

**TESTIMONY OF  
ANYA TRUNDY, DEPUTY COMMISSIONER  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation  
*Hearing Date: February 10<sup>th</sup>, 2026*

LD 2178 – *“An Act to Establish the Independent Office of Tax Appeals and Make Other Changes to the Laws Governing the Tax Appeals Process”*

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Senator Grohoski, Representative Sayre, and members of the Taxation Committee – good afternoon, my name is Anya Trundy, Deputy Commissioner in the Department of Administrative and Financial Services (DAFS). I am testifying at the request of the Administration in Support of LD 2178, *“An Act to Establish the Independent Office of Tax Appeals and Make Other Changes to the Laws Governing the Tax Appeals Process”*.

The Administration has put forward this bill to simplify and modernize the tax appeals process. The bill is the product of the Department’s review of the achievements and challenges in the current appeals structure and the Administration’s desire for the State to have an efficient, fair, and accessible tax appeals framework. The review project, which has spanned several years and involved substantial stakeholder input, was undertaken at the Commissioner’s request by the Associate Commissioner for Tax Policy and the Office of Tax Policy.

The bill addresses the roles of the Maine Board of Tax Appeals and the State Board of Property Tax Review. The Administration sincerely thanks the current members of these citizen boards for their ongoing service to the State in our tax appeals system, and likewise thanks past members. Citizen boards in the field of

tax law present challenges, however, in terms of member recruitment, logistical efficiency, and procedural efficiency. In addition, it is the Department's view that the overall statutory tax appeals framework can be improved such that it is streamlined and speedier, more resource efficient, and more accessible for taxpayers.

There is a lot of detail in the bill, but what this bill looks to achieve is straightforward:

(1) replace the part-time 3-member Maine Board of Tax Appeals with an Independent Office of Tax Appeals comprised of full-time hearing officers;

(2) streamline the current 15-member State Board of Property Tax Review and leverage the Board's expertise by expanding its jurisdiction for nonresidential property tax cases, and

(3) study further changes to the tax appeals process for possible legislation in the next Legislature.

To put these proposed changes in context, some background on the current Boards and their operations is necessary. I will try to be brief.

The Maine Board of Tax Appeals is an independent board within DAFS that hears tax appeals of Title 36 tax assessments and determinations other than a defined category of property tax appeals. The Board consists of 3 citizen members appointed by the Governor subject to review by this Committee and confirmation by the Legislature. The Board is supported by its Appeals Office, which is staffed by three fulltime DAFS employees, an administrative assistant and two hearing officers who manage the cases, hold scheduling conferences and hearings, and prepare recommended decisions for the Board. The Board's decision-making is an informal non-adjudicatory process, and the Board's decisions are subject to full de

novo appeal to Superior Court. The Board is not subject to the supervision or control of Maine Revenue Services.

The State Board of Property Tax Review is a 15-member volunteer board that handles a specified category of Title 36 property tax appeals. The members are appointed by the Governor. The Board is supported by a limited term Director, administrative staff support from the Maine Board of Tax Appeals' Office of Appeals, staff attorney support from the Office of Attorney General, and over the last year from Maine Board of Tax Appeals Office attorneys working in consultation with the Office of Attorney General. The Board's hearings are a formal on-the-record adjudicatory decision-making process and subsequent appeals to Superior Court are not de novo but instead are subject to limited, on-the-record review by appeal to Superior Court. The Board is not subject to the supervision or control of Maine Revenue Services.

The jurisdiction of the State Board of Property Tax Review intersects with the property tax appeals process involving the State Tax Assessor, county commissioners, municipalities with boards of assessment review, and municipalities without boards of assessment review. The overall property tax appeals framework in the State is a fairly complicated framework, and one which this bill seeks to take modest measures to streamline.

Additional information regarding both boards and short summary of their appeals case statistics is included in the Addendum to this testimony.

The timing and basic rationale for key changes in the bill are as follows:

Effective September 15, 2026, the bill terminates the Maine Board of Tax Appeals and replaces it with a full-time hearing officer Independent Office of Tax Appeals within DAFS. This change will reduce procedural complexity, speed up

the appeals process, and preserve both independence from the Bureau of Revenue Services and the availability of rights of further appeal to, and de novo review in, Superior Court.

Effective January 1, 2027, the bill modestly streamlines the State Board of Property Tax Review composition and expands its jurisdiction to leverage the Board's expertise in handling more complex nonresidential property tax cases. These changes would also affect the appeals process and jurisdiction with respect to county commissioners and municipalities.

Finally, the bill makes minor changes regarding administrative clarification, legislative review, and further directs the MRS Office of Tax Policy to review the administrative tax appeals process and file with the Legislature by December 15, 2026, a report with any recommended legislation for further simplifying and modernizing the tax appeals process. Following the completion of this study, the bill assigns the responsibility of further improvements to the tax appeals process to the taxpayer advocate and experience officer.

