

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 286

H.P. 184

House of Representatives, January 27, 2023

**An Act to Authorize the Use of Tax Increment Financing Funds for
Constructing or Renovating Municipal Offices and Other Municipal
Buildings**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative CARLOW of Buxton.
Cosponsored by Senator INGWERSEN of York and
Representatives: ANKELES of Brunswick, BLIER of Buxton, CAMPBELL of Orrington,
CARMICHAEL of Greenbush, HASENFUS of Readfield, Senators: BAILEY of York,
GROHOSKI of Hancock.

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

2 **Sec. 1. 30-A MRSA §5225, sub-§1, ¶D**, as amended by PL 2021, c. 261, §7, is
3 further amended to read:

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

7 **Sec. 2. 30-A MRSA §5225, sub-§1, ¶E**, as enacted by PL 2021, c. 261, §8, is
8 amended to read:

9 E. Costs associated with the development and operation of affordable housing or
10 housing services for persons who are experiencing homelessness as defined in the
11 municipality's or plantation's development program; and

12 **Sec. 3. 30-A MRSA §5225, sub-§1, ¶F** is enacted to read:

13 F. Costs of construction or renovation of municipal offices or other municipal
14 buildings when, in the determination of the legislative body of the municipality,
15 conditions exist that impair the proper functioning of government or otherwise hinder
16 the vitality of the local economy; however, the costs may not exceed 10% of the total
17 current assessed value of the tax increment financing district or \$3,000,000, whichever
18 is less, during a 20-year period for any one tax increment financing district.

19 **Sec. 4. 30-A MRSA §5225, sub-§2**, as amended by PL 2019, c. 148, §4, is further
20 amended to read:

21 **2. Unauthorized project costs.** Except as provided in subsection 1, paragraph C,
22 subparagraph (9) and subsection 1, ~~paragraph~~ paragraphs D and E, the commissioner may
23 not approve as a project cost the cost of facilities, buildings or portions of buildings used
24 predominantly for the general conduct of government or for public recreational purposes,
25 including, but not limited to, city halls and other headquarters of government where the
26 governing body meets regularly, courthouses, jails and other state and local government
27 office buildings, recreation centers, athletic fields and swimming pools.

28 **SUMMARY**

29 This bill permits revenue from tax increment financing districts to be used for the
30 construction or renovation of municipal offices or other municipal buildings when the
31 legislative body of the municipality determines that certain conditions are met. The bill
32 limits the revenue that may be used for these purposes during a 20-year period for any one
33 tax increment financing district.