

MAINE STATE LEGISLATURE

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Date: 5/31/13

majority

L.D. 1218

(Filing No. H-307)

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 863, L.D. 1218, Bill, "An Act To Amend the Law Regarding Affordable Housing Tax Increment Financing"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 30-A MRSA §5246, sub-§12, as enacted by PL 2003, c. 426, §1, is amended to read:

12. Original assessed value. "Original assessed value" means the assessed value of an affordable housing development district as of March 31st of the tax year preceding the year in which it was designated, and, for affordable housing development districts designated on or after April 1, 2014, "original assessed value" means the taxable assessed value of an affordable housing development district as of March 31st of the tax year preceding the year in which it was designated by the municipality or plantation.

Sec. 2. 30-A MRSA §5247, sub-§3, ¶¶D and F, as enacted by PL 2003, c. 426, §1, are repealed.

Sec. 3. 30-A MRSA §5248, sub-§2, ¶G, as enacted by PL 2003, c. 426, §1, is amended to read:

G. The duration of the program, which may start during any tax year specified in the approval of the affordable housing development program by a municipal legislative body, except that the program may not exceed 30 years from the date of designation of the district after the tax year in which the designation of the district is approved by the director as provided in section 5250, subsection 3; and

Sec. 4. 30-A MRSA §5249, sub-§1, ¶A, as enacted by PL 2003, c. 426, §1, is amended to read:

A. Costs of improvements made within the affordable housing development district, including, but not limited to:

- (1) Capital costs, including, but not limited to:

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to H.P. 863, L.D. 1218

- 1 (a) The acquisition of land or construction of public infrastructure
- 2 improvements for affordable housing development;
- 3 (b) The demolition, alteration, remodeling, repair or reconstruction of
- 4 existing buildings, structures and fixtures;
- 5 (c) Site preparation and finishing work; and
- 6 (d) All fees and expenses that are eligible to be included in the capital cost of
- 7 such improvements, including, but not limited to, licensing and permitting
- 8 expenses and planning, engineering, architectural, testing, legal and
- 9 accounting expenses;
- 10 (2) Financing costs, including, but not limited to, closing costs, issuance costs
- 11 and interest paid to holders of evidences of indebtedness issued to pay for project
- 12 costs and any premium paid over the principal amount of that indebtedness
- 13 because of the redemption of the obligations before maturity;
- 14 (3) Real property assembly costs;
- 15 (4) Professional service costs, including, but not limited to, licensing,
- 16 architectural, planning, engineering and legal expenses;
- 17 (5) Administrative costs, including, but not limited to, reasonable charges for the
- 18 time spent by municipal employees in connection with the implementation of an
- 19 affordable housing development program;
- 20 (6) Relocation costs, including, but not limited to, relocation payments made
- 21 following condemnation;
- 22 (7) Organizational costs relating to the establishment of the affordable housing
- 23 district, including, but not limited to, the costs of conducting environmental
- 24 impact and other studies and the costs of informing the public about the creation
- 25 of affordable housing development districts and the implementation of project
- 26 plans;
- 27 (8) Costs of facilities used predominantly for recreational purposes, including,
- 28 but not limited to, recreation centers, athletic fields and swimming pools; ~~and~~
- 29 (9) Costs for child care, including finance costs and construction, staffing,
- 30 training, certification and accreditation costs related to child care located in the
- 31 affordable housing development district; ~~and~~
- 32 (10) Costs of case management and support services; and
- 33 (11) Operating costs, including but not limited to property management and
- 34 administration, utilities, routine repairs and maintenance, insurance, real estate
- 35 taxes and funding of a projects capital reserve account; and

36 **Sec. 5. 30-A MRSA §5250-D**, as enacted by PL 2003, c. 426, §1, is amended to
37 read:

COMMITTEE AMENDMENT

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§5250-D. Bond financing

The legislative body of a municipality may authorize, issue and sell bonds, including but not limited to general obligation or revenue bonds or notes, that mature within ~~20~~ 30 years from the date of issue to finance all project costs needed to carry out the affordable housing development program within the affordable housing development district. The municipal officers authorized to issue the bonds or notes may borrow money in anticipation of the sale of the bonds for a period of up to 3 years by issuing temporary notes and notes in renewal of the bonds. All revenues derived under section 5250-A received by the municipality are pledged for the payment of the activities described in the affordable housing development program and used to reduce or cancel the taxes that may otherwise be required to be expended for that purpose. The notes, bonds or other forms of financing may not be included when computing the municipality's net debt. Nothing in this section restricts the ability of the municipality to raise revenue for the payment of project costs in any manner otherwise authorized by law.'

SUMMARY

This amendment replaces the bill with the following changes.

1. It provides that the municipal vote becomes the effective original assessed value date and allows flexibility in the review and approval of an affordable housing development district by the Maine State Housing Authority.
2. It eliminates the adjusted \$50,000,000 cap on bonded indebtedness for the affordable housing development districts within a county and the requirement that acquisition, construction and property improvements included within the affordable housing development program financed by municipal bonded indebtedness must be completed within 5 years of the approval of a district.
3. It clarifies the duration of an affordable housing development program.
4. It includes operational costs, in addition to the costs of case management and support services provided for in the bill, in the authorized project costs allowable for financing under an affordable housing tax increment financing program.
5. It expands from 20 years to 30 years the allowable maturation period for bonds issued by the legislative body of a municipality or plantation to finance the cost of an affordable housing development program within an affordable housing development district.

FISCAL NOTE REQUIRED

(See attached)



126th MAINE LEGISLATURE

LD 1218

LR 1907(02)

An Act To Amend the Law Regarding Affordable Housing Tax Increment Financing

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Taxation

Fiscal Note Required: Yes

A(H-307)

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs incurred by Maine State Housing Authority related to reviewing the costs of case management and support services to determine eligibility under an affordable housing tax increment financing program can be absorbed within existing budgeted resources.