



LD 1810, An Act to Expand the Main Historic Rehabilitation Tax Credit and Establish a Weatherization Credit

Testimony in Support

May 9, 2023

Senator Grohoski, Representative Perry, and Honorable Members of the Joint Standing Committee on Taxation;

My name is Elizabeth Frazier, and I am submitting this testimony on behalf of the Maine Real Estate & Development Association in support of LD 1810, Resolve, to Prepare Preapproved Building Types. MEREDA is a statewide, membership-based organization founded in 1985, whose members include real estate owners, for-profit and non-profit developers, bankers, property managers and other related professionals who are committed to supporting responsible development and real estate ownership throughout Maine. Through the work of its Public Policy Committee, MEREDA pursues a more fair, predictable, and practical policy environment.

LD 1810 is intended to unlock the full potential of the Maine Historic Rehabilitation Tax Credit (MHRTC) – one of the most successful and highly regarded tax expenditure programs in Maine. The MHRTC currently supports the rehabilitation of commercial buildings for a variety of uses, including affordable housing. Unfortunately, the structure of the current credit has made it challenging to make use of it for smaller-sized projects. Additionally, the current MHRTC program does not help with the rehabilitation and preservation of non-income producing properties, like housing.

LD 1810 is also crafted to make it easier to rehabilitate income-producing properties, including historic mills, schools, and more, into affordable housing. The proposed legislation would raise the cap on a qualifying project to \$1 million and provide a 45% credit for affordable housing projects. These small changes will affect big differences in the affordable housing community, which can make use of run-down historic properties that are less expensive to purchase but require more funding to rehabilitate.

LD 1810 will also unlock the potential of historic homes to be used by a new generation and brought up to modern standards by providing a weatherization grant to homeowners of historic properties. You will hear some say that taxpayers should not spend money to help individual homeowners preserve the historic value in their privately held property. Certainly, that is a fair position, but it disregards principles of equity, diversity, and inclusion. By providing no assistance for the preservation of Maine's important historic properties, we are ensuring that only the wealthy can afford to purchase them, maintain them, and benefit from their historic value. Surely, that is not how the State of Maine wishes to see its historic homes put to use.

Please vote Ought to Pass on LD 1810.

Thank you.

Sincerely,

Elizabeth M. Frazier, On Behalf of the Maine Real Estate & Development Association