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Senator, District 18

THE MAINE SENATE
132nd Legislature

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Joint Standing Committee on Taxation on LD 1729, An Act to Increase the Rate of Reimbursement to Municipalities for Revenue Lost as a Result of the Maine Resident Homestead Property Tax Exemption

May 1, 2025

Senator Grohoski, Representative Cloutier, and esteemed members of the Joint Standing Committee on Taxation: I am Senator Rick Bennett of Oxford, and I have the honor of serving 14 communities in Western Maine in the State Senate. I am pleased to sponsor LD 1729, "An Act to Increase the Rate of Reimbursement to Municipalities for Revenue Lost as a Result of the Maine Resident Homestead Property Tax Exemption."

Late last year my Town Manager reached out to me to request I submit this bill on behalf of the Maine Municipal Association. I was happy to do so because I am sure that you, like me, have heard from many constituents angry about their increased property taxes. Unfortunately, municipal budgets are already stretched thin and the needs seem to be increasing all the time. Municipalities rely heavily on property taxes to fund essential services like public safety, education, infrastructure, and sanitation.

All municipalities must participate in the homestead exemption program. The homestead exemption removes hundreds of thousands of dollars in potential revenue from our towns. While noble in its goals and effect, covering reimbursement at a mere 76% is an unfunded mandate and financial burden on towns. This financial burden can force local governments to cut critical services, delay necessary capital improvements, or increase the already high property taxes and fees—all options that can harm our constituents.

The homestead exemption is a great program. In fact, I think it should be expanded and increased. Earlier this year I presented a bill to increase the homestead exemption for seniors. However, it would be unreasonable and irresponsible to expand such a program without increasing the reimbursement rate, which is already too low.

This bill proposes to raise the current 76% reimbursement rate by 3% each year until it reaches 100%. This is a modest proposal that will ease the burden on municipalities without shifting the cost onto the state too dramatically.

I urge you to relieve municipalities of this burden and support LD 1729. Our communities really need this funding.