

132nd Legislature
***Senate
of Maine***
Senate District 31

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Testimony of Senator Donna Bailey introducing
**LD 559, An Act to Provide Property Tax Stabilization
for Older Maine Residents**
Before the Joint Standing Committee on Taxation
Wednesday, March 19, 2025

Senator Grohoski, Representative Cloutier, and Esteemed Members of the Joint Standing Committee on Taxation, my name is Donna Bailey, and I proudly represent Senate District 31, which includes Buxton, Old Orchard Beach, and Saco. Today I am pleased to introduce my bill LD 559, “An Act to Provide Property Tax Stabilization for Older Maine Residents.”

Throughout the fall and winter, one of the issues I heard about from constituents was the concern over rising property taxes. For a number of reasons, many of which you are all are familiar with, property tax bills have gone up. We all know people in our lives who opened that bill when it came in the mail. We also know what came next – the feelings of shock and worry. This troubling trend has left older Mainers with tough financial decisions to make, one literally involves the roof over their heads. In some cases, a property tax increase can result in someone having to choose between food and medicine, or even sell their home.

The bill before you would allow municipalities to establish their own property tax stabilization programs. These programs would be targeted towards older Mainers who are more likely to live on fixed incomes in their retirement. Between limited housing stock and lingering inflation, their fixed, modest incomes simply cannot keep up with rising property values. We need to offer some relief to those who have worked hard their entire lives and put so much blood, sweat, and tears – and equity – into their homes.

This bill is not my first effort to provide property tax relief for older Mainers. For years, I advocated to restore and fund the State Property Tax Deferral Program. In 2021, as a Senator and Member of the Appropriations and Financial Affairs Committee, I successfully got it into the budget. That program is often perceived to be a last resort for Mainers who cannot pay their property taxes – but wish to remain in their homes.

LD 559 offers a next-to-last resort option that will help Mainers afford their property taxes (at a fixed amount) and remain in their homes without the State taking a lien on their property after reimbursing the municipality for the property tax paid. For those municipalities that opt to establish their own stabilization programs, they can help retain the aging/older members of their

communities who have lived, studied, raised families, worked, and retired there. These Mainers are deeply ingrained in their communities, and they have extensive social connections and networks that allow them to age well. Everyone benefits when these folks remain.

In regards to funding the municipal property tax stabilization programs, I defer to the Committee. My initial idea is to allow municipalities to levy a one percent tax on meals and lodging. Any revenue raised from this tax would only be allocated toward these programs – nothing else. However, you might have an alternative, sustainable streams of funding in mind. I am open to hearing more.

I thank the Committee for its time, and I would be happy to answer any questions.

A handwritten signature in black ink, consisting of a large loop followed by a series of smaller, connected loops and a long horizontal stroke extending to the right.

Donna Bailey
State Senator, Senate District 31
Buxton, Old Orchard Beach, and Saco