



Maine Education Association

Grace Leavitt President | Jesse Hargrove Vice President | Beth French Treasurer
Rebecca Cole NEA Director | Rachelle Bristol Executive Director

Testimony

In Support

LD 1650: An Act to Create a Tiered Senior Resident Homestead Exemption

John Kosinski, Government Relations Director, Maine Education Association

Before the Taxation Committee

April 25, 2023

Senator Grohoski, Representative Perry, and esteemed members of the Taxation Committee,

My name is John Kosinski (he/him) and I am proud to serve as the Director of Government Relations for the Maine Education Association (MEA). The MEA represents 24,000 educators in the state of Maine, including teachers and other professionals in nearly every public school in the state and faculty and other professional staff in the University of Maine and Community College Systems.

I submit this testimony on behalf of the MEA in support of LD 1650, *An Act to Create a Tiered Senior Resident Homestead Exemption*.

Already this session I have testified in support of LD 130, *An Act to Eliminate Senior Citizen Property Tax Stabilization and Expand the Homestead Property Tax Exemption*, sponsored by Senator Rick Bennett. This bill was an attempt to address the Property Tax Stabilization Program for seniors passed by the Legislature in the closing hours of the last session. The Property Tax Stabilization Program freezes property taxes in perpetuity for seniors and is not means tested, meaning the property tax freezes apply regardless of whether the senior citizen has annual income in the millions or if they are a low-income senior relying on Social Security or otherwise may have a fixed income. We are deeply concerned about the long-term impact of this program, specifically as it relates to the ability for the state to fully fund this program in the future. Failure to fund this program could create even more pressure on local property taxes since our state relies on property taxes for a sizeable component of funding for local public schools.

I have also testified in support of LD 1202, *An Act to Increase the Homestead Exemption to \$50,000*, sponsored by Representative Austin Theriault. In that testimony in support, I reminded the Tax Committee of the critical role the Homestead Exemption plays for local property taxpayers. The Homestead Exemption is a critical element of property tax relief and allows the local communities to capture more property taxes from the owners of second homes or vacation properties, while providing relief to community members who live year-round in the community. In the exhaustive two-year study of our school funding formula in 2013, the authors, Picus and Associates, reiterated that the Homestead Exemption is a critical element to provide property tax relief to all Maine homeowners on their primary residence and encouraged increasing this exemption. Again, the Homestead Exemptions helps provide



Maine Education Association

Grace Leavitt President | Jesse Hargrove Vice President | Beth French Treasurer
Rebecca Cole NEA Director | Rachelle Bristol Executive Director

balance in property taxes, especially since our public schools rely on property taxes to support their operations.

LD 1650 is the best of both worlds. LD 1650 replaces the Property Tax Stabilization program for seniors with a tiered program to offer a greater Homestead Exemption for qualified seniors. This bill proposes to offer a means-testing program that allows for qualified seniors to double their Homestead Exemption from \$25,000 to \$50,000, or from \$25,000 to \$40,000 depending on their income. This bill, if enacted will provide property tax relief to seniors who need it, without subsidizing the property taxes of the wealthy and well-to-do. And this bill will provide funding to cities and towns to pay for the program.

Put simply, this bill is a win-win-win. It is a win for seniors who may struggle with property taxes. It is a win for cities and towns, by providing relief to residents and funding to cities and towns to pay for it. And it is a win for schools who rely on property taxes to fund local public schools. For these reasons and more, we support LD 1650. Thank you for your service to the people of Maine and I will do my best to answer any questions you may have.