



**MAINE MUNICIPAL
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Testimony of the Maine Municipal Association

In Support of

LD 1770, An Act to Provide Immediate and Long-term Property Tax Relief to Maine Households

May 1, 2025

Senator Grohoski, Representative Cloutier and members of the Taxation Committee, my name is Rebecca Lambert, and I am providing testimony in strong support for LD 1770 on behalf of the Maine Municipal Association's (MMA) elected 70-member Legislative Policy Committee (LPC). For reference, MMA is a nonpartisan, nonprofit member service organization and aims to help provide policy solutions that work for all residents in Maine and the LPC guides MMA's advocacy efforts and establishes positions on bills of municipal interest.

Municipal officials support the increases proposed in the Property Tax Fairness Credit as an essential element of a comprehensive approach to relieving the burdens placed on property taxpayers to fund school, county, and municipal programs and services. Additionally, municipal leaders look forward to the opportunity to review, discuss, and develop sustainable solutions for reducing the burdens placed on the property taxpayers and, to that end, appreciate that the working group section of the bill provides three seats at the table for town and city officials.

However, on behalf of the policy committee, MMA is sharing a suggestion and observation for the committee's consideration.

With respect to the suggestion, the increase in unfunded mandates and proliferation of property tax exemptions need to be part of the property tax burden discussion. Increasing the responsibilities of local governments, including schools, counties and municipalities, without adequate funding, and while eroding the tax base, in large part, is shifting burdens onto the property taxpayers. While the initiatives advanced by the legislatures of the past are important, such as mandated increases in K-12 teacher and support staff salaries with one-time state funded support and required contributions from public employers to fund premiums under the medical and family leave program, those unfunded costs place additional burdens on the property taxpayers. Again, while the initiatives mentioned above achieve laudable outcomes, the financial impacts of unfunded mandates must be recognized and discussed.

With respect to the observation, during the policy committee's discussion on LD 1770, concern was raised with the working group directive found in section D, which includes developing "methods to ensure municipalities use property tax relief for its intended purposes while continuing to meet the needs of residents..." which is underscored by the charge seeking recommendations for "accountability measures, including but not limited to reporting requirements, financial incentives or disincentives." From the municipal perspective, suggesting that property tax relief measures, such as revenue sharing, are being misused is not constructive and appears to set the stage for an "us against them" approach. Municipal



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officials look forward to participating in this important discussion and simply ask that throughout the process that local government officials are treated like partners. If not for the incredible work that occurs at the municipal, school and county levels, much of the state's goals and priorities would not be implemented and its coffers less replete.

Thank you for your time and consideration of the municipal perspective on this issue.



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