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## HOUSE OF REPRESENTATIVES

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Testimony of Rep. Sally Cluchey in support

## LD 432, Resolution, Proposing an Amendment to the Constitution of Maine to Allow Municipalities to Apportion Real and Personal Property Taxes on the Basis of Property Classification

Before the Joint Standing Committee on Taxation

Good afternoon, Senator Grohoski, Representative Cloutier and honorable members of the Taxation Committee. My name is Sally Cluchey, and I represent House District 52, which includes the communities of Bowdoinham, Bowdoin, and Richmond.

I am here in support of this constitutional amendment because we need real tools to address one of the biggest concerns I hear from my constituents: property taxes are rising at an unsustainable rate, and many longtime Mainers are being priced out of the homes that they've lived in for decades.

In communities like mine, increasing school costs are a major driver of those tax hikes. When I was knocking on doors last fall, I heard from people on fixed incomes who said, "I own my home outright, but I'm not sure I can afford to stay because of property taxes." That shouldn't be the reality for people who have lived, worked and contributed to their towns for a lifetime.

Right now, our Constitution doesn't allow municipalities to tax properties differently based on how they're used. That means someone who lives in their home full-time pays the same property tax rate as someone who owns a seasonal home or an investment property. This is despite the fact that these non-residents are not contributing through income taxes, they're not paying sales taxes (other than the brief times they are in state), and they're not enrolling their kids in local schools—which would bring more state dollars into the district. They're also taking up housing stock that could otherwise support full-time residents, which increases the overall cost of living in Maine for Mainers.

To put a face on this issue, here's a real-world example: A couple from out of state recently purchased a \$2.1 million vacation home in Maine. Soon after, they bought the neighboring property—still in probate —telling the seller, "We'll match the highest offer you get." Their goal? To eventually leave each of

their two children a vacation home here. These are not people who worry about property taxes—they likely don't even think about them.

This amendment isn't about punishing anyone—it's about fairness, and about giving communities the tools they need to protect the people who live here year-round.

This amendment gives the Legislature the authority to define property classifications in statute, and it gives municipalities the option—if they choose—to shift some of the tax burden away from year-round residents. It's a measured, local-control approach that helps communities respond to their own challenges.

And if a modest property tax increase encourages someone like that couple to sell, it could mean a year-round family moves in, enrolls their children in the local school, brings additional state funding into the community and helps reduce the tax burden for everyone else.

Please support this amendment so we can take the first step toward more equitable property taxation in Maine.