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Date:

Amendment Review

LD 484

L.D. 484

3/21/22

(Filing No. S- )

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TAXATION

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Reproduced and distributed under the direction of the Secretary of the Senate.

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STATE OF MAINE

6

SENATE

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130TH LEGISLATURE

8

SECOND REGULAR SESSION

9

COMMITTEE AMENDMENT " " to S.P. 190, L.D. 484, "An Act To Change Maine's Tax Laws"

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Amend the bill by striking out the title and substituting the following:

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'An Act Relating to the Distribution of State Revenue from the Real Estate Transfer Tax'

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Amend the bill by striking out everything after the enacting clause and inserting the following:

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'Sec. 1. 36 MRSA §4641-B, sub-§4-B, ¶E, as amended by PL 2017, c. 284, Pt. AAAAAAA, §1, is further amended to read:

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E. In fiscal year years 2015-16 and each fiscal year thereafter to 2021-22, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

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

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

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(3) On a monthly basis, the Treasurer of State shall credit 50% of the revenues to the Maine State Housing Authority, except that, notwithstanding paragraph F, in fiscal year 2015-16, the Treasurer of State shall first credit \$6,291,740 of the

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COMMITTEE AMENDMENT

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revenues available under this subparagraph to the General Fund and except that, notwithstanding paragraph F, in fiscal year 2016-17, the Treasurer of State shall first credit \$6,090,367 of the revenues available under this subparagraph to the General Fund and except that, notwithstanding paragraph F, in fiscal years 2017-18 and 2018-19, the Treasurer of State shall first credit \$2,500,000 of the revenues available under this subparagraph to the General Fund. The Maine State Housing Authority shall deposit the funds received pursuant to this subparagraph in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.

Sec. 2. 36 MRSA §4641-B, sub-§4-B, ¶E-1 is enacted to read:

E-1. In fiscal year 2022-23 and each fiscal year thereafter, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

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

(2) On a monthly basis, the Treasurer of State shall apply the revenues in accordance with this subparagraph. The Treasurer of State shall pay revenues available under this paragraph to the Maine State Housing Authority, which shall first deposit funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30-A, section 4863, until the amount deposited equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Maine State Housing Authority shall deposit the remaining funds received in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853. For fiscal years 2024 to 2030, as long as the revenue to the Maine State Housing Authority does not fall below the level of available revenues of fiscal year 2021, the Maine State Housing Authority shall use 25% of such remaining funds received in the Housing Opportunities for Maine Fund to support the creation of new housing units, through new construction or adaptive reuse, that are affordable to low-income households.

Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

HOUSING AUTHORITY, MAINE STATE

Housing Authority - State 0442

Initiative: Allocates funds for an increase in revenue caused by eliminating the portion of real estate transfer tax credited to the General Fund.

OTHER SPECIAL REVENUE FUNDS	2021-22	2022-23
All Other	\$0	\$27,874,800
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$27,874,800

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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**SUMMARY**

2 This amendment replaces the bill. The amendment changes the distribution of revenue  
3 from the real estate transfer tax on property transfers by deeds to provide that beginning in  
4 fiscal year 2022-23 revenue received by the State would be distributed entirely to the Maine  
5 State Housing Authority for deposit in the Housing Opportunities for Maine Fund after the  
6 transfer of funds identified to be used by the Maine State Housing Authority for deposit in  
7 the Maine Energy, Housing and Economic Recovery Fund to meet the authority's  
8 obligations relating to bonds issued or planned to be issued by the authority for the Maine  
9 Energy, Housing and Economic Recovery Program.

**FISCAL NOTE REQUIRED**

(See attached)

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# 130th MAINE LEGISLATURE

LD 484

LR 1853(02)

## An Act To Change Maine's Tax Laws

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$27,874,800	\$28,830,800	\$29,745,800
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$27,874,800	\$28,830,800	\$29,745,800
<b>Revenue</b>				
General Fund	\$0	(\$27,874,800)	(\$28,830,800)	(\$29,745,800)
Other Special Revenue Funds	\$0	\$27,874,800	\$28,830,800	\$29,745,800

### Fiscal Detail and Notes

Current law requires that 90% of the revenue collected from the real estate transfer tax be paid to the State with the remaining 10% being retained by the county collecting the tax. Of the 90% received by the State, an amount necessary to meet the Maine State Housing Authority's (MSHA) obligations relating to bonds issued or planned to be issued is credited to the Maine, Energy, Housing and Economic Recovery Fund. The remaining revenue is split, with 45% being credited to the General Fund and 45% being credited to the Housing Opportunity for Maine (HOME) Fund within MSHA.

This bill changes the distribution of revenue received by the State from the real estate transfer tax by eliminating the portion of revenue credited to the General Fund and, instead, directing that revenue be credited to the HOME Fund. This will result in a reduction in General Fund revenue of \$27,874,800 in fiscal year 2022-23 and a corresponding increase in dedicated revenue to the HOME Fund. This bill includes an Other Special Revenue Funds allocation of that amount to the Housing Authority - State program within MSHA to authorize additional expenditures from the Fund.