



Misha C. Pride
Mayor

September 11, 2024

Senator Carney, District #29
Christopher Kessler, District #32
Deqa Dhalac, District #120
Matthew Beck, District #122

Dear Senator Carney, Representative Kessler, Representative Dhalac, and Representative Beck:

On September 3, 2024, the South Portland City Council unanimously voted to support the attached resolution, calling on our State legislative delegation to pursue changes to State law and/or Maine's Constitution to enact meaningful property tax relief and reform.

Although the call for property tax relief is not new, this recent plea is a result of a statewide phenomenon: surging residential home values, leading to State-mandated revaluations that shift the property tax burden away from commercial and onto residential property owners.

In South Portland, despite a revaluation in 2021, we were notified by the State last fall that our single family home assessment ratio had fallen below the 70% threshold (66%) and that we needed to adjust values again. This adjustment resulted in a significant shift of the tax burden: in 2019, residential homeowners were responsible for 60.3% of our property taxes. In 2024, they are responsible for 71.3%.

The attached resolution outlines numerous ways for property tax relief/reform to be achieved. Some – such as increasing the Homestead exemption – would require additional State funding. Others – such as a local option sales tax – do not require any funding from the State. We encourage you to pursue these and other measures to enact property tax reform. We suspect you will find that your colleagues in the Maine House and Senate are also hearing the same calls for reforms.

Please reach out if I can be of assistance in helping you pursue these measures.

Sincerely,

A handwritten signature in blue ink, appearing to read "Misha C. Pride". The signature is fluid and cursive, with a large, stylized initial "M".

Misha Pride
Mayor

Cc: South Portland City Council
Scott Morelli, City Manager



CITY OF SOUTH PORTLAND

MISHA C. PRIDE
Mayor

SCOTT T. MORELLI
City Manager

JESSICA A. HUGHES
City Clerk

BRANDON MAZER
Corporation Counsel

District One
LINDA C. COHEN

District Two
RACHAEL COLEMAN

District Three
MISHA C. PRIDE

District Four
STEVEN J. RILEY

District Five
ELYSE C. TIPTON

At Large
RICHARD T. MATTHEWS

At Large
NATALIE E. WEST

**IN CITY COUNCIL
RESOLVE #1-24/25
CALLING UPON ITS LEGISLATIVE DELEGATION**

WHEREAS, South Portland, like many cities, has seen an influx of new residents who want to live here; and

WHEREAS, South Portland has recently been named one of the best places for families to live in America; and

WHEREAS, the prices of houses in South Portland have increased substantially since the Covid 19 pandemic; and

WHEREAS, there are residents in our community who have lived here for many years; and

WHEREAS, these long term residents include senior citizens who live on fixed incomes; and

WHEREAS, Maine's Constitution and statutes require reassessment of properties which has resulted in some long term owners incurring substantial and unexpected increases in property taxes, with newer homeowners also experiencing significant hikes due to shifts in the property tax burden; and

WHEREAS, the State Legislature has the sole power to enact changes in the property tax system, to enact other measures to reduce reliance on property taxes as a revenue source and, if appropriate, to submit Constitutional amendments to the voters;

NOW THEREFORE BE IT RESOLVED that the City Council of the City of South Portland calls upon its legislative delegation, Senator Anne Carney, and Representatives Matt Beck, Deqa Dhalac, and Christopher Kessler to work toward a more fair and equitable system of real property taxation, as well as other measures to reduce property tax burden which may include but is not limited to the following:

1. Substantially increase the Homestead Exemption, and fully fund the lost revenue reimbursement to municipalities;
2. Authorize a real property transfer tax that is paid at the time real property is sold;
3. Authorize local option taxes that allow cities to impose local sales taxes;
4. Increase the property tax fairness credit and consider additional, means-based property tax relief programs;
5. Increase state revenue sharing and/or revamp the formula so that communities with high values and lower tax rates are not penalized; and
6. Limit the allowable annual increase in assessed value of residential property used as a primary residence.

Dated: September 3, 2024