Property Declarations:** Municipal assessors would need to mail declarations to every resident, requesting detailed information about camper trailers and other personal property.
- **Identification and Valuation:** Assessors would have to identify camper trailers, collect relevant details (e.g., make, model, year, serial number), and determine their just value.
- **Enforcement:** Municipalities would need additional resources to follow up on noncompliance and resolve disputes over valuations and tax obligations.

This labor-intensive process is far less efficient than the current excise tax system, which is straightforward and familiar to both municipalities and taxpayers.

### **2. Increased Costs for Municipalities**

The financial implications of requiring municipalities to assess camper trailers as personal property are staggering. For example:

- **City of Brewer:** With 9,646 residents, the cost of mailing personal property declarations at standard postage rates would be at least **\$7,100 annually**. This figure excludes labor and administrative costs for processing and enforcement.

- **City of Portland:** Mailing 69,307 declarations at standard postage would cost **\$51,000 annually**. This represents a substantial, unfunded mandate for a single city, not accounting for additional operational expenses.

For municipalities statewide, these costs would add up to millions annually, diverting critical resources from other public services.

### **3. Unfunded Mandate with No Benefit to Municipalities**

Eliminating the excise tax on camper trailers does not provide municipalities with an alternative revenue source to offset these increased costs. The excise tax is a reliable and predictable revenue stream that supports local budgets. Transitioning to personal property taxation:

- Imposes significant administrative costs.
- Risks lower compliance and collection rates due to the complexity of personal property taxation.
- Burdens municipalities without providing additional funding, effectively creating an **unfunded mandate**.

### **4. Taxpayer Inconvenience and Confusion**

The excise tax is a simple and equitable system based on use, applying uniformly to camper trailers used on public roads. Switching to personal property taxation would:

- **Confuse Taxpayers:** Residents would need to understand and comply with a more complex tax system, leading to frustration and potential noncompliance.
- **Create Inequities:** Tax obligations would vary depending on factors such as where the camper trailer is located, whether it is in use, and the owner's compliance with reporting requirements.

### **5. The Current Excise Tax System Works**

The excise tax, as defined in §1481-§1484, is designed to be a privilege tax for operating camper trailers on public roads. It provides municipalities with:

- A clear and efficient mechanism for collection.
- A predictable revenue stream.
- Minimal administrative burden compared to personal property taxation.

The shift to personal property taxation would disrupt this effective system, replacing it with inefficiency and inconsistency.

### **6. Legislative Impact and Fairness**

Legislation that eliminates the excise tax on camper trailers fails to account for the significant financial and administrative burden it places on municipalities. The cost implications for Brewer

(\$7,100 annually) and Portland (\$51,000 annually) illustrate the scale of this impact statewide. These costs would disproportionately affect smaller municipalities with limited budgets, compounding inequities in tax administration.

## **Conclusion**

As an Assessor if the Legislature forces me to pick up campers as personal property I will pick up every item on every parcel in my municipality that has a value new of over \$1000.00. This includes, cargo trailers, snowmobile trailers, utility trailers, yard tractors, the list goes on and on. When residents complain the phone calls will be directed to those representing House Districts 20, 24 and 37 along with Senate Districts 10 and 111 because I am clear that I enforce the law as it is given to me by the folks elected to serve in this building.

This could also end up pushing us to hire at least another full time staff member in our office to process the additional 9,646 personal property declaration notices that will need to be printed, mailed, received, sorted, processed, evaluated for exemptions and prepared for taxation. Currently, I have one staff member who handles 1,400 personal property taxation accounts. If we add five times the accounts that is a tremendous amount of work, just in Brewer. In Prospect, I would need to process well over 600 declarations by myself, while still preparing the real estate tax roll.

Eliminating the excise tax on camper trailers would create a costly and burdensome system of individual resident personal property taxation, imposing a massive unfunded mandate on municipalities. The excise tax is a well-established, efficient, and equitable mechanism that supports municipal revenue while minimizing administrative complexity. Retaining the excise tax ensures fairness, fiscal responsibility, and continued operational efficiency for Maine's towns and cities.