



# Town of Brunswick, Maine

INCORPORATED 1739

TOWN COUNCIL

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February 3, 2020

Maine Legislature  
Joint Standing Committee on Taxation  
c/o Legislative Information Office  
100 State House Station  
Augusta, ME 04333

## **RE: LD 2045, An Act Relating to the Valuation of Certain Retail Property**

Dear Representative Tipping, Senator Chipman and members of the Taxation Committee:

We, the members of the Brunswick Town Council, send this letter to you as our testimony in strong support of **LD 2045, An Act Relating to the Valuation of Certain Retail Property**.

This bill would provide valuable state-level guidance regarding the property value assessment process for big box stores. By enacting this legislation, you could help defend towns, local small businesses and homeowners against a deeply predatory practice that takes a well justified property tax assessment and transfers it to the bottom lines of big retail.

By now, I imagine all of you have heard about the use of the "Dark Store Theory," a tactic deployed throughout the country by several big box retail chains. The way it works is that the stores hire law firms that specialize in litigating property tax assessment appeals, and then those firms go around arguing that these big retail stores should be taxed as if they were empty storefronts and not the thriving places of businesses that actually exist.

This is happening all over Maine, from Ellsworth to Bangor to Brunswick and beyond.

Now, the firms don't always win, but they often get some kind of split judgment or even a settlement from towns that don't have the will or the resources to see the appeal process all the way through. The result is that the store secures a lower assessment, and the revenue loss to the town extends indefinitely into the future.

You might not be surprised to read that we don't think this is fair. Regardless of the minutiae of Maine's assessment guidelines, when you speak in terms of basic fairness, no other property taxpayers are held to the "dark store" standard. Maine's small business owners can't pretend their stores are abandoned, and homeowners can't pretend nobody lives in their fully occupied home. Why should large-scale retail chains receive special treatment? Why should they get to push a chunk of a town's property tax burden onto those who can least afford it?

For Brunswick, there are hundreds of thousands of dollars at stake (see attached Times Record article), not just in the immediate term, but going forward for years to come. This is the kind of financial damage that will impact investment in infrastructure, public safety, education and

economic development. It will hinder our ability to keep our town as livable and as affordable as possible, especially for seniors on fixed incomes and working families.

We are aware that the specter of the Maine Constitution looms over this bill, particularly the "fair market value" clause. Without getting into the legal particulars, we would encourage the Taxation Committee to work closely with the committee analyst and the Office of the Attorney General to ensure that the final committee amendment withstands legal scrutiny.

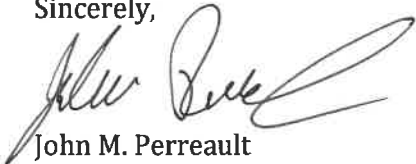
Even a significantly modified version of this bill would be better than a simple Ought Not To Pass report. Just having the Legislature weigh in and express its intent provides value to towns as they defend themselves.

Make no mistake, we value having larger retailers in our town, even if we might have mixed feelings about big box stores more generally. They contribute jobs and draw people to Brunswick, two things we need here. We simply believe that these stores should be treated just like everyone else.

The Town Council voted unanimously to send this letter to the Joint Standing Committee on Taxation at the February 3, 2020 meeting.

Thank you for your time and attention. We hope you will see fit to pass this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Perreault". The signature is fluid and cursive, with a large, sweeping flourish at the end.

John M. Perreault  
Chair, Brunswick Town Council