

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 132nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2025

---

Legislative Document

No. 1044

---

H.P. 673

House of Representatives, March 14, 2025

### **An Act to Clarify the Qualifying Use of Tax Increment Financing for Extension of a Development District**

---

Received by the Clerk of the House on March 12, 2025. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script, reading "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative KUHN of Falmouth.  
Cosponsored by Senator PIERCE of Cumberland and  
Representatives: BRIDGEO of Augusta, DHALAC of South Portland, LEE of Auburn,  
MOONEN of Portland, MURPHY of Scarborough.

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 30-A MRSA §5224, sub-§2, ¶H**, as amended by PL 2023, c. 472, §1, is further amended by amending subparagraph (1) to read:

(1) A development district that is a tax increment financing district may not exceed a total of 30 tax years beginning with the tax year in which the designation of the development district is effective pursuant to section 5226, subsection 3 or, if specified in the development program, the subsequent tax year, except that, during the 10 calendar years after the general effective date of laws enacted during the First Special Session of the 131st Legislature October 25, 2023, a district may be extended an additional 20 years if the district uses in total at least 75% of tax increment financing revenue for affordable housing projects or transit-oriented development, or both. A district that is extended under this subparagraph may continue to use the original assessed value of the district.

For purposes of this subparagraph, "affordable housing" means a decent, safe and sanitary dwelling, apartment or other living accommodation for a household whose income does not exceed 120% of the median income for the area as defined by the United States Department of Housing and Urban Development under the United States Housing Act of 1937, Public Law 75-412, 50 Stat. 888, Section 8; "transit-oriented development" means a type of development that links land use with transit facilities by combining housing with complementary public uses, including jobs, and retail or services establishments, that are located in transit-served nodes or corridors rely on transit as one of the means of meeting the transportation needs of residents, customers and occupants, regardless of whether the development is located in a transit-oriented development district, area or corridor or a transit-served node; and "original assessed value" means the taxable assessed value of a district as of March 31st of the tax year preceding the year in which it was designated by a municipality and approved by the commissioner under section 5226, subsection 2; and

## SUMMARY

This bill clarifies that to be eligible for a 20-year extension, a tax increment financing district may use the tax increment financing revenue for one or both of the permitted uses of affordable housing and transit-oriented development. The bill also amends the definition of "transit-oriented development" to provide that such a development does not have to be located in a transit-oriented development district, area or corridor or a transit-served node.