



TESTIMONY OF THOMAS RECORD  
MAINE ASSOCIATION OF RETIREES  
IN SUPPORT OF  
LD 1144, AN ACT TO REINSTATE THE PROPERTY TAX  
STABILIZATION PROGRAM  
PRESENTED TO THE JOINT STANDING COMMITTEE ON TAXATION  
APRIL 2, 2025

Senator Grohoski, Representative Cloutier, Good morning. My name is Thomas Record, I am Vice President of the Maine Association of Retirees (MAR) and speak to you today in qualified support of LD 1144. MAR is a nonprofit association of about 11,000 Maine public service retirees including state retiree, retired educators, and retirees from participating local districts. Most of our members are 65 or older and a large number qualify for the homestead exemption.

This Committee was briefed earlier this year by Maine Revenue Services regarding property tax issues. Several Committee members expressed concern regarding the effect of rising property taxes in forcing elderly people, often on very limited and fixed incomes, out of their lifetime homes. We are pleased that you have recognized the problem.

During its previous one-year existence, the Property Tax Stabilization Act was extremely popular with our members and other seniors. I asked at MAR's regional member meetings while the law was in effect for a show of hands of those present who had applied for and been accepted in the program. Nearly every hand went up. This is consistent with what we understand to have been the overall experience of the program.

These considerations of popularity among our members and the targeted nature of the program in limiting the property tax burden on elderly homeowners are what cause us to support LD 1144, however, our support is qualified. As you know, the previous Stabilization Act had many critics who noted its inequities and operational flaws. Additionally, the required municipal reimbursements cost the State far more than anticipated, rendering the program not financially sustainable.

MAR believes it important that a reinvigorated Stabilization Act be both fair and sustainable. If it is reinstated only to fail again after a short period of time, it will return us to the scenario after the prior Act was allowed to sunset. The next year, elderly homeowners received especially large increases in their property taxes which reflected not only whatever the annual increase would normally have been in their city or town, but also the loss of their stabilized tax which was what they have paid two years before. A repeat of that would be highly unacceptable.

Sections 2, 3 and 4 all attempt to address criticisms of the prior Stabilization Act. We anticipate that the Stabilization Act critics will be speaking later this morning and we leave it to them to speak for themselves as to the sufficiency of the proposed program amendments. We would note two aspects of the prior Stabilization Act that some saw as inequitable that LD 1144 does not address;

- If a homeowner made property improvements that would otherwise raise his or her property tax such as an addition or a garage, the just value of the addition would never get reflected in their property tax; and
- If a qualifying homeowner moved from a low property tax municipality to higher tax one, the tax from the first town would apply in the second.
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In summary, MAR supports a fair and sustainable property tax stabilization program which would be greatly appreciated by elderly homeowners. However, we caution that a flawed or unsustainable "fix" would be worse than no fix at all. As you know, MAR has also supported several of the proposals before you to increase the Homestead Exemption as well as LD 715 regarding the Property Tax Credit. We look forward to the Committee's deliberations on this subject area.

Thank you, I would be happy to try to answer any questions you may have.

### ***Leading the Way for Maine Retirees***

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