

MAINE STATE LEGISLATURE

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Date: 6/17/25 Majority

L.D. 435
(Filing No. H- 773)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 289, L.D. 435, "An Act to Expand the Historic Property Rehabilitation Tax Credit"

Amend the bill in Part A in section 3 in paragraph B in the 4th line (page 2, line 19 in L.D.) by striking out the following: "2026" and inserting the following: "2027"

Amend the bill in Part A in section 7 in §5219-CCC in the first line (page 3, line 26 in L.D.) by striking out the following: "2024" and inserting the following: "2025"

Amend the bill in Part A in section 7 in §5219-CCC in subsection 1 in paragraph E in the 2nd line (page 4, line 2 in L.D.) by striking out the following: "2025" and inserting the following: "2026"

Amend the bill in Part B by striking out all of sections 2 and 3.

Amend the bill by inserting after Part B the following:

'PART C

Sec. C-1. 30-A MRSA §4722, sub-§1, ¶DD, as amended by PL 2021, c. 671, §1, is further amended by amending subparagraph (1), division (b) to read:

(b) "Affordable housing project" means a multifamily rental housing project that contains at least 5 units of affordable housing and in which:

- (i) At least 50% of the aggregate square feet of the completed project is housing of which at least 50% of the aggregate square feet of the completed housing creates new affordable housing; or
- (ii) At least 33% of the aggregate square feet of the completed project creates new affordable housing.

Sec. C-2. 36 MRSA §5219-BB, sub-§1, ¶A, as amended by PL 2009, c. 361, §28 and affected by §37, is further amended to read:

A. "Certified affordable housing project" means a decent, safe and sanitary dwelling, ~~apartment or other living accommodation~~ multifamily rental housing project that

contains at least 5 dwellings, apartments or other living accommodations and that has been certified by the Maine State Housing Authority as an affordable housing project pursuant to Title 30-A, section 4722, subsection 1, paragraph DD.

Sec. C-3. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides one-time funding for computer programming costs.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$33,662
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$33,662</u>

**ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF
DEPARTMENT TOTALS**

	2025-26	2026-27
GENERAL FUND	\$0	\$33,662
DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$33,662</u>

HISTORIC PRESERVATION COMMISSION, MAINE

Historic Preservation Commission 0036

Initiative: Provides ongoing funds for 2 Historic Preservationist Coordinator positions and related All Other costs to implement the certification obligations of the Director of the Maine Historic Preservation Commission under the Maine Revised Statutes, Title 27, section 511 for the expanded small project credit under Title 36, section 5219-BB and the new tax credit for the rehabilitation and weatherization of historic homes under Title 36, section 5219-CCC. One position begins October 1, 2025 and one position begins January 1, 2026.

GENERAL FUND	2025-26	2026-27
POSITIONS - LEGISLATIVE COUNT	2,000	2,000
Personal Services	\$147,248	\$246,830
All Other	\$19,038	\$30,461
GENERAL FUND TOTAL	<u>\$166,286</u>	<u>\$277,291</u>

Historic Preservation Commission 0036

Initiative: Provides one-time funds for consulting services to assist in the analysis of the use of the tax credits provided.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$50,000
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$50,000</u>

**HISTORIC PRESERVATION COMMISSION,
MAINE**

DEPARTMENT TOTALS	2025-26	2026-27
GENERAL FUND	\$166,286	\$327,291
DEPARTMENT TOTAL - ALL FUNDS	\$166,286	\$327,291
SECTION TOTALS	2025-26	2026-27
GENERAL FUND	\$166,286	\$360,953
SECTION TOTAL - ALL FUNDS	\$166,286	\$360,953

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment eliminates the bill's revisions to the caps on the rehabilitation credits for historic properties and affordable housing. The amendment also relieves the Maine State Housing Authority of the obligation to certify for the credit affordable housing projects with fewer than 5 units.

FISCAL NOTE REQUIRED

(See attached)

**132nd MAINE LEGISLATURE****LD 435****LR 369(02)****An Act to Expand the Historic Property Rehabilitation Tax Credit****Fiscal Note for Bill as Amended by Committee Amendment****Committee: Taxation****Fiscal Note Required: Yes****A' (H-773)**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$166,286	\$631,703	\$828,417	\$1,109,169
Appropriations/Allocations				
General Fund	\$166,286	\$360,953	\$286,917	\$296,919
Revenue				
General Fund	\$0	(\$270,750)	(\$541,500)	(\$812,250)
Other Special Revenue Funds	\$0	(\$14,250)	(\$28,500)	(\$42,750)

Fiscal Detail and Notes

This bill includes a revenue decrease to the General Fund of \$270,750 in fiscal year 2026-27 by expanding the tax credit for rehabilitation of historic properties for eligible projects beginning on tax years on or after January 1, 2026. The bill also includes a revenue decrease to the Local Government Fund of \$14,250 in fiscal year 2026-27.

Additionally, the bill includes a one-time General Fund appropriation to the Bureau of Revenue Services within the Department of Administrative and Financial Services of \$33,662 in fiscal year 2026-27 to fund computer programming costs associated with the provisions of this bill.

The bill also includes ongoing General Fund appropriations of \$166,286 in fiscal year 2025-26 and \$327,291 in fiscal year 2026-27 to the Maine Historic Preservation Commission for the costs associated with implementing the requirements of this bill. Of this amount, \$166,286 in fiscal year 2025-26 and \$277,291 is appropriated on an ongoing basis for 2 Historic Preservationist Coordinator positions and related All Other costs to perform certification obligations for the expanded small project credit and the new tax credit for the rehabilitation and weatherization of historic homes. This fiscal note assumes that one position will begin on October 1, 2025 and one position will begin on January 1, 2026. Additionally, \$50,000 is appropriated on a one-time basis in fiscal year 2026-27 for consulting services to assist in the analysis of the use of the tax credits provided.