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No. 1739

H.P. 1118

House of Representatives, April 20, 2023

An Act to Extend Development District Tax Increment Financing Districts

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative KUHN of Falmouth.
Cosponsored by Senator PIERCE of Cumberland and
Representatives: BRIDGEO of Augusta, DHALAC of South Portland, KESSLER of South
Portland, LaROCHELLE of Augusta, MALON of Biddeford, MORIARTY of Cumberland,
MURPHY of Scarborough, SACHS of Freeport.

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

2 **Sec. 1. 30-A MRSA §5224, sub-§2, ¶H,** as repealed and replaced by PL 2019, c.
3 140, §1, is amended by amending subparagraph (1) to read:

4 (1) A development district that is a tax increment financing district may not exceed
5 a total of 30 tax years beginning with the tax year in which the designation of the
6 development district is effective pursuant to section 5226, subsection 3 or, if
7 specified in the development program, the subsequent tax year; ~~and, except that a~~
8 district may be extended an additional 30 years if the district uses at least 51% of
9 state tax increment revenue for affordable housing projects or transit-oriented
10 development. A district that is extended under this subparagraph may continue to
11 use the original assessed value of the district.

12 For purposes of this subparagraph, "affordable housing" means a decent, safe and
13 sanitary dwelling, apartment or other living accommodation for a household whose
14 income does not exceed 120% of the median income for the area as defined by the
15 United States Department of Housing and Urban Development under the United
16 States Housing Act of 1937, Public Law 75-412, 50 Stat. 888, Section 8; "transit-
17 oriented development" means a type of development that links land use with transit
18 facilities by combining housing with complementary public uses, including jobs,
19 retail or services establishments that are located in transit-served nodes or
20 corridors; and "original assessed value" means the taxable assessed value of a
21 district as of March 31st of the tax year preceding the year in which it was
22 designated by a municipality and approved by the commissioner under section
23 5226, subsection 2; and

24 **SUMMARY**

25 This bill allows a development district that is a tax increment financing district to be
26 extended an additional 30 years if the district uses at least 51% of state tax increment
27 revenue for affordable housing or transit-oriented development.