

Testimony: **An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units**

May 10, 2023 at 10:00am

Senator Grohoski, Representative Perry, and Distinguished Colleagues on the Joint Standing Committee on Taxation, my name is Phil Kaplan. I am here to speak in support of LD 1538, "An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units."

My company, BrightBuilt Home, has been designing energy efficient, attainable homes that are initially constructed offsite for over 10 years. For our initial offering, called the BrightBuilt Barn which was an 800 square foot single bedroom living pod - effectively an accessory dwelling unit before the designation was coined - we offered the plans for free download online. The original structure was constructed in Rockport, Maine in