



131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1901

H.P. 1216

House of Representatives, May 9, 2023

An Act to Improve Affordability and Opportunity for Maine Renters and Landlords

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative SKOLD of Portland.
Cosponsored by Senator DAUGHTRY of Cumberland and
Representatives: BLIER of Buxton, HASENFUS of Readfield, PERRY of Calais, RANA of
Bangor, THERIAULT of Fort Kent, Senators: DUSON of Cumberland, PIERCE of
Cumberland, POULIOT of Kennebec.

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

2 **Sec. 1. 30-A MRSA §4852, sub-§2, ¶A-2** is enacted to read:

3 A-2. In addition to the uses provided in paragraphs A and B, money in the fund may
4 be used to provide no-interest loans in accordance with subsection 4.

5 **Sec. 2. 30-A MRSA §4852, sub-§4** is enacted to read:

6 **4. No-interest loans for new affordable housing.** The Maine State Housing
7 Authority shall develop and administer within the Housing Opportunities for Maine
8 Program a plan to provide no-interest loans to property owners to support the development
9 of affordable housing. The plan must include at least the following elements.

10 A. The plan must provide a loan of up to \$50,000 to each eligible property owner to
11 develop and offer for rent an affordable housing unit. An eligible property owner may
12 receive up to 4 loans for 4 such housing units. A development may involve conversion
13 of an existing unit or new construction, in accordance with standards established by the
14 authority by rule.

15 B. Under the plan, in order to be eligible for a loan, a property owner shall sign an
16 agreement acceptable to the authority that commits the property owner and any
17 successor in interest to:

18 (1) Ensuring the development and its operation complies with all applicable local
19 and state requirements and codes;

20 (2) Offering the affordable housing units for a period of 25 years at rent that is
21 equivalent to no more than 30% of the income of a household whose income is at
22 or below 80% of area median income, as determined by the authority by rule; and

23 (3) Renting the affordable housing units in accordance with the fair housing
24 requirements of the Maine Human Rights Act and on a renewable term basis. In
25 no case may a rental be for any renewable term that is less than 28 days.

26 **Sec. 3. 36 MRSA §4641-B, sub-§4-B, ¶E**, as amended by PL 2021, c. 753, §1, is
27 further amended to read:

28 E. ~~In~~ From fiscal year 2015-16 and each fiscal year thereafter to fiscal year 2023-24,
29 the Treasurer of State shall credit the revenues derived from the tax imposed pursuant
30 to section 4641-A, subsection 1 in accordance with this paragraph.

31 (1) At the beginning of the fiscal year, the Maine State Housing Authority shall
32 certify to the Treasurer of State the amount that is necessary and sufficient to meet
33 the authority's obligations relating to bonds issued or planned to be issued by the
34 authority under Title 30-A, section 4864.

35 (2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in
36 accordance with this subparagraph. The Treasurer of State shall first pay revenues
37 available under this subparagraph to the Maine State Housing Authority, which
38 shall deposit the funds in the Maine Energy, Housing and Economic Recovery
39 Fund established in Title 30-A, section 4863, until the amount paid equals the
40 amount certified by the Maine State Housing Authority under subparagraph (1),
41 after which the Treasurer of State shall credit any remaining revenues available
42 under this subparagraph to the General Fund.

1 (3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to
2 the Maine State Housing Authority, except that, notwithstanding paragraph F, in
3 fiscal year 2015-16, the Treasurer of State shall first credit \$6,291,740 of the
4 revenues available under this subparagraph to the General Fund and except that,
5 notwithstanding paragraph F, in fiscal year 2016-17, the Treasurer of State shall
6 first credit \$6,090,367 of the revenues available under this subparagraph to the
7 General Fund and except that, notwithstanding paragraph F, in fiscal years 2017-
8 18 and 2018-19, the Treasurer of State shall first credit \$2,500,000 of the revenues
9 available under this subparagraph to the General Fund. The Maine State Housing
10 Authority shall deposit the funds received pursuant to this subparagraph in the
11 Housing Opportunities for Maine Fund created in Title 30-A, section 4853.
12 Beginning July 1, 2023, the Maine State Housing Authority shall use 25% of funds
13 transferred to the Housing Opportunities for Maine Fund under this subparagraph
14 to support the creation of new housing units, through new construction or adaptive
15 reuse, that are affordable to low-income households.

16 **Sec. 4. 36 MRSA §4641-B, sub-§4-B, ¶E-1** is enacted to read:

17 E-1. In fiscal year 2024-25 and each fiscal year thereafter, the Treasurer of State shall
18 credit the state share of the revenues derived from the tax imposed pursuant to section
19 4641-A, subsection 1 as follows:

20 (1) At the beginning of the fiscal year, the Maine State Housing Authority shall
21 certify to the Treasurer of State the amount that is necessary and sufficient to meet
22 the authority's obligations relating to bonds issued or planned to be issued by the
23 authority under Title 30-A, section 4864. On a monthly basis, the Treasurer of State
24 shall credit the revenues to the Maine State Housing Authority, and the authority
25 shall deposit the funds in the Maine Energy, Housing and Economic Recovery
26 Fund established in Title 30-A, section 4863, until the amount paid equals the
27 amount certified by the authority.

28 (2) At the close of each fiscal year, the Treasurer of State shall credit amounts to
29 the General Fund and to the Maine State Housing Authority so that the General
30 Fund receives 10% of the total revenue derived from the tax imposed pursuant to
31 section 4641-A, subsection 1 and the Maine State Housing Authority receives 80%,
32 including all amounts applied pursuant to subparagraph (1). The Maine State
33 Housing Authority shall deposit the funds received pursuant to this subparagraph
34 in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.
35 The Maine State Housing Authority shall use 25% of funds transferred to the
36 Housing Opportunities for Maine Fund under this subparagraph to support the
37 creation of new housing units, through new construction or conversion of existing
38 units, that are affordable to low-income households.

