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H.P. 923

House of Representatives, March 26, 2021

**An Act To Encourage Inclusionary Zoning in Municipalities by
Increasing Revenue Sharing**

Received by the Clerk of the House on March 24, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT
Clerk

Presented by Representative LOOKNER of Portland.
Cosponsored by Representatives: ARFORD of Brunswick, BAILEY of Gorham, GRAMLICH of Old Orchard Beach, KESSLER of South Portland, MORALES of South Portland, RIELLY of Westbrook.

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

2 **Sec. 1. 30-A MRSA §5681, sub-§1**, as enacted by PL 1987, c. 737, Pt. A, §2 and
3 Pt. C, §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further
4 amended to read:

5 **1. Findings and purpose.** The Legislature finds that:

6 A. The principal problem of financing municipal services is the burden on the property
7 tax; ~~and~~

8 B. To stabilize the municipal property tax burden and to aid in financing all municipal
9 services, it is necessary to provide funds from the broad-based taxes of State
10 Government; ~~and~~

11 C. To increase the availability of affordable housing, it is necessary to encourage the
12 expansion of inclusionary zoning.

13 **Sec. 2. 30-A MRSA §5681, sub-§2, ¶G** is enacted to read:

14 G. "Inclusionary zoning" means municipal planning ordinances applicable to
15 residential and mixed-use zones that are classified by the State as urban and that
16 encourage affordable housing in at least 25% of the areas located in residential or
17 mixed-use zones within the municipality and designated for residential housing by
18 policies, including, but not limited to, allowing greater density in development of
19 residential housing units, permitting workforce housing development, reducing
20 minimum lot sizes, allowing for accessory dwelling units and reducing the percentage
21 of neighborhoods zoned for single-family dwellings.

22 **Sec. 3. 30-A MRSA §5681, sub-§2, ¶H** is enacted to read:

23 H. "Affordable housing" means housing:

24 (1) With rental or leasing cost to the renter or lessee that is no more than 30% of
25 the average monthly income of a renter or lessee earning no more than 80% of the
26 median income for the municipality where the housing is located;

27 (2) That is located near existing roads, electric service, sewer lines and other basic
28 utilities;

29 (3) That occupies a lot size that does not exceed 5,500 square feet; and

30 (4) That is certified by the Maine State Housing Authority as meeting the
31 conditions of this paragraph.

32 **Sec. 4. 30-A MRSA §5681, sub-§3**, as amended by PL 2009, c. 213, Pt. S, §3 and
33 affected by §16, is further amended to read:

34 **3. Revenue-sharing funds.** To strengthen the state-municipal fiscal relationship
35 pursuant to the findings and objectives of subsection 1, there is established the Local
36 Government Fund. To provide additional support for municipalities experiencing a higher-
37 than-average property tax burden, there is established the Disproportionate Tax Burden
38 Fund. To encourage municipal inclusionary zoning, there is established the Inclusionary
39 Zoning Fund.

40 **Sec. 5. 30-A MRSA §5681, sub-§4-C** is enacted to read:

