

APRIL 3, 2025  
TESTIMONY OF PETER MCPHEETERS REGARDING LD 1082, AN ACT TO INVEST  
IN MAINE'S FAMILIES AND WORKFORCE BY AMENDING THE REAL ESTATE  
TRANSFER TAX

Good morning Senator Grohoski, Representative Cloutier, and esteemed members of the committee on Taxation. I am Peter McPheeters of Biddeford, and I am pleased to be here today to testify in support of LD 1082, An Act to Invest in Maine's Families and Workforce by Amending the Real Estate Transfer Tax.

I have been a licensed real estate broker and Realtor in Maine for over 40 years. For much of that time, I have owned and managed two offices, one in my home town of Biddeford and one in Kennebunkport. As you might imagine, I have been involved in a lot of real estate transactions, and in most of those cases, I have had the privilege of helping Mainers purchase their homes, sometimes their first homes. On the other hand, more than 10%, of our transactions have been for properties that sold for over \$1 million. The vast majority of those higher end sales have been out of state home owners selling to out of state buyers.

Roughly 90% of our sales over the years have been to Maine residents. We take a lot of pride in having helped a number of first time and low income home buyers find their homes, but that part of the job is perhaps the most difficult. For those folks, every nickel counts, and these are the only instances that I can recall when a seller has complained about the transfer tax, or even had to move on from a transaction due to closing costs. Raising the cash to pay closing costs can be a huge burden to a lower income buyer. On the other hand, I can think of only two or three times when a buyer or seller in a \$1 million plus transaction even remarked on the transfer tax. In almost every case, it simply goes unnoticed, as a cost of doing business.

The Maine Association of Realtors sent out a communication to its members on Monday of this week, encouraging members to reach out to you in opposition to this bill. In this appeal, MAR stated, *"Increased RETT fees add to the cost of housing for **ALL**, not just some. Real estate transfer tax increase at any level will negatively impact sellers and buyers at all income levels, in all markets across the state in pursuit of homeownership."*

I cannot tell you how disappointed I was to see this obviously false statement disseminated to every Realtor in the state. I expect that you have heard from some of your Realtor constituents about this. They can't be faulted for urging you to oppose this, based on the misinformation that they have been given. It is unfortunate that the Association has felt the need to resort to misinformation to make their case.

I feel that the MAR is missing a great opportunity here. We should be actively encouraging you in the legislature to do whatever you can to help alleviate Maine's housing crisis. This bill presents a wonderful, win-win scenario whereby you can preserve all existing funding currently generated by the transfer tax, while creating a

new Housing Production Fund that will become a sustainable source of capital to support new housing starts in Maine.

This bill does not increase any costs for the vast majority of Mainers, but rather asks those who can most afford it to help those who need the most help achieve the dream of home ownership in Maine. By eliminating the transfer tax entirely for qualified first-time home buyers, the savings will make a real difference to the buyers who are sometimes committing their entire life savings to get to closing.

L.D. 1082 is an opportunity to ease the onerous costs for hundreds of first-time homebuyers by making a relatively small adjustment to larger transactions. The new revenue will help to build future homes for families and seniors. This is the right bill at the right time to help ease Maine's housing crisis

Thank you for the opportunity to present this proposal, and I would be happy to take any questions.