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Testimony in Opposition to LD 1304 RESOLUTION, Proposing an Amendment to the Constitution of Maine to Limit Property Tax Increases for Individuals 65 Years of Age or Older and Shift the Tax Burden to State Gaming Revenues

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Sen. Grohoski, Rep. Cloutier, and members of the Taxation Committee, my name is Maura Pillsbury and I am a tax policy analyst at Maine Center for Economic Policy. We are testifying in opposition to LD 1304.

This bill proposes a constitutional amendment that would cap property tax increases at 2% per year for permanent Maine residents who are over 65 and have owned a home for at least 12 months. The bill requires the state to reimburse at least 90% of the cost to municipalities by creating an additional 2% tax on lottery tickets and sports betting.

We oppose legislation that provides a blanket property tax cap for older Mainers. Proposals like this are not well targeted to help those who need it most. Wealthy older Mainers with higher property values will disproportionately benefit from this proposal. This is not a good use of taxpayer dollars.

Further, we do not believe this measure belongs in the Constitution. If it is enacted as an amendment, the Legislature could not easily change it if it becomes prohibitively expensive or no longer aligns with the State's needs. It would be unusual for a Constitutional amendment to stipulate a specific tax rate or a specific cap on taxes.

Currently, the Wabanaki tribes have sole authority to operate online sports betting in Maine, with 10% of proceeds going to the state. Our interpretation of this legislation is that the Wabanaki Nations would be required to pay an additional 2% tax on their proceeds to the State. We oppose this.

Thank you for your time. I would be happy to answer any questions. maura@mecep.org