39 **Sec. 5. 36 MRSA §5219-KK, sub-§1, ¶A-1**, as amended by PL 2021, c. 483, Pt.
40 AA, §1, is further amended to read:

41 A-1. For tax years beginning on or after January 1, 2018 and before January 1, 2024,
42 "benefit base" means property taxes paid by a resident individual during the tax year
43 on the resident individual's homestead in this State or rent constituting property taxes
44 paid by the resident individual or the bureau pursuant to chapter 908 on behalf of a

1 resident individual during the tax year on a homestead in the State not exceeding the
2 following amounts:

- 3 (1) For persons filing as single individuals, \$2,050;
- 4 (2) For persons filing as heads of households ~~that~~ who can claim the federal child
5 tax credit pursuant to the Code, Section 24 for no more than one qualifying child
6 or dependent or for persons filing joint returns, \$2,650; and
- 7 (3) For persons filing as heads of households ~~that~~ who can claim the federal child
8 tax credit pursuant to the Code, Section 24 for more than one qualifying child or
9 dependent or for persons filing joint returns ~~that~~ who can claim the federal child
10 tax credit pursuant to the Code, Section 24 for at least one qualifying child or
11 dependent, \$3,250.

12 **Sec. 6. 36 MRSA §5219-KK, sub-§1, ¶A-2** is enacted to read:

13 A-2. For tax years beginning on or after January 1, 2024, "benefit base" means property
14 taxes paid by a resident individual during the tax year on the resident individual's
15 homestead in this State or rent constituting property taxes paid by the resident
16 individual or the bureau pursuant to chapter 908 on behalf of a resident individual
17 during the tax year on a homestead in the State, not exceeding the following amounts:

- 18 (1) For persons filing as single individuals, \$3,075;
- 19 (2) For persons filing as heads of households who can claim the federal child tax
20 credit pursuant to the Code, Section 24 for no more than one qualifying child or
21 dependent or for persons filing joint returns, \$3,975; and
- 22 (3) For persons filing as heads of households who can claim the federal child tax
23 credit pursuant to the Code, Section 24 for more than one qualifying child or
24 dependent or for persons filing joint returns who can claim the federal child tax
25 credit pursuant to the Code, Section 24 for at least one qualifying child or
26 dependent, \$4,875.

27 **Sec. 7. 36 MRSA §5219-KK, sub-§2-D**, as amended by PL 2021, c. 635, Pt. F,
28 §1, is further amended to read:

29 **2-D. Credit in 2022 and after 2023.** For tax years beginning on or after January 1,
30 2022 and before January 1, 2024, a resident individual is allowed a credit against the taxes
31 imposed under this Part equal to the amount by which the benefit base for the resident
32 individual exceeds 4% of the resident individual's income. The credit may not exceed
33 \$1,000 for resident individuals under 65 years of age as of the last day of the taxable year
34 or \$1,500 for resident individuals 65 years of age and older as of the last day of the taxable
35 year. In the case of married individuals filing a joint return, only one spouse is required to
36 be 65 years of age or older to qualify for the \$1,500 credit limitation. Married taxpayers
37 filing separate returns do not qualify for the credit under this section.

38 **Sec. 8. 36 MRSA §5219-KK, sub-§2-D-1** is enacted to read:

39 **2-D-1. Credit in 2024 and after.** For tax years beginning on or after January 1, 2024,
40 a resident individual is allowed a credit against the taxes imposed under this Part equal to
41 the amount by which the benefit base for the resident individual exceeds 4% of the resident
42 individual's income. The credit may not exceed \$1,500 for resident individuals under 65
43 years of age as of the last day of the taxable year or \$2,250 for resident individuals 65 years

1 of age and older as of the last day of the taxable year. In the case of married individuals
2 filing a joint return, only one spouse is required to be 65 years of age or older to qualify for
3 the \$2,250 credit limitation. Married taxpayers filing separate returns do not qualify for
4 the credit under this section.

5 **SUMMARY**

6 This bill does the following:

7 1. It modifies the Maine State Housing Authority's Housing Opportunities for Maine
8 Program to provide no-interest loans to property owners to support the development of
9 affordable housing. Loans of up to \$50,000 are available to an eligible property owner to
10 develop and offer for rent an affordable housing unit. An eligible property owner may
11 receive up to 4 loans for 4 such housing units. A development may involve conversion of
12 an existing unit or new construction, in accordance with standards established by the
13 authority by rule. In order to receive a loan, a property owner must sign an agreement
14 acceptable to the authority that commits the property owner and any successor in interest
15 to: ensuring the development and its operation complies with all applicable local and state
16 requirements and codes; offering the housing units for a period of 25 years at rent that is
17 equivalent to no more than 30% of the income of a household whose income is at or below
18 80% of area median income, as determined by the authority by rule; and renting the housing
19 units in accordance with the fair housing requirements of the Maine Human Rights Act and
20 on a renewable basis;

21 2. It modifies the distribution of the real estate transfer tax beginning in fiscal year
22 2024-25. It provides that 80% of the real estate transfer tax goes to the Maine State Housing
23 Authority first to continue to meet the authority's obligations relating to bonds issued or
24 planned to be issued by the authority under the Maine Revised Statutes, Title 30-A, section
25 4864 and 2nd for deposit in the Housing Opportunities for Maine Fund. Ten percent goes
26 to the General Fund and 10% remains with the registry of deeds; and

27 3. It modifies the property tax fairness income tax credit to increase the benefit amounts
28 by 50% and to increase the income-related eligibility thresholds by 50%.