

MAINE STATE LEGISLATURE

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L.D. 858

DATE: 5-16-03

(Filing No. H-412)

MAJORITY TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 635, L.D. 858, Bill, "An Act To Establish a Municipal Affordable Housing Development District Tax Increment Financing Program"

Amend the bill in section 1 in that part designated "~~§5247.~~" in subsection 3 in paragraph E in the last line (page 4, line 40 in L.D.) by striking out the following: "5 years" and inserting in its place the following: '10 years for single-family, owner-occupied units and 30 years for rental units'

Further amend the bill in section 1 in that part designated "~~§5247.~~" in subsection 3 by inserting after paragraph F the following:

'G. The district must be primarily a residential development on which at least 33% of the dwelling units are affordable housing and that may be designed to be compact and walkable and to include internal open space, other common open space and one or more small-scale nonresidential uses of service to the residents of the development.'

Further amend the bill in section 1 in that part designated "~~§5249.~~" in subsection 1 in paragraph B in subparagraph (3) in the 3rd line (page 8, line 29 in L.D.) by inserting after the following: "used for" the following: 'funding public kindergarten to grade 12 costs and'

Further amend the bill by inserting after section 1 the following:

COMMITTEE AMENDMENT

'Sec. 2. 36 MRSA §305, sub-§1, as amended by PL 1995, c. 462, Pt. A, §67, is further amended to read:

1. Just value. Certify to the Secretary of State before the first day of February the equalized just value of all real and personal property in each municipality and unorganized place that is subject to taxation under the laws of this State, except that percentage of captured assessed value located within a tax increment financing district that is used to finance that district's development plan, the captured assessed value located within a municipal affordable housing development district and the valuation amount by which the current assessed value of commercial and industrial property within a municipal incentive development zone, as determined in Title 30-A, section 5284, exceeds the assessed value of commercial and industrial property within the zone as of the date the zone is approved by the Commissioner of Economic and Community Development, known in this subsection as the "sheltered value," up to the amount invested by a municipality in infrastructure improvements under an infrastructure improvement plan adopted pursuant to Title 30-A, section 5283. The equalized just value must be uniformly assessed in each municipality and unorganized place and be based on 100% of the current market value. It must separately show for each municipality and unorganized place the actual or estimated value of all real estate that is exempt from property taxation by law or is the captured value within a tax increment financing district that is used to finance that district's development plan, as reported on the municipal valuation return filed pursuant to section 383, or that is the sheltered value of a municipal incentive development zone. The valuation as filed remains in effect until the next valuation is filed and is the basis for the computation and apportionment of the state and county taxes;'

SUMMARY

This amendment provides that the affordable housing development program must require the ongoing affordability for at least 10 years for owner-occupied units and 30 years for rental units. The amendment adds a requirement that the development be primarily a residential development on which at least 33% of the dwelling units are affordable and provides that captured assessed value located within an affordable housing development district must be excluded from a municipality's state valuation.

FISCAL NOTE REQUIRED
(See attached)



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 858

**An Act to Establish a Municipal Affordable Housing Development
District Tax Increment Financing Program**

LR 0787(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

This legislation provides that the captured assessed value for an affordable housing development district be excluded from a municipality's state valuation if a tax incrementing financing program is approved by a municipality. This measure will result in the amount of state subsidy that a local school unit is to receive not being affected by the addition of an affordable housing development district to a municipality. Any additional costs to the Maine State Housing Authority can be absorbed utilizing existing budgeted resources.