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February 5, 2026

Dear Senator Curry, Representative Gere and Members of the Housing and Economic Development Committee,

We are writing to express concerns with LD 2124 and to respectfully urge you to vote Ought Not To Pass. We would also ask that, at a minimum, additional clarification be provided regarding the fiscal and structural impacts of this proposal on county governments.

In the State of Maine, county Registries of Deeds collect two primary fees: recording fees and the real estate transfer tax. With respect to recording fees, those were recently adjusted pursuant to 2025 legislation with an effective date of January 1, 2026. The fees were designed to cover the increasing cost of doing business, considering the last increase was seen in 2011.

With respect to the real estate transfer tax, during the closing days of the last legislative session, the budget process redirected 0.8% of the county's 10% share of the tax to Maine State Housing Authority Affordable Housing Programs for a two-year period. Additionally, that same legislation provided an exemption from transfer tax for sellers AND buyers when the purchase qualifies under the first-time homebuyer incentive, an exemption whose fiscal impact remains unknown. An additional concern that was brought forth at that time was the justification for the seller to be exempt, hence additional tax revenue loss by the state's decision.

At the time, the assumption was that the scheduled adjustment in recording fees would offset the reduction in transfer tax revenue to counties. For York County, this assumption does not hold true. The real estate transfer tax represents a significantly larger portion of our overall revenue structure, and the loss of that revenue is not made whole by the recording fees.

LD 2124 proposes to fundamentally alter the approach that was just enacted. Specifically, it proposes redirecting 1.8% from the Counties' portion for the purpose of funding emergency shelters. The bill makes the reduction permanent, rather than temporary. Using 2025 figures, this would result in a direct annual revenue loss of approximately \$244,000 to York County.

Beyond opposing the bill outright, there are significant questions that remain unanswered. For example, the existing 0.8% reduction that went into effect September 2025 is scheduled to sunset in July 2027. There would need to be reconciliation between prior legislative action and the proposed LD 2124.

One could look at the proposal and arrive at the conclusion that without changes the County would have to continue foregoing the 0.8% for housing affordability and then an additional 1.8% to fund emergency shelters thereby resulting in a collective 2.6% reduction which would result in a much higher revenue reduction. Clarification on how these percentages interact is essential.

If the expectation is that this proposal will result in a meaningful funding increase for emergency shelters, the reality is quite different. The amounts involved are relatively small when considering emergency shelter costs. In practice, this proposal simply shifts limited funds from one unit of government to another without creating new resources.

York County is one of the highest volume registries in the State. If our projected impact is roughly \$244,000, and let's assume Cumberland County's would be \$300,000. When factoring in the remaining counties, the aggregate collection would be approximately 1.2 million. We know from past discussions that it costs far more to operate a shelter than that.

One must also ask where that money will go since York, along with several other counties, do not have a shelter. This legislation also ignores current and past conversations related to York County and a potential role for shelter services.

The delegation should also understand real estate transfer tax functions operationally. Currently, of the 100% of the tax collected, 90.8% of the tax is reconciled and remitted to the State, while 9.2% remains with the County. Despite receiving only 9.2% of the transfer tax, counties—and Registries of Deeds in particular—perform a vast amount of the work associated with collecting the tax. This includes ensuring the correct completion of the state form and adherence to Statutes surrounding calculating the appropriate tax due. Counties are responsible for reconciliation, public interaction, and coordination with attorneys and filers from across the State and Nation to uphold our statutory responsibilities for collecting and remitting payments.

In short, counties perform nearly all the administrative and front-line work while receiving a small fraction of the revenue, and LD 2124 would further erode that limited share.

For these reasons, we respectfully urge the committee to vote Ought Not To Pass on LD 2124, or at the very least to address the significant fiscal and structural concerns outlined above.

Thank you for your time and consideration.

Respectfully,

York County Commissioners



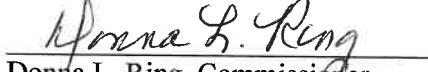
Richard R. Dutremble, Chair



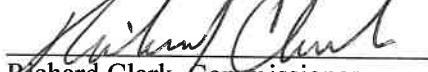
Robert L. Andrews, Vice Chair



Justin Chenette, Commissioner



Donna L. Ring, Commissioner



Richard Clark, Commissioner