

## **The Maine Heritage Policy Center**

### **Testimony to Oppose LD 917**

#### **“An Act Increasing Municipal Agent Fees for Motor Vehicle, All-terrain Vehicle, Snowmobile, and Watercraft Registrations”**

Senator Diamond, Representative McLean, and distinguished members of the Joint Standing Committee on Transportation, my name is Adam Crepeau. I serve as the policy analyst at The Maine Heritage Policy Center and am here to testify in opposition to LD 917, “An Act Increasing Municipal Agent Fees for Motor Vehicle, All-terrain Vehicle, Snowmobile and Watercraft Registrations.”

The Maine Heritage Policy Center is opposed to LD 917 because it allows municipal service agents to charge higher service fees for the registration of motor vehicles, all-terrain vehicles, snowmobiles, and watercraft. While these are marginal increases, they represent a systemic problem in this state -- the growth of government.

The intention of this bill is most likely to give municipalities another avenue to collect revenue. However, the most effective way for municipalities to collect additional revenue is to be attractive to potential residents. In 2018, Maine had the 3rd highest state-local tax burden in the nation (11.02 percent).<sup>1</sup> While this increase is not a tax, nickel and diming residents for every dollar they earn does not allow Maine to be competitive with other states.

In addition, municipalities are prospectively going to receive increased funding from the state for K-12 education and municipal revenue sharing, which is outlined in the governor’s biennial budget proposal. Increasing the amount a municipal service agent can charge individuals that want to register or renew their registration for the aforementioned vehicles is unnecessary, especially if this funding is going to be available. In sum, cities and towns in Maine need to live within their means and reduce waste at the local level.

This fee increase does not help Mainers and needlessly increases the size and scope of government. Municipalities should be searching for ways to reduce their local property tax burdens, not erroneously raising fees to grow their operations. For those reasons, The Maine Heritage Policy Center urges the committee to vote, “Ought Not to Pass” on LD 917. Thank you.

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<sup>1</sup> <https://wallethub.com/edu/states-with-highest-lowest-tax-burden/20494/>