



# HOUSE OF REPRESENTATIVES

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*Testimony of Rep. Dan Ankeles presenting*

**LD 1591, An Act to Grant a Municipality Authority to Tax Property  
According to Use and LD 1610, RESOLUTION, Proposing an Amendment to  
the Constitution of Maine to Apportion Differentiated Tax Rates on Real  
Property According to Use**

*Before the Joint Standing Committee on Taxation*

Senator Grohoski, Representative Cloutier and honorable members of the Joint Standing Committee on Taxation, thank you for the opportunity to share testimony with you. I am Dan Ankeles, and I represent House District 100, which is a central portion of Brunswick. It's my pleasure to present two bills to you in tandem: **LD 1591, An Act to Grant a Municipality Authority to Tax Property According to Use and LD 1610 RESOLUTION, Proposing an Amendment to the Constitution of Maine to Apportion Differentiated Tax Rates on Real Property According to Use.**

Just pulling back a little bit before we get into the weeds, I imagine a lot of lawmakers come before you feeling the same sense of futility and frustration that I feel with respect to property tax policy. We've tried direct relief, indirect relief, carve outs and even a freeze, but no matter what we do, we can't seem to break free of the damage this regressive tax is doing to homeowners and renters, both young and old.

We know that the cost to operate a municipal government or a school district continues to rise each year, often outpacing the growth of any help the state provides, wage growth and COLAs for social security.

And structurally speaking — and I now regularly deploy this phrase I stole from Maine Municipal's Kate Dufour — we ask too much of the property tax. Aside from excise taxes on autos and local fee schedules, the clumsy property tax is the only tool in the box.

So, what happens when you add a pandemic, a housing shortage, an overheated real estate market and a state mandated revaluation all hitting at the same time?

The pandemic brought us both an economic downturn but also a movement away from office jobs and toward remote work. It also brought us new residents from other parts of the US at a time when we were already more than 80,000 units off from being able to meet our housing needs. Workforce shortages and a shrinking supply chain didn't help either.

All of this guaranteed that the value of residential property would rise relative to the value of commercial property.

So, when legally required revaluations come along, town assessors have very little flexibility as to how they can use sales data and other information to determine home valuations. They are also constrained by the Just Value Clause of the Maine Constitution, which basically says towns have to value all types of property — commercial, residential, waterfront, etc. — by identical standards.

The effect we're now seeing across Maine is a profound shift in the property tax burden from commercial property onto residential property. The economic pain this causes tends to land squarely on the shoulders of working-class residents in fairly modest homes and retirees. Granted, some people's taxes go down in a revaluation, but my experience is that too has been a regressive cost shift from wealthier residents who were able to build or buy new construction onto less affluent people already struggling to remain in their communities.

In 2023, Brunswick and a couple other towns were the canaries in the coal mine, and sure enough, what is happening to us is happening everywhere: southern Maine, northern Maine, coastal, interior, rural and urban.

Again, you know all this, but it's important to say it on mic so that people understand why a lawmaker would feel desperate enough to bring these two pieces of legislation before you.

The state can certainly try to send more money into the Homestead Exemption or the Property Tax Fairness Credit. We can even try another tax freeze; this time means tested. They can also tell towns to roll back services if they don't like what is happening with their local budgets.

However, I'm arguing today that none of that will be as effective without also letting municipalities customize the shape of their property tax burdens. And you can't do that without amending the Just Value Clause of the Maine Constitution.

Both Representative Mastraccio and I have brought you legislative vehicles to do just that. My first bill, LD 1610, deletes the word "equally" from the Just Value Clause and adds the following new language:

"The Legislature has the power to provide that municipalities may apportion differentiated tax rates on real property according to the following uses: as homestead residences; as non-homestead residences; and as property for commercial use."

Obviously, a change like this will ruffle a lot of feathers and generate a great deal of pushback. But there is no world in which I regret forcing us all to have this conversation. If you think this is a good idea or an idea worth putting to the voters, I would encourage you to act. I promised my constituents I would throw everything I could think of at our unsustainable property tax burden, and that is what I am doing today.

Before I wrap up, I'll briefly mention my second bill, LD 1591, which I am choosing to describe as pre-constitutional. It is a legislative vehicle that you can use in the second regular session if you decide to send one of the constitutional amendments before you today to the voters and they

approve it this November. It is a bill that would formally give towns permission to reshape their property tax burdens in a way that truly reflects people's ability to pay, and you, the Taxation Committee, would get to set the parameters for how that would work with your committee amendment.

If the committee decides to send any constitutional changes to voters, LD 1591 should be carried over. If not, it should be swiftly killed.

I'll close with this: When constituents ask us "Am I going to be able to stay in my home?" or even "Am I going to be able to stay in my town?", what do we want the answer to be?

Thank you for the opportunity to present this unconventional but necessary pair of policy proposals. I am not a taxation expert, but I am happy to try and answer questions.