

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

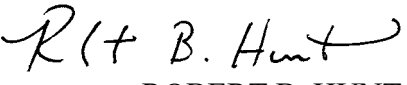
No. 1783

H.P. 1194

House of Representatives, April 24, 2025

An Act to Clarify Municipal Affordable Housing Tax Increment Financing

Reference to the Committee on State and Local Government suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative SALISBURY of Westbrook.
Cosponsored by Representatives: FRIEDMANN of Bar Harbor, MASTRACCIO of Sanford,
MATLACK of St. George, MURPHY of Scarborough, ROLLINS of Augusta.

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

2 **Sec. 1. 30-A MRSA §5248, sub-§2, ¶G,** as amended by PL 2013, c. 312, §3, is
3 further amended to read:

4 G. The duration of the program, which ~~may start~~ starts and ends during ~~any~~ the tax
5 ~~year~~ years specified in the approval of the affordable housing development program by
6 a municipal legislative body, except that the program duration may not exceed the
7 earlier of 30 years after the tax year in which the affordable housing is placed in service,
8 as evidenced by issuance of a municipal certificate of occupancy, and 35 years after
9 the tax year in which the designation of the district is approved by the director as
10 provided in section 5250, subsection 3; and

11 **Sec. 2. 30-A MRSA §5249, sub-§1, ¶B,** as enacted by PL 2003, c. 426, §1, is
12 amended by amending subparagraph (2) to read:

13 (2) Costs of public safety improvements, including costs related to the
14 construction, expansion or operation of public safety facilities, as defined in section
15 5222, subsection 14-A, and public safety equipment and costs related to public
16 safety personnel, directly related to or made necessary by the establishment or
17 operation of the district;

18 **Sec. 3. 30-A MRSA §5250-A, sub-§4** is enacted to read:

19 **4. Remaining funds.** Tax increment revenues remaining in an affordable housing
20 development program fund are subject to this subsection.

21 A. Any tax increment revenues remaining in the development sinking fund account
22 established under subsection 3, paragraph A, subparagraph (2) on the date the
23 affordable housing development district ends may be retained in the development
24 sinking fund account for a period of 3 years from the date the development district ends
25 and used only to pay debt service on bonds and notes issued under section 5250-D and
26 the financial plan.

27 B. Any tax increment revenues remaining in the project cost account established under
28 subsection 3, paragraph A, subparagraph (1) on the date the affordable housing
29 development district ends may be retained in the project cost account for a period of 3
30 years from the date the development district ends and used only to pay approved project
31 costs that are described in the affordable housing development program.

32 C. Any tax increment revenues remaining in the development sinking fund account or
33 the project cost account established under subsection 3, paragraph A after the
34 expiration of the time periods described in paragraphs A and B must be returned to the
35 municipal or plantation general fund and a corresponding tax shift adjustment must be
36 implemented with the Department of Administrative and Financial Services, Bureau of
37 Revenue Services.

38 **Sec. 4. 30-A MRSA §5250-E, sub-§1,** as enacted by PL 2003, c. 426, §1, is
39 amended to read:

40 **1. Reports.** The legislative body of a municipality ~~must~~ shall report annually to the
41 director regarding the status of an affordable housing development district. The legislative
42 body of the municipality may delegate the annual reporting requirement to a municipal

1 officer in the initial designation of the affordable housing development district. The report
2 must:

3 A. Certify that the public purpose of the affordable housing district, as outlined in this
4 subchapter, is being met;

5 B. Account for any sales of property within the district; and

6 C. Certify that rental units within the affordable housing development district have
7 remained affordable.

8 **SUMMARY**

9 This bill makes changes to the laws governing municipal affordable housing
10 development districts, including the following.

11 1. It amends the law regarding the duration of affordable housing development
12 programs.

13 2. It changes the costs related to public safety improvements that are considered
14 authorized project costs.

15 3. It provides for the retention or return of tax increment revenues remaining in an
16 affordable housing development fund on the date a development district ends.

17 4. It authorizes a legislative body of a municipality to delegate to a municipal officer
18 a reporting requirement.