



# 131st MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2023

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Legislative Document

No. 1493

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H.P. 948

House of Representatives, April 5, 2023

**An Act to Increase Affordable Housing by Expanding Tax  
Increment Financing**

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Reference to the Committee on Taxation suggested and ordered printed.

*Robert B. Hunt*  
ROBERT B. HUNT  
Clerk

Presented by Representative LaROCHELLE of Augusta.  
Cosponsored by Representatives: ANKELES of Brunswick, BRIDGEO of Augusta,  
LANIGAN of Sanford, PERRY of Bangor, WHITE of Waterville.

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 constructing or improving facilities or buildings owned by the municipality  
14 as part of a qualified project as described by section 5250-W, subsection 3.

15 **Sec. 4. 30-A MRSA c. 206, sub-c. 7** is enacted to read:

16 **SUBCHAPTER 7**

17 **PINE TREE HOUSING ZONES**

18 **§5250-W. Pine Tree Housing Zones**

19 **1. Definitions.** As used in this subchapter, unless the context otherwise indicates, the  
20 following terms have the following meanings.

21 A. "Pine Tree Housing Zone" means a zone authorized to be established under this  
22 subchapter.

23 B. "Qualified project" means a project that meets the requirements of subsection 3.

24 C. "Workforce housing" means a housing project that will create long-term residential  
25 housing for households with earned income that is insufficient to secure quality  
26 housing in reasonable proximity to the workplace or for workers identified as essential  
27 by a municipality, including workers in public service, public safety, education, marine  
28 services, tourism or manufacturing industries.

29 **2. Zones authorized.** The municipality may designate a Pine Tree Housing Zone if  
30 the municipality:

31 A. Has, at the time of the designation, a:

32 (1) Development district that uses tax increment financing;

33 (2) State tax increment financing district; or

34 (3) Pine Tree Development Zone;

35 B. Is facing a shortage of workforce housing or affordable rental housing; and

36 C. Has met other requirements specified by rule adopted by the commissioner.

- 1           **3. Qualified project.** In order to be a qualified project, a project must:
- 2           A. Devote 50% of the area of the project to workforce housing or affordable rental
- 3           housing;
- 4           B. Maintain the areas of workforce housing or affordable rental housing as workforce
- 5           housing or affordable housing for a period of at least 20 years;
- 6           C. Be located in a Pine Tree Housing Zone; and
- 7           D. Meet other qualifications specified by rule adopted by the commissioner.

8           **4. Use of tax increment financing revenue.** Notwithstanding any provision of law to

9           the contrary, tax increment financing revenue may be used to finance a qualified project

10           located anywhere in the municipality in which the qualified project is located.

11           **5. Recovery of public funds.** The Maine State Housing Authority shall develop by

12           rule provisions for recovery of public revenue if conditions for approval of an affordable

13           housing development district are not maintained for the duration of the district. Rules

14           adopted by the authority pursuant to this subsection are major substantive rules as defined

15           in Title 5, chapter 375, subchapter 2-A.

16           **6. Rules.** The commissioner shall administer this subchapter. The commissioner shall

17           adopt rules pursuant to the Maine Administrative Procedure Act for implementation of Pine

18           Tree Housing Zones, including, but not limited to, rules for determining and certifying

19           eligibility, selecting zones for designation and evaluating on a periodic basis the progress

20           and success of each zone in achieving the Pine Tree Housing Zone's goals. Except as

21           provided in subsection 5, rules adopted under this section are routine technical rules as

22           defined in Title 5, chapter 375, subchapter 2-A.

23           **Sec. 5. 36 MRSA §1760, sub-§87-A** is enacted to read:

24           **87-A. Sales of tangible personal property and transmission and distribution of**

25           **electricity to qualified projects in Pine Tree Housing Zones.** Sales of tangible personal

26           property, and of the transmission and distribution of electricity, for use directly and

27           primarily by a qualified project, as described in Title 30-A, section 5250-W, subsection 3.

28           The exemption provided by this subsection is limited for each qualified project to sales

29           occurring within a period of 10 years of the beginning of construction of the qualified

30           project. As used in this subsection, "primarily" means more than 50% of the time during

31           the period that begins on the date on which the property is first placed in service by the

32           purchaser and ends 2 years from that date or at the time the property is sold, scrapped,

33           destroyed or otherwise permanently removed from service by the purchaser, whichever

34           occurs first.

35           **Sec. 6. 36 MRSA §2016-A** is enacted to read:

36           **§2016-A. Pine Tree Housing Zones qualified projects; reimbursement of certain taxes**

37           **1. Terms defined.** As used in this section, the term "qualified project" means a project

38           described in Title 30-A, section 5250-W, subsection 3. For the purposes of this section,

39           "primarily" means more than 50% of the time during the period that begins on the date on

40           which the property is first placed in service by the purchaser and ends 2 years from that

41           date or at the time the property is sold, scrapped, destroyed or otherwise permanently

42           removed from service by the purchaser, whichever occurs first.

