

# MAINE STATE LEGISLATURE

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# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 953

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S.P. 305

In Senate, March 9, 2021

**An Act To Improve Affordable Housing Options and Services To  
Address Homelessness**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator DESCHAMBAULT of York.  
Cosponsored by Speaker FECTEAU of Biddeford and  
Representatives: ARFORD of Brunswick, GERE of Kennebunkport, RIELLY of Westbrook,  
SALISBURY of Westbrook, SHEEHAN of Biddeford.

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 2011, c. 101, §12, is  
3 further amended to read:

4 A. Costs of improvements made within the tax increment financing district, including,  
5 but not limited to:

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

7 (a) The acquisition or construction of land, improvements, public ways,  
8 buildings, structures, fixtures and equipment for public, arts district, new or  
9 existing recreational trail, commercial, affordable housing or transit-oriented  
10 development district use.

11 (i) Eligible transit-oriented development district capital costs include but  
12 are not limited to: transit vehicles such as buses, ferries, vans, rail  
13 conveyances and related equipment; bus shelters and other transit-related  
14 structures; benches, signs and other transit-related infrastructure; bicycle  
15 lane construction and other bicycle-related improvements; pedestrian  
16 improvements such as crosswalks, crosswalk signals and warning systems  
17 and crosswalk curb treatments; and the nonresidential commercial portions  
18 of transit-oriented development projects.

19 (ii) Eligible recreational trail-related development district capital costs  
20 include but are not limited to new or existing trails, including bridges that  
21 are part of the trail corridor, used all or in part for all-terrain vehicles,  
22 snowmobiles, hiking, bicycling, cross-country skiing or other related  
23 multiple uses, signs, crosswalks, signals and warning systems and other  
24 related improvements.

25 (iii) Eligible development district capital costs for public ways include but  
26 are not limited to scenic turnouts, signs, railing and other related  
27 improvements;

28 (iv) Costs for the development for affordable housing allowed under  
29 subchapter 3;

30 (b) The demolition, alteration, remodeling, repair or reconstruction of existing  
31 buildings, structures and fixtures;

32 (c) Site preparation and finishing work; and

33 (d) All fees and expenses that are eligible to be included in the capital cost of  
34 such improvements, including, but not limited to, licensing and permitting  
35 expenses and planning, engineering, architectural, testing, legal and  
36 accounting expenses;

37 (2) Financing costs, including, but not limited to, closing costs, issuance costs and  
38 interest paid to holders of evidences of indebtedness issued to pay for project costs  
39 and any premium paid over the principal amount of that indebtedness because of  
40 the redemption of the obligations before maturity;

41 (3) Real property assembly costs;

1 (4) Professional service costs, including, but not limited to, licensing,  
2 architectural, planning, engineering and legal expenses;

3 (5) Administrative costs, including, but not limited to, reasonable charges for the  
4 time spent by municipal or plantation employees in connection with the  
5 implementation of a development program;

6 (6) Relocation costs, including, but not limited to, relocation payments made  
7 following condemnation;

8 (7) Organizational costs relating to the establishment of the district, including, but  
9 not limited to, the costs of conducting environmental impact and other studies and  
10 the costs of informing the public about the creation of development districts and  
11 the implementation of project plans; and

12 (8) In the case of transit-oriented development districts, ongoing costs of adding  
13 to an existing transit system or creating a new transit service and limited strictly to  
14 transit operator salaries, transit vehicle fuel and transit vehicle parts replacements;

15 **Sec. 2. 30-A MRSA §5225, sub-§1, ¶B**, as amended by PL 2019, c. 148, §2, is  
16 further amended to read:

17 B. Costs of improvements that are made outside the tax increment financing district  
18 but are directly related to or are made necessary by the establishment or operation of  
19 the district, including, but not limited to:

20 (1) Costs related to the construction, alteration or expansion of any facilities not  
21 located within the district that are required due to improvements or activities within  
22 the district, including, but not limited to, sewage treatment plants, water treatment  
23 plants or other environmental protection devices; storm or sanitary sewer lines;  
24 water lines; electrical lines; improvements to public safety facilities; and amenities  
25 on streets;

26 (2) Costs of public safety improvements related to the establishment of the district;  
27 ~~and~~

28 (3) Costs of funding to mitigate any adverse impact of the district upon the  
29 municipality or plantation and its constituents. This funding may be used for public  
30 facilities and improvements if:

31 (a) The public facilities or improvements are located in a downtown tax  
32 increment financing district; and

33 (b) The entire tax increment from the downtown tax increment financing  
34 district is committed to the development program of the tax increment  
35 financing district; and

