



MAINE STATE LEGISLATURE

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March 19, 2025 - Testimony in support of LD 658:

An Act to Lower Property Taxes by Increasing the Homestead Property Tax Exemption

Good Afternoon, Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation. My name is Representative Billy Bob Faulkingham, and I am here to present my bill, ***LD 658, An Act to Lower Property Taxes by Increasing the Homestead Property Tax Exemption.*** This bill aims to provide significant relief to Maine homeowners by increasing the homestead property tax exemption. Specifically, it proposes raising the exemption from \$25,000 to \$50,000 for property tax years beginning on or after April 1, 2025.

Maine homeowners are facing increasing property taxes, especially in rural areas where property values may not accurately reflect residents' financial ability to pay them. Many residents, particularly seniors and low-to-moderate-income homeowners, struggle with property tax burdens that exceed their ability to maintain or afford their homes. The intent of this bill is to provide substantial financial relief to these homeowners by raising the homestead property tax exemption, which will, in turn, reduce the amount of property tax owed on their homes.

Property taxes are one of the most significant financial burdens on Maine homeowners. As property values rise, so too do property taxes, leaving many homeowners facing challenges in maintaining their properties or paying their bills. This disconnect between the rising cost of property taxes and stagnant incomes is putting pressure on homeowners. Increasing the homestead exemption would provide much-needed relief.

Maine has one of the oldest populations in the nation, with a significant portion of our residents over the age of 65. For seniors, a fixed income means that rising property taxes take up an increasingly larger portion of their available income. Similarly, low-income households—who may be asset-rich but cash-poor—often struggle to pay property taxes on homes that have been in their family for generations. By increasing the homestead exemption, we are directly helping those who are most vulnerable to the effects of increasing property tax burdens.

Homeownership is a key factor in building wealth and financial stability. However, escalating property taxes can make it difficult for homeowners to remain in their homes or for potential first-time buyers to enter the market. By increasing the exemption, we not only reduce the tax burden on current homeowners but also create a more attractive environment for prospective homeowners, ultimately benefiting Maine's economy in the long term.

Rural communities in Maine are particularly hard-hit by rising property taxes. In many cases, homes in these areas may not have high market values, yet they are still subject to high tax rates. By increasing the homestead exemption, we can provide relief to rural homeowners who might otherwise be forced to sell their property or leave their communities. This will help maintain the

stability of rural areas and prevent further economic decline in regions already struggling with population loss and economic challenges.

LD 658 represents an important step in easing the financial burden of property taxes for Maine homeowners, especially seniors, low-income families, and residents of rural communities. By increasing the homestead property tax exemption, we will not only provide direct relief to homeowners but also support homeownership, community stability, and economic growth across the state.

I urge you to support this bill and help make Maine a more affordable place to live for all its residents. Thank you for your time and consideration. I am happy to answer any questions you may have.

Respectfully,

A handwritten signature in cursive script that reads "Billy Bob Faulkingham".

Rep. Billy Bob Faulkingham
House Republican Leader