



BATH
MAINE *City of Ships*

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**Testimony in opposition of LD 1144, An Act to Reinstate the Property Tax Stabilization Program
(April 2, 2025)**

Senator Grohoski, Representative Cloutier, and honorable members of the Joint Standing Committee on Taxation, my name is Marc Meyers and I am City Manager for the City of Bath, located in Sagadahoc County. Thank you for the opportunity to provide testimony for your consideration.

The Property Tax Stabilization Program was a fatally flawed, yet well-intended effort to alleviate property tax burden on residential taxpayers. However, even with the changes proposed in LD 1144, the program would not be able to be supported by the State or the municipalities into the future, financially or administratively.

In Bath, 597 property owners benefitted from the Property Tax Stabilization program and the State reimbursed the City \$227,049.28. Of those who benefitted from the program, only one property was valued over \$900,000. Based on modeling from 2023 and at the bar set in this proposed legislation, at a modest property tax rate increase of 2%, the State would be paying more than \$500,000/year to City in year 10 of the program and more than \$1.2 million/year in year 20.

Additionally, the City's Assessor Office and its two employees communicated with residents, processed applications and administered the program to the best of their ability, but staff spent more than 500 hours in this process. The estimated cost of this time was \$16,375.

Rather than reinstating the Property Tax Stabilization Program, I recommend that the committee instead support existing programs such as the Senior Citizen Property Tax Deferral Program and Property Tax Fairness Credit, and strengthening the commitment to municipal revenue sharing and exemptions, such as Homestead Exemption, to provide property tax relief. The property tax stabilization program is not sustainable financially or administratively.

Thanks again for the opportunity to provide this testimony in opposition of LD 1144, An Act to Reinstate the Property Tax Stabilization Program