



Maine County Commissioners Association

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LD 2102, An Act to Support Municipalities by Repealing the Law Limiting the Municipal Property Tax Levy

February 20, 2024

Senator Nangle, Representative Stover, and Members of the Joint Standing Committee on State and Local Government, my name is Stephen Gorden and, in addition to serving as a member of the board of commissioners for Cumberland County, I am writing today in my role as chair of the legislative policy committee of the Maine County Commissioners Association. We appreciate the opportunity to provide testimony to the Committee *neither for nor against* LD 2102.

About MCCA. Briefly, the Maine County Commissioners Association was established in 1890 to assist Maine's county government in providing vital services to Maine citizens in a responsive, efficient, and credible manner. The Association is based in Augusta, represents all of Maine's 16 counties, and is governed by a board with representation from each participating county.

Discussion. Current state law imposes certain limitations on the ability of municipalities to adopt a property tax levy exceeding a certain amount. *30-A M.R.S. § 5721-A*. Counties face similar limitations on their ability to assess county taxes. *30-A M.R.S. § 706-A*. These limits have been in place for nearly two decades as part of a comprehensive tax assessment limitation adopted in 2005 known as "LD 1." Under LD 1, limitations were placed on municipal tax levies, county tax levies, school district levies, and state expenditures.

Under LD 2102, the LD 1 tax limitations would be repealed with respect to municipalities, but not other units of government.

Our Association does not take a position on whether LD 2102 should pass. However, if the Committee and Legislature decides to move forward with the bill, it is important that municipalities and counties be treated in parallel fashion. We make this point because, like municipalities, counties are units of local government overseen by elected officials, and county taxes are assessed on property taxpayers in the same manner as municipal taxes.

To achieve parity in this bill between municipal and county assessments, LD 2102 would need to be amended to exempt counties from LD 1 assessment limitations in the same manner as municipalities are proposed to be exempted under LD 2102. For convenience, we have attached a proposed amendment that would allow for such consistent treatment of local government entities.

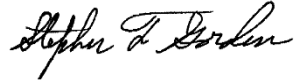
Conclusion. We appreciate the opportunity to provide testimony on this bill, and if you have questions or need additional information, please do not hesitate to let us know.

MCCA Testimony re LD 2102

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen Gorden". The signature is written in a cursive style with a large initial 'S'.

Stephen Gorden

Chair, Legislative Policy Committee

cc: Commissioner Richard Dutremble, President, MCCA
James I. Cohen, Verrill Dana, LLP, MCCA Legislative Counsel

**LD 2102, An Act to Support Municipalities by Repealing the Law
Limiting the Municipal Property Tax Levy**

Proposed Amendment from Maine County Commissioners Association

February 20, 2024

LD 2102 is amended to add the following sections at the end:

Sec. 3. 30-A MRSA §701, ¶¶ 2-C, 2-D, and 3, as enacted and amended by PL 2021, c. 732, Pt. B, §§1-2, and PL 2023, c. 87, §1, are hereby repealed.

Sec. 4. 30-A MRSA §706-A, as amended by PL 2015, c. 267, Pt. L, §§11-12, is repealed.

SUMMARY

This amendment amends the bill by adding language repealing the application of property tax assessment limitations on county government tax levies.