



**MAINE MUNICIPAL
ASSOCIATION SINCE 1936**

60 Community Drive | Augusta, ME 04330-9486

1-800-452-8786 (in state)

(T) 207-623-8428

(F) 207-624-0129

Placeholder Testimony of the Maine Municipal Association on

LD 305, *An Act Regarding Transportation in Maine*

February 3, 2026

Senator Nangle, Representative Crafts, and members of the Transportation Committee, my name is Tanya Emery, and I am providing placeholder testimony for LD 305 on behalf of the Maine Municipal Association's (MMA) elected 70-member Legislative Policy Committee (LPC). The LPC has not yet taken a position on this bill but will consider the matter at their meeting next week. MMA will submit official testimony once the LPC has established a formal position. For reference, MMA is a nonpartisan, nonprofit member service organization and aims to help provide policy solutions that work for all residents in Maine. The LPC guides MMA's advocacy efforts and establishes positions on bills of municipal interest.

MMA's LPC will likely acknowledge the importance of parity for disabled veterans when it comes to the motor vehicle excise exemption afforded to vehicle owners. The primary concerns we would like to raise at this time are the retroactivity of this provision and the continued erosion of municipal funding streams. Expanding exemptions to tax programs in Maine, even worthy ones, transfers costs to average property taxpayers. Revenue streams are eroded by exemptions, but the underlying costs do not go away.

Given the unprecedented nature of the proposal to retroactively provide this exemption, MMA's LPC will undoubtedly inquire as to the source of funding for these reimbursements and the administration of this work. Is this work that the state will be taking on, should this bill pass as amended?

The retroactive application of the exemption proposed would create an administrative and budgetary burden on municipalities if so assigned. Notably, providing refunds retroactively could impact audited financials. MMA's LPC will likely suggest amending the bill to remove the retroactive provision.

MMA will submit additional information to the committee after the LPC meeting next week. Thank you for your time and attention to the municipal perspective on this matter. I am happy to answer any questions you may have.

Tanya Emery
Advocacy Manager
Maine Municipal Association
temery@memun.org



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