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LD 1931 "An Act to Annually Reimburse the Town of Charleston for 43 Percent of Property Tax Revenue Lost Due to the Mountain View Correctional Facility's Tax-exempt Status"

Joint Standing Committee on Criminal Justice and Public Safety

Senator Grohoski, Representative Cloutier, distinguished members of the Committee on Taxation, I'm Steve Foster, Representative for House District 32, serving Charleston, Dexter, Exeter, Garland, Stetson, and a part of Bradford, here to present **LD 1931 "An Act to Annually Reimburse the Town of Charleston for 43 Percent of Property Tax Revenue Lost Due to the Mountain View Correctional Facility's Tax-exempt Status"**.

I was asked by the Town of Charleston select board to review their situation regarding the Mountain View Correctional Facility which lies within the town borders. They were hopeful that some legislation could be introduced which would provide economic relief for hosting this large state owned facility while realizing little, if any, benefit to the community.

Many of Maine's 487 municipalities contain state owned properties, which are exempt from local property tax. In 2022 according to state statistics, only eleven had state property equal to 10% or more of their total land and buildings valuation. For Charleston, the state property valued at \$40.7M was 35% of the \$117.5M town valuation, second only to Orono's 44%. For Warren, home of the Maine State Prison, the state owned property was 21%. Of the State's property in Charleston, the MVCF valuation was \$39.4M. In 2025, MVCF valuation is \$34.1M with a tax avoidance of \$462,000.

Unlike many of the other towns having state owned property, Charleston receives little financial benefit from it. For example, municipalities with a university benefit from employment, spending at local businesses, community access to facilities, etc. Charleston has no store, gas station, or other business that might be frequented by employees or visitors to the facility. Of its staff of 170 employees, only 14 are Charleston residents.

The town provides fire protection with a small number of calls each year. It helps fund the Penobscot County Sheriff's Office, which provides a portion of law enforcement coverage needed on nearby roadways when travelers to the facility may require it. Each year, the town receives about \$2,000 from MVCF to help fund training for their volunteer fire department.

The property itself offers panoramic views of the coastal hills to the southeast and of Katahdin and its foothills to the north. Only 24 miles from Bangor, the property would be very attractive to housing developers. Although any housing development would likely not equal the value of the facility, it could provide substantial property tax income to the town.

Mountain View Correctional Facility serves a valuable purpose for the citizens of Maine. The town of Charleston supports its mission and its presence in the town. Town government worked with the facility administration over the years and had maintained a good relationship. First Selectperson Terri-Lynn Hall had been a member of its Board of Visitors and helped with community relations in regard to the many issues a correctional facility may experience.

In the 131st Legislature, I presented LD823 before the Criminal Justice and Public Safety Committee asking to establish a Commission to meet and derive a comprehensive plan to support private and public development in Charleston, with the needs of its citizens and the mission of MVCF in mind. The Committee's action was to send a letter to the DOC to convene a stakeholder group to consider this issue further. Although Town officials were accepting of this result, and despite correspondence between the DOC and myself, no meetings were held. Therefore, I introduced this bill, LD1931, as an acceptable remedy for the Town of Charleston.

Soon after this bill was published, I was contacted by the DOC's Director of Government Affairs, Samuel Prawer expressing his regrets that the request from the CJPC Committee had not been carried out and that he was willing to set up the meetings as suggested by the result of LD823, as soon as possible. He also hoped that LD1931 might be set aside or carried over pending the Town's satisfaction with this action. I contacted the Charleston Town officials and was told they are still agreeable to meet with other stakeholders and this option.

Unfortunately, this bill had already been scheduled for this hearing. Therefore, I'd ask for the Committee's indulgence by allowing the DOC to engage with the Town before taking further action on LD1931.

I thank you for your time and consideration and would be happy to answer any questions you may have.

Respectfully submitted,

Steve Foster
State Representative