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Testimony of the Maine Municipal Association

In Support Of

*LD 286 - An Act to Allow County Commissioners Greater Flexibility When Establishing a Payment Schedule for
Municipalities to Pay County Tax Bills*

February 24, 2025

Senator Baldacci, Representative Salisbury and members of the State and Local Government Committee, my name is Rebecca Lambert, and I am providing testimony in support of LD 286 on behalf of the Maine Municipal Association's (MMA) elected 70-member Legislative Policy Committee (LPC). For reference, the LPC guides MMA's advocacy efforts and establishes positions on bills of municipal interest.

Municipal officials have expressed strong support for the flexibility LD 286 creates by granting county commissioners leeway in establishing payment schedules for municipalities to pay their county tax bills. Maine towns and cities have diverse needs, and their financial situations vary widely depending on a variety of factors like budget year, population, local tax revenues, and economic conditions. By providing county commissioners with more flexibility in determining payment schedules, we can help alleviate financial stress on municipalities and create a more adaptable system for managing county tax obligations.

In addition to flexibility, LD 286 would encourage financial stability for municipalities. Many municipalities face cash flow challenges, particularly during times of economic uncertainty. For example, a municipality may experience delays in receiving state revenue-sharing funds or face unforeseen costs adding strain to their budget, such as the recent storm damage in some communities. The ability to work with county commissioners to set payment schedules that better align with a municipality's financial situation will help them to avoid running into cash flow issues that might otherwise result in unnecessary borrowing or delays in fulfilling their obligations.

The current one-size-fits-all payment schedule does not consider the unique circumstances of each municipality. Some may have the capacity to pay their county tax bills in a lump sum, while others may benefit from an extension in payment terms. This approach ensures fairness and avoids penalizing municipalities that may be struggling financially.

Providing greater flexibility will also help to foster a collaborative environment between county government and municipalities by allowing county commissioners to engage in constructive conversations with municipalities, which is crucial in maintaining positive relationships and working toward shared goals. The ability to adjust payment terms can be seen as a gesture of goodwill, reinforcing the idea that counties are committed to supporting their municipalities rather than imposing rigid, one-size-fits-all mandates.

This proposal is a positive step toward enhancing the financial stability and resilience of Maine's municipalities and is a commonsense solution that promotes fairness, encourages collaboration, and ensures that municipalities are better able to manage their financial obligations in a way that works for their specific needs. For these reasons we urge the committee to support LD 286 to help Maine's municipalities thrive and remain financially stable in the face of evolving challenges.

Thank you for your time and for considering the municipal perspective on this issue.



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