36 (4) Costs related to the construction or development of affordable housing in  
37 support of municipal economic development activities;

38 **Sec. 3. 30-A MRSA §5225, sub-§1, ¶C**, as amended by PL 2019, c. 604, §3 and  
39 c. 625, §3, is repealed and the following enacted in its place:

40 C. Costs related to economic development, environmental improvements, fisheries and  
41 wildlife or marine resources projects, recreational trails, broadband service  
42 development, expansion or improvement, including connecting to broadband service

1 outside the tax increment financing district, employment training or the promotion of  
2 workforce development and retention within the municipality or plantation, including,  
3 but not limited to:

4 (1) Costs of funding economic development programs or events developed by the  
5 municipality or plantation or funding the marketing of the municipality or  
6 plantation as a business or arts location;

7 (2) Costs of funding environmental improvement projects developed by the  
8 municipality or plantation for commercial or arts district use or related to such  
9 activities;

10 (3) Funding to establish permanent economic development revolving loan funds,  
11 investment funds and grants;

12 (4) Costs of services and equipment to provide skills development and training,  
13 including scholarships to in-state educational institutions or to online learning  
14 entities when in-state options are not available, for jobs created or retained in the  
15 municipality or plantation. These costs must be designated as training funds in the  
16 development program;

17 (5) Costs associated with quality child care facilities and adult care facilities,  
18 including finance costs and construction, staffing, training, certification and  
19 accreditation costs related to child care and adult care;

20 (6) Costs associated with new or existing recreational trails determined by the  
21 department to have significant potential to promote economic development,  
22 including, but not limited to, costs for multiple projects and project phases that may  
23 include planning, design, construction, maintenance, grooming and improvements  
24 with respect to new or existing recreational trails, which may include bridges that  
25 are part of the trail corridor, used all or in part for all-terrain vehicles, snowmobiles,  
26 hiking, bicycling, cross-country skiing or other related multiple uses;

27 (7) Costs associated with a new or expanded transit service, limited to:

28 (a) Transit service capital costs, including but not limited to: transit vehicles  
29 such as buses, ferries, vans, rail conveyances and related equipment; bus  
30 shelters and other transit-related structures; and benches, signs and other  
31 transit-related infrastructure; and

32 (b) In the case of transit-oriented development districts, ongoing costs of  
33 adding to an existing transit system or creating a new transit service and limited  
34 strictly to transit operator salaries, transit vehicle fuel and transit vehicle parts  
35 replacements;

36 (8) Costs associated with the development of fisheries and wildlife or marine  
37 resources projects;

38 (9) Costs related to the construction or operation of municipal or plantation public  
39 safety facilities, the need for which is related to general economic development  
40 within the municipality or plantation, not to exceed 15% of the captured assessed  
41 value of the development district;

42 (10) Costs associated with broadband and fiber optics expansion projects,  
43 including preparation, planning, engineering and other related costs in addition to

1 the construction costs of those projects. If an area within a municipality or  
2 plantation is unserved with respect to broadband service, as defined by the  
3 ConnectMaine Authority as provided in Title 35-A, section 9204-A, subsection 1,  
4 broadband and fiber optics expansion projects may serve residential or other  
5 nonbusiness or noncommercial areas in addition to business or commercial areas  
6 within the municipality or plantation; and

7 (11) Costs associated with the development and support of:

8 (a) Affordable housing in the municipality to serve ongoing economic  
9 development efforts, including the further development of downtown districts;  
10 and

11 (b) Housing programs and services to assist those who are homeless in the  
12 municipality;

13 **Sec. 4. 30-A MRSA §5225, sub-§1, ¶D**, as amended by PL 2011, c. 101, §15, is  
14 further amended to read:

15 D. Costs of constructing or improving facilities or buildings leased by State  
16 Government or a municipal or plantation government that are located in approved  
17 downtown tax increment financing districts; and

18 **Sec. 5. 30-A MRSA §5225, sub-§1, ¶E** is enacted to read:

19 E. Costs associated with the development of affordable housing or housing services  
20 for persons who are homeless for the purposes of providing an incentive for  
21 development within the municipality.

## 22 SUMMARY

23 This bill permits tax increment financing to be used by a municipality to cover costs  
24 associated with the development of affordable housing in and outside development  
25 districts, for the use in supporting housing services for persons who are homeless, for the  
26 purpose of providing an incentive for development within the municipality. The bill also  
27 corrects a conflict in the Maine Revised Statutes, Title 30-A, section 5225, subsection 1,  
28 paragraph C, which was amended by Public Law 2019, chapter 604 and chapter 625, by  
29 incorporating the changes made by both laws.