

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1657

H.P. 1098

House of Representatives, April 15, 2025

An Act to Expand the Use of Tax Increment Revenue for Affordable Housing by Adding Authorized Project Costs

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT

Clerk

Presented by Representative KUHN of Falmouth.

Cosponsored by Representatives: ANKELES of Brunswick, GERE of Kennebunkport, LEE of Auburn, MASTRACCIO of Sanford, MURPHY of Scarborough, O'HALLORAN of Brewer, SACHS of Freeport.

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

2 **Sec. 1. 30-A MRSA §5225, sub-§1, ¶A**, as amended by PL 2021, c. 261, §§2 to
3 4, is further amended by amending subparagraph (9) to read:

4 (9) Costs associated with the development, sale, purchase, improvement, financial
5 support and operation of housing, including, but not limited to, authorized project
6 costs for improvements as described in section 5249 even if such improvements
7 are not made within an affordable housing development district as defined in
8 section 5246, subsection 2;

9 **Sec. 2. 30-A MRSA §5225, sub-§1, ¶B**, as amended by PL 2021, c. 261, §5, is
10 further amended by amending subparagraph (4) to read:

11 (4) Authorized project costs for improvements as described in section 5249 and
12 the development, sale, purchase, financial support and operation of affordable
13 housing in support of municipal economic development activities and workforce
14 recruitment and retention efforts regardless of whether such costs are within an
15 affordable housing development district as defined in section 5246, subsection 2;

16 **Sec. 3. 30-A MRSA §5225, sub-§1, ¶C**, as amended by PL 2023, c. 142, §§1 to
17 3, is further amended by amending subparagraph (11) to read:

18 (11) Costs associated with the development, sale, purchase, improvement,
19 operation and financial support of:

20 (a) Affordable housing in the municipality or plantation to serve ongoing
21 economic development efforts, including, but not limited to, workforce
22 recruitment and retention and the further development of the downtown tax
23 increment financing districts; and

24 (b) Housing programs and services to assist those who are experiencing
25 homelessness in the municipality or plantation as defined in the municipality's
26 or plantation's development program; and

27 (c) The creation, maintenance and administration of a municipal loan or grant
28 program to provide assistance to qualifying purchasers of affordable housing
29 subject to the terms and conditions determined by the municipality establishing
30 the municipal loan or grant program, as long as the affordable housing for
31 which the loan or grant program funds will be used supports economic
32 development and workforce recruitment and retention efforts within the
33 municipality; and

34 **Sec. 4. 30-A MRSA §5249, sub-§1, ¶A**, as amended by PL 2013, c. 312, §4, is
35 further amended by amending subparagraph (11) to read:

36 (11) Operating costs, including but not limited to property management and
37 administration, utilities, routine repairs and maintenance, insurance, real estate
38 taxes and funding of a projects capital reserve account; and

39 **Sec. 5. 30-A MRSA §5249, sub-§1, ¶B**, as enacted by PL 2003, c. 426, §1, is
40 amended by amending subparagraph (4) to read:

41 (4) Costs to establish permanent housing development revolving loan funds or
42 investment funds; and

Sec. 6. 30-A MRSA §5249, sub-§1, ¶C is enacted to read:

C. Costs to establish a municipal loan or grant program to provide assistance to qualifying purchasers of affordable housing subject to the terms and conditions determined by the municipality establishing the municipal loan or grant program. Notwithstanding any provision of this section or section 5225, subsection 1 to the contrary, the use of tax increment revenue for the purposes of this paragraph does not require that affordable housing purchased with the use of municipal loan or grant program funds authorized by this paragraph be:

(1) Located within an affordable housing development district or tax increment financing district; or

(2) Directly related to or made necessary by the establishment or operation of any such district.

SUMMARY

This bill expands the use of tax increment revenue for affordable housing by adding authorized project costs, including costs for the development, sale, purchase, financial support and operation of affordable housing and for the creation, maintenance and administration of a municipal loan or grant program to provide assistance to qualifying purchasers of affordable housing.