



MAINE MUNICIPAL ASSOCIATION SINCE 1936

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Testimony of the Maine Municipal Association (MMA) In Opposition to

LD 173, An Act to Exempt Certain Watercraft from Registration Requirements
February 10, 2025

Senator Baldacci, Representative Roberts and distinguished members of the Joint Standing Committee on Inland Fisheries and Wildlife, my name is Amanda Campbell, and I am submitting testimony on behalf of the Maine Municipal Association's 70-member Legislative Policy Committee (LPC) in opposition to LD 173.

This session, the LPC proactively established a platform of bills intended to bolster and support the property taxpayers of Maine. Through initiatives across the legislative board, they are committed to protecting the interests of their residents and reducing the burden of property taxes.

The elimination of the registration requirement proposed in LD 173, by amending 12 MRSA §13056, would provide for an excise tax exemption, as outlined in 36 MRSA §1504. This proposed reduction in local revenue is in direct conflict with the LPC's position.

Your colleagues on the Taxation Committee heard a similar bill last week, looking to exempt the excise tax on camper trailers. While these tax avoidances seem like a positive to those who currently pay them, removing them simply shifts the burden of that revenue loss onto all taxpayers, including those who are no longer paying this tax. Maine Revenue Services' (MRS) Municipal Valuation Return Statistical Summary reports that municipal agents collected approximately \$2,863,359 in watercraft excise tax in 2023. Any potential revenue loss from that total must be made up somehow and the burden will be borne by all the taxpayers in the community.

Municipal officials agree that addressing that tax burden on Maine citizens is critical. However, this is not the time to reduce revenues on which so many communities are counting.

Thank you for the opportunity to share the municipal perspective on this issue. Please feel free to contact me or any member of the MMA Advocacy team with any questions related to municipal operations.