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Legislative Document

No. 412

H.P. 296

House of Representatives, February 10, 2021

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

Received by the Clerk of the House on February 8, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

ROBERT B. HUNT

Presented by Representative CARLOW of Buxton. Cosponsored by Senator BAILEY of York and Representative: BAILEY of Gorham.

1	Be it enacted by the People of the State of Maine as follows:
2 3	Sec. 1. 30-A MRSA §5225, sub-§1, ¶C, as amended by PL 2019, c. 604, §3 and c. 625, §3, is repealed and the following enacted in its place:
4	C. Costs related to economic development, environmental improvements, fisheries and
5	wildlife or marine resources projects, recreational trails, broadband service
6	development, expansion or improvement, including connecting to broadband service
7	outside the tax increment financing district, employment training or the promotion of
8	workforce development and retention within the municipality or plantation, including,
9	but not limited to:
10 11 12	(1) Costs of funding economic development programs or events developed by the municipality or plantation or funding the marketing of the municipality or plantation as a business or arts location;
13 14 15	(2) Costs of funding environmental improvement projects developed by the municipality or plantation for commercial or arts district use or related to such activities;
16 17	(3) Funding to establish permanent economic development revolving loan funds, investment funds and grants;
18	(4) Costs of services and equipment to provide skills development and training,
19	including scholarships to in-state educational institutions or to online learning
20	entities when in-state options are not available, for jobs created or retained in the
21	municipality or plantation. These costs must be designated as training funds in the
22	development program;
23	(5) Costs associated with quality child care facilities and adult care facilities,
24 25	including finance costs and construction, staffing, training, certification and accreditation costs related to child care and adult care;
26	(6) Costs associated with new or existing recreational trails determined by the
27	department to have significant potential to promote economic development,
28	including, but not limited to, costs for multiple projects and project phases that may
29	include planning, design, construction, maintenance, grooming and improvements
30	with respect to new or existing recreational trails, which may include bridges that
31	are part of the trail corridor, used all or in part for all-terrain vehicles, snowmobiles,
32	hiking, bicycling, cross-country skiing or other related multiple uses;
33	(7) Costs associated with a new or expanded transit service, limited to:
34	(a) Transit service capital costs, including but not limited to: transit vehicles
35	such as buses, ferries, vans, rail conveyances and related equipment; bus
36	shelters and other transit-related structures; and benches, signs and other
37	transit-related infrastructure; and
38	(b) In the case of transit-oriented development districts, ongoing costs of
39	adding to an existing transit system or creating a new transit service and limited
40	strictly to transit operator salaries, transit vehicle fuel and transit vehicle parts
41	replacements;

(8) Costs associated with the development of fisheries and wildlife or marine 1 2 resources projects; 3 (9) Costs related to the construction or operation of municipal or plantation public safety facilities, the need for which is related to general economic development 4 within the municipality or plantation, not to exceed 15% of the captured assessed 5 value of the development district; and 6 7 Costs associated with broadband and fiber optics expansion projects, including preparation, planning, engineering and other related costs in addition to 8 9 the construction costs of those projects. If an area within a municipality or plantation is unserved with respect to broadband service, as defined by the 10 ConnectMaine Authority as provided in Title 35-A, section 9204-A, subsection 1, 11 12 broadband and fiber optics expansion projects may serve residential or other 13 nonbusiness or noncommercial areas in addition to business or commercial areas 14 within the municipality or plantation; Sec. 2. 30-A MRSA §5225, sub-§1, ¶D, as amended by PL 2011, c. 101, §15, is 15 16 further amended to read: 17 Costs of constructing or improving facilities or buildings leased by State Government or a municipal or plantation government that are located in approved 18 19 downtown tax increment financing districts-; and 20 Sec. 3. 30-A MRSA §5225, sub-§1, ¶E is enacted to read: 21 E. Costs of construction or renovation of municipal offices or other municipal buildings; however, the costs may not exceed \$1,000,000 during a 20-year period for 22 23 any one tax increment financing district. 24 Sec. 4. 30-A MRSA §5225, sub-§2, as amended by PL 2019, c. 148, §4, is further 25 amended to read: 26 2. Unauthorized project costs. Except as provided in subsection 1, paragraph C, 27 subparagraph (9) and subsection 1, paragraph paragraphs D and E, the commissioner may 28 not approve as a project cost the cost of facilities, buildings or portions of buildings used 29 predominantly for the general conduct of government or for public recreational purposes, 30 including, but not limited to, city halls and other headquarters of government where the 31 governing body meets regularly, courthouses, jails and other state and local government 32 office buildings, recreation centers, athletic fields and swimming pools. 33 **SUMMARY** 34

This bill permits revenue from tax increment financing districts to be used for the construction or renovation of municipal offices or other buildings and limits the revenue that may be used to \$1,000,000 during a 20-year period for any one tax increment financing district. The bill also corrects a conflict in the Maine Revised Statutes, Title 30-A, section 5225, subsection 1, paragraph C, which was amended by Public Law 2019, chapter 604 and chapter 625, by incorporating the changes made by both laws.

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