



May 1, 2025

RE: Support of LD 1770 – An Act to Provide Immediate and Long-term Property Tax Relief to Maine Households

Good afternoon, Senator Grohoski, Representative Cloutier, and members of the Committee on Taxation. I'm Shelley Megquier, Policy & Research Director at Maine Farmland Trust. I'm before you today as the Vice President of the Agricultural Council of Maine ("AgCOM"), a nonprofit association that brings together the major sectors of Maine's agricultural economy. I'm glad to be able to share AgCOM's support of LD 1770.

AgCOM supports Maine agriculture by providing a forum for communication among agricultural groups and providing leadership and advocacy on issues that affect all sectors of Maine agriculture.

Our members discussed this bill at our last meeting. We were interested in the formation of the task force as a tool to dive into the topic of property tax relief for Maine households and come up with solutions that will make a measurable long-term impact in the lives of Maine residents. However, we do believe that such an effort should include members of the agricultural sector, given the vast tracks of open land that agricultural producers manage in our state and the importance of considering land use as part of property tax relief.

Farms are a vital part of Maine's economy. Maine's farms sustain each one of us, every day, with the nourishing food that they produce and the contributions they make to our communities. Unfortunately, Maine farmers face a hard reality: many of them are simply not profitable in today's economy. Inflation,¹ interest rates,² and labor costs are all driving up the cost of doing business, yet, in most sectors, prices paid to farmers remain flat. In the five-year period between 2017 and 2022, Maine lost more than 82,000 acres of farmland,³ our State's iconic dairy industry has lost one-third of its farms since 2020,

¹ US Senate Committee on Agriculture, Nutrition, and Forestry. 2023. USDA Says High Farm Production Costs Not Easing in 2024. July 13, 2023.

² Farm interest rates are higher today than at any point in the last 15 years, having risen nearly 4% over the last 3 years. Berg, T. 2024. Over \$4 billion of farmland loans will reprice at higher interest rates in 2024. Federal Reserve Bank of Minneapolis. November 21, 2024. Accessed from <https://www.minneapolisfed.org/article/2024/over-4-billion-of-farmland-loans-will-reprice-at-higher-interest-rates-in-2024#:~:text=Interest%20rates%20for%20farmland%20loans,highest%20levels%20since%20August%202009.> on May 1, 2025.

³ United States. 2022. US Census of Agriculture, 2022. United States Department of Agriculture, National Agricultural Statistics Service.

while field prices for Maine's wild blueberry producers have declined by more than 45% over the last 20 years.⁴

In discussions with farmers about the costs of business and paths to profitability, the subject of property taxes is often raised as an important part of a solution. Although programs do exist to help control property taxes applied to Maine farms, farmers report that challenges remain. Municipalities are not all equally aware of existing programs and many farmers report facing challenges when trying to get their land assessed for current use or share that the relief through that program is not enough. Further, existing agricultural valuation rates may not sufficiently reflect the true value of our farms to the State of Maine.

On behalf of AGCOM, we ask for your support of LD 1770 and that you consider adding agricultural membership to the task force, so that these issues can be given their due consideration and provide solutions for Maine's farming community. Thank you for your time. I'd be happy to answer any questions that you may have.

Sincerely,

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Member Organizations:

Maine Aquaculture Association
Maine Association of Conservation Districts
Maine Beef Producers Association
Maine Christmas Tree Association
Maine Dairy Industry Association
Maine Farm Bureau
Maine Farmland Trust
Maine Organic Farmers and Gardeners
Association
Maine Ornamental Horticultural Council
Maine State Pomological Society
Maine Vegetable and Small Fruit Growers
Association
Wild Blueberry Commission of Maine

⁴ Hoshide, A.K. Unpublished Data. USDA National Agricultural Statistics Service 2024 Wild Blueberry Annual Report, adjusted for the Producer Price Index.