

Testimony in Support of

LD 1112: RESOLUTION, Proposing an Amendment to the Constitution of Maine Requiring Not Less Than 90 Percent State Reimbursement for Residential Real Estate Property Tax Exemptions and to Establish a Minimum Homestead Exemption

April 2, 2025

Chairpersons Senator Grohoski and Representative Cloutier and honorable members of the Taxation Committee:

My name is Kerry Leichtman. I am a Certified Maine Assessor serving the jurisdictions of Camden and Rockport and am testifying today in support of LD 1112.

We all have heard from constituents whose property taxes have risen to unsustainable, and in many instances, unaffordable levels. Valuations and taxes have risen because assessors are following and applying property tax law, which is rooted in Constitutional mandates, specifically Article 9, sections 7 and 8. Our Constitution did not envision the covid pandemic, nor the immigration that caused a rapid rise in valuations, nor the inflation that caused municipal, county and school expenses to rise, which all combined to result in higher taxes. Yes, mil rates went down, but not far enough.

I have testified on many bills in this session. When considering bills that will have an impact on property taxes I look to see if it is offering immediate relief or meaningful systemic change. The bills I have opposed bills do neither.

LD 1112 offers meaningful systemic change. It seeks to enshrine stability in our Constitution. We've seen many bills introduced this session that raise the Homestead to \$50,000, \$75,000 and even \$95,000. My first question on all of these bills has been, at what rate will municipalities be reimbursed? They don't say. LD 1112 sets a modest minimum for the Homestead Exemption at \$50,000 and a minimum reimbursement rate of 90%. The reimbursement for veterans and the blind would also be reimbursed at 90%.

A number of years ago the Legislature approved a bill that would increase the Homestead reimbursement by 3% a year until it reached 100%. It is now frozen at 76% because municipalities had to trade away the increases in exchange for the repeal of LD 290. How that makes sense still alludes me. So, a minimum of 90% is not a huge or unreasonable ask. And enshrining the rate in the Constitution protects against future bail outs and assures permanent residents of Maine stability in their Homestead Exemption benefit.

The Legislature can, of course, create bills to increase the amounts, but not to lower them.

The same is true of revenue sharing. LD 1112 locks us in at its present level of 5%. Again, this is a modest proposal that simply wants to provide taxpayers and municipal governments predictable benefits and reimbursements by setting a reasonable floor. You can always go higher but the Constitution sets the floor.

LD 1112 proposes good, common sense changes to our Constitution and I urge you to support it.

Thank you for considering my testimony.