The changes proposed by LD 2178 result from substantial review, research, and consideration of input from stakeholders and other interested parties, including conversations and email communications by the Office of Tax Policy with the following individuals and groups:

- Maine Society of CPAs;
- MECPA attorney advisors from the law firm of Pierce Atwood;
- Maine Municipal Association;
- Maine County Commissioners' Association;
- Chair of the Maine Board of Tax Appeals (overview briefing at the outset of the project); and

- Chair of the State Board of Property Tax Review (overview briefing at the outset of the project).

In addition, the Office of Tax Policy worked with the Chief Appeals Officer of the Maine Board of Tax Appeals and the Director of the State Board of Property Tax Review SBPTR to understand their respective Board procedures and statistics and to get their input on how various options for change would impact the tax appeals process. Those individuals, who are in their roles as DAFS employees, also joined in OTP's outreach to their respective Board Chairs, and conducted comparative research of other tax appeals bodies. Further, OTP has reviewed the project at various points with the Maine Office of the Attorney General. The Department and the Office of Tax Policy intend to continue their engagement with stakeholders and other interested parties with respect to the specific details of the bill and with respect to the Study proposed in Part E of the bill.

With respect to the bill's proposed changes and the proposed Study, it should be noted that although the Office of Tax Policy is within Maine Revenue Services, OTP staff do not report to the State Tax Assessor, rather, they report directly to the Associate Commissioner for Tax Policy, who directly reports to the Commissioner.

The bill's fiscal impact is nominal and can be absorbed within current budgetary allotments.

The preliminary estimated administrative costs are nominal and can be absorbed within current budgetary allotments.

The Administration looks forward to working with the Committee on the bill; representatives from the Maine Revenue Services Office of Tax Policy will be here for the work session to provide additional information and respond in detail to

the Committee's questions. We have also asked the Chief Appeals Officer of the Maine Board of Tax Appeals and the Director of the State Board of Property Tax Review to be available to the Committee at the work session to answer any questions the Committee might have about the current structure and operations of their respective Boards.

**ADDENDUM**  
**LD 2178 Testimony Addendum re: SBPTR and MBTA**

**State Board of Property Tax Review Caseload by Year**

| Calendar Year <sup>1</sup> | Starting Caseload | Cases Filed | Panel Hearings | Panel Decisions | Cases Closed <sup>2</sup> | Year End Caseload | Mediation Waved | Cases Appealed to Superior Court |
|----------------------------|-------------------|-------------|----------------|-----------------|---------------------------|-------------------|-----------------|----------------------------------|
| 2018                       | 8                 | 21          | 5              | 1               | 4                         | 25                | 0               | 1                                |
| 2019                       | 18                | 17          | 5              | 0               | 5                         | 30                | 0               | 0                                |
| 2020                       | 14                | 23          | 8              | 1               | 12                        | 25                | 2               | 2                                |
| 2021                       | 7                 | 24          | 11             | 0               | 5                         | 26                | 7               | 2                                |
| 2022                       | 7                 | 27          | 11             | 1               | 7                         | 27                | 7               | 0                                |
| 2023                       | 36                | 22          | 6              | 2               | 13                        | 45                | 1               | 0                                |
| 2024                       | 14                | 15          | 1              | 0               | 7                         | 28                | 0               | 0                                |
| 2025                       | 5                 | 8           | 1              | 0               | 1                         | 4                 | 0               | 0                                |

Source: Data provided by State Board of Property Tax Review

1. 2026 data is not available at this time.

2. Includes cases that were decided, dismissed, settled, or otherwise withdrawn.

**State Board of Property Tax Review Caseload by Type**

| Calendar Year <sup>1</sup> | Non-Residential Town | Non-Residential County | Municipality Equalization | Tree Growth | Farm and Open Space | Deferred Tax | MRS | Other <sup>2</sup> | Total |
|----------------------------|----------------------|------------------------|---------------------------|-------------|---------------------|--------------|-----|--------------------|-------|
| 2021                       | 19                   | 3                      | 0                         | 1           | 1                   | 0            | 0   | 0                  | 24    |
| 2022                       | 16                   | 6                      | 0                         | 2           | 1                   | 2            | 0   | 0                  | 27    |
| 2023                       | 5                    | 10                     | 0                         | 0           | 1                   | 5            | 1   | 0                  | 22    |
| 2024                       | 6                    | 6                      | 0                         | 0           | 0                   | 1            | 0   | 0                  | 13    |
| 2025                       | 1                    | 1                      | 0                         | 1           | 0                   | 3            | 1   | 0                  | 7     |
| <b>Total</b>               | 47                   | 26                     | 0                         | 4           | 3                   | 11           | 2   | 0                  | 93    |

Source: Data provided by State Board of Property Tax Review

1. 2026 data is not available at this time.

2. Includes Mine, Waterfront, and Section 209 cases.

**Maine Board of Tax Appeals Caseload by Year**

| Calendar Year <sup>1</sup> | Total Appeals Filed Each Year | Case Amount Less Than \$5,000 <sup>2</sup> | Case Amount \$5,000 - \$50,000 | Case Amount \$50,001 - \$100,000 | Case Amount Greater Than \$100,000 | Decided Appeals By Year |
|----------------------------|-------------------------------|--|--------------------------------|----------------------------------|------------------------------------|-------------------------|
| 2018                       | 21                            | 3  | 8                              | 3                                | 7                                  | 22                      |
| 2019                       | 21                            | 8  | 6                              | 1                                | 6                                  | 22                      |
| 2020                       | 19                            | 6  | 8                              | 3                                | 2                                  | 17                      |
| 2021                       | 12                            | 7  | 1                              | 1                                | 3                                  | 20                      |
| 2022                       | 14                            | 2  | 5                              | 3                                | 4                                  | 12                      |
| 2023                       | 8                             | 1  | 2                              | 1                                | 4                                  | 14                      |
| 2024                       | 8                             | 6  | 1                              | 0                                | 1                                  | 10                      |
| 2025                       | 18                            | 7  | 7                              | 1                                | 3                                  | 12                      |
| <b>Total</b>               | <b>121</b>                    | <b>40</b>                                  | <b>38</b>                      | <b>13</b>                        | <b>30</b>                          | <b>129</b>              |

Source: Data provided by Maine Board of Tax Appeals

1. Complete 2026 data is not available at this time.

2. Includes cases without a formally assessed value.

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**ADDITIONAL INFORMATION**

**MAINE BOARD OF TAX APPEALS**

The Maine Board of Tax Appeals is an independent board within DAFS that hears timely filed tax appeals of tax assessments and other determinations of the State Tax Assessor under Title 36 of Maine Revised Statutes with, generally, respect to property tax. The appeals to the Board must be timely, meet certain thresholds, and not have been directly appealed to the courts. The Board is not subject to supervision or control of Maine Revenue Services. The Board consists of 3 members – appointed by the Governor subject to review by this Committee and confirmation by the Legislature. Two members of the board constitute a quorum. A member of the board may not hold any elective office or any public office involving assessment of taxes or administration of any of the tax laws of this State. At least one member must be an attorney, but not more than 2 members may be attorneys.

The Board is supported by its Appeals Office, staffed by three DAFS employees and headed by the Chief Appeals Officer, who must have substantial knowledge of tax law and is an unclassified employee appointed by the DAFS Commissioner. The hearing officers manage the cases, hold hearings, and prepare recommended final decisions for consideration by the Board. The three-member Board then meets to consider the recommended final decision, and may i) adopt the recommended decision, ii) modify the recommended decision, iii) send the recommended decision back to the same appeals officer for further consideration, or iv) reject the recommended final decision in whole or in part and decide the appeal itself on the basis of the existing record. The Board's decisions are not formal adjudicatory hearings and are subject to full de novo appeal to Superior

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Court. The Board is not subject to supervision or control of Maine Revenue Services.

**36 M.R.S. §151-D. Maine Board of Tax Appeals** provides in part:

**1. Board established.** The Maine Board of Tax Appeals, established in Title 5, section 12004-B, subsection 10, is established as an independent board within the Department of Administrative and Financial Services and is not subject to the supervision or control of the bureau. The purpose of the board is to provide taxpayers with a fair system of resolving controversies with the bureau and to ensure due process.

**STATE BOARD OF PROPERTY TAX REVIEW**

The State Board of Property Tax Review is a 15-member board that handles a specified category of Title 36 property tax related appeals. The members are appointed by the Governor. The 15 members must be equally divided among 5 categories of qualifications: attorneys, real estate brokers or appraisers, engineers, assessors, and public members with expertise in taxation, finance or property valuation matters. For each appeal hearing, the board-elected chair selects a panel of 5 members to hear and determine the appeal. Three members constitute a quorum.

The Board is supported by a limited term Director hired by the Commissioner of DAFS, administrative staff support assistance provided from the Maine Board of Tax Appeals' Office of Appeals at the direction of the Commissioner, and staff attorney support from both the Office of Attorney General, and, in the last year at the Direction of the Commissioner, also from the Maine Board of Tax Appeals Office attorneys working in consultation with the

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Office of Attorney General. The Board's hearings are a formal on-the-record adjudicatory decision-making process and subsequent appeals to Superior Court are not de novo but instead are subject to limited, on-the-record review by appeal to Superior Court. The Board is not subject to supervision or control of Maine Revenue Services.

The jurisdiction of the State Board of Property Tax Review intersects with the property tax appeals process involving certain property tax related determinations of the State Tax Assessor, county commissioners, municipalities with boards of assessment review, and municipalities without boards of assessment review.

**36 M.R.S. §271. State Board of Property Tax Review** provides in part:

- 2. Powers and duties.** The board shall have the following powers and duties:
- A. Hear and determine appeals according to the following provisions of law:
- (1) The tree growth tax law, chapter 105, subchapter 2 A;
  - (2) The farm and open space law, chapter 105, subchapter 10;
  - (3) As provided in section 843;
  - (4) As provided in section 844;
  - (5) Section 272;
  - (7) The current use valuation of certain working waterfront land law, chapter 105, subchapter 10 A; and
  - (8) Section 209.