

**Testimony of Linda Caprara on behalf
of the Maine State Chamber of Commerce in Opposition to
L.D. 432, Resolution, Proposing an Amendment to the Constitution of Maine to Allow Municipalities
to Apportion Real and Personal Property Taxes on Basis of Property Classification L.D. 1464, An Act
to Provide for an Alternative Municipal Property Tax Assessment Rate, L.D. 1591, An Act to Grant a
Municipality Authority to Tax Property According to Use and L.D. 1610, Resolution, Proposing an
Amendment to the Constitution of Maine to Apportion Differentiated Tax Rates on Real Property
According to Use.**

May 1, 2025

Good Afternoon, Sen. Grohoski, Rep. Cloutier and Members of the Joint Standing Committee on Taxation. My name is Linda Caprara. I am the Vice President of Advocacy for the Maine State Chamber of Commerce. We are testifying in opposition to L.D. 432, Resolution, Proposing an Amendment to the Constitution of Maine to Allow Municipalities to Apportion Real and Personal Property Taxes on Basis of Property Classification, L.D. 1464, An Act to Provide for an Alternative Municipal Property Tax Assessment Rate, L.D. 1591, An Act to Grant a Municipality Authority to Tax Property According to Use and L.D. 1610, An Act to Resolution, Proposing an Amendment to the Constitution of Maine to Apportion Differentiated Tax Rates on Real Property According to Use.

The Chamber opposes all of these bills because they basically attempt to do the same thing and that is to allow municipalities to assess distinct property classifications of property differently. The Maine Constitution requires all real and personal property to be assessed equally according to just value thereof. Courts have interpreted just value to mean fair market value. This bill would amend the Maine Constitution to allow municipalities the freedom and the power to categorize and tax properties differently based on their classification rather on their actual assessed value. We believe this would undermine the fundamental principles our property tax system that is based upon: fairness, uniformity and equity.

This bill would give municipalities the ability to tax certain property owners differently and shift tax burdens from one property type to another. Tax burdens would likely to fall disproportionately on certain property owners. We have 430 towns in Maine. Imagine if property values were different in each town. If towns had a larger industrial or commercial properties, they would likely be the target.

This bill would produce significant discrepancies between municipalities and values would be all over the board. Theoretically, reclassifications could target business owners or residential homeowners

whichever the municipality felt they could get the most tax from. Municipalities with significant industrial or commercial bases could tax those properties at a higher rate than residential properties. Business owners in one municipality might pay dramatically higher taxes than a similar business in a nearby town, simply due to local reclassification. This unpredictability could harm small businesses and potentially discourage investment. The public could lose trust in the integrity of the property tax system.

If the goal of this bill is to provide property tax relief to specific classes of property owners such as seniors Maine already has policy tools in place to address this such as the homestead exemption. Lawmakers could also always enact targeted relief to certain populations. These solutions would provide property tax relief without compromising the constitutional standard of just value and uniform assessment.

We understand that the property tax burden here in Maine has become a huge burden. However, this bill is not the solution. Any solution must be fair and equitable to all taxpayers. This type of approach would erode public trust in our tax system. Again, we urge the Committee to vote ought not to pass on L.D. 432, 1464, 1591 and 1610. I would be happy to answer any questions.