

Testimony in Opposition of LD 1144:

An Act to Reinstate the Property Tax Stabilization Program

April 2, 2025

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

My name is Justin Hennessey. I reside in the Town of West Bath and currently serve the Town of Topsham as a Certified Maine Assessor. My purpose today is to testify in opposition to LD 1144.

Generally, I support property tax relief for all our residents. However, I oppose this bill which benefits only a specific group without any requirement to demonstrate financial need.

Previously the senior stabilization law demonstrated significant administrative and functional issues, including an enormous fiscal note. It was repealed with good cause.

The current bill is capping eligible valuation at \$900,000, which I expect is an attempt to mitigate the fiscal note. While it might curb some long-term growth of the fiscal impact, stabilization would almost certainly still meet or exceed the reimbursement amount the State was concerned about paying in 2024. For example, of the nearly 900 parcels in Topsham which were previously qualified, none of them would have been disqualified by the proposed valuation cap. The State owed a reimbursement of \$425,000 to Topsham then, it would be higher now.

Without requirement to demonstrate financial need, the stabilization program resulted in huge inequities in actual benefit to residents. Again, using the previously qualified Topsham parcels as examples, the actual tax savings ranged from 55 cents to \$4,300. I would argue the tax relief was not well targeted to those most in need.

A few reminders of the administrative challenges which impacted municipalities and residents while stabilization was active.

- Transfers from other municipalities require verification, researching ten years of possibly nonconsecutive ownership requires research sometimes by multiple towns.
- Annual application requirement is an enormous time sink for both staff and residents.
 - In Topsham 901 parcels applied. 20 parcels applied more than once.
 - 18.75% of all real estate accounts applied.
 - Estimated expended staff time, Clerk, Assessing, Admin 286.5 hours
- If homeowners forget to make annual filing, or are late, they will face potentially significant single year tax increase.
- Timing of payments, nothing in statute waives interest on the amount of the stabilized bill. Towns have payments due before reimbursement will be received from the State. Who pays the interest that will accrue?
- Multiple homeowners, only one qualifies for the program, who then deceases several years later, surviving spouse does not qualify yet. In addition to losing a loved one, they will bear a substantial increase in annual property tax bill.

A few reminders of the administrative challenges which impacted municipalities and residents while stabilization was active.

Thank you for your time. I welcome any questions you may have for me.