

To: Legislative Policy Committee
From: Amanda Campbell, Legislative Advocate
Date: November 4, 2024
RE: Constitutional Amendment – Property Tax Assessment vs. Exemption

After the October 23 LPC meeting, staff met with a team of experienced assessors to discuss a pathway forward regarding potential property tax related constitutional amendments.

While all in attendance felt that an overhaul of the system could potentially solve many property tax related issues, consensus formed around a concern that the complexity of that process would take significant amounts of time, research and education.

The group agreed that at this moment in time, it seems more prudent to pursue an avenue that is simple in its approach; easy to understand by local and state government officials, and Maine voters; and provides relief relatively quickly. It is this approach that is included for your review and discussion at the November 20 LPC meeting.

To summarize, the amendment:

1. Provides that the homestead exemption can be no less than \$50,000.
2. Requires state reimbursement for 90% of the lost property tax revenue associated with homestead related exemptions.
3. Enshrines in the constitution that no less than 5% of state sales and income tax revenues must be shared with municipalities.

Please feel free to contact me with any questions regarding this process or decision. I look forward to seeing you all on November 20.