

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 1100

S.P. 352

March 6, 2007

### **An Act To Support Continued Viability of Affordable Housing**

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Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator SCHNEIDER of Penobscot.  
Cosponsored by Representative LANSLEY of Sabattus and  
Senators: BARTLETT of Cumberland, BRANNIGAN of Cumberland, MARTIN of  
Aroostook, NASS of York, PERRY of Penobscot, Representatives: AUSTIN of Gray, CLARK  
of Millinocket, PILON of Saco.

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

2 **Sec. 1. 36 MRS §652-A** is enacted to read:

3 **§652-A. Affordable rental housing facilities**

4 **1. Certification.** An owner of a low-income rental housing facility who desires to  
5 secure exemption under this section shall make written application and file written proof  
6 of entitlement for exemption with the assessors of the municipality in which the property  
7 is located on or before the first day of April in the year in which the exemption is first  
8 requested. In the application, the owner shall certify that the property qualifies for the  
9 low-income rental housing tax credit under Section 42 of the Code. A copy of the  
10 recorded extended low-income housing commitment agreement, other low-income rental  
11 housing use restriction covenant required by Section 42 of the Code or other low-income  
12 rental housing use restriction required by the Maine State Housing Authority is sufficient  
13 proof of entitlement. Upon receiving the application with the required certification and  
14 proof of entitlement, the assessors shall grant the exemption. The exemption continues in  
15 effect until the property no longer qualifies for the low-income rental housing tax credit  
16 under Section 42 of the Code.

17 **2. Exemption.** All low-income rental housing facilities, including a facility  
18 functionally related and subordinate to a low-income rental housing facility, that qualify  
19 for the low-income rental housing tax credit under Section 42 of the Code are exempt  
20 from taxation. The exemption allowed under this subsection is limited to that part of the  
21 just value that is in any way, directly or indirectly, attributable to or based on the low-  
22 income rental housing tax credit under Section 42 of the Code. For purposes of this  
23 section, references to Section 42 of the Code include any successor provisions to Section  
24 42 of the Code.

25 **SUMMARY**

26 This bill provides that low-income housing facilities that qualify for the low-income  
27 housing tax credit under the United States Internal Revenue Code of 1986, Section 42 are  
28 exempt from taxation in this State to the extent of the just value attributable in any way to  
29 or based in any way on the value exempted under the low-income housing tax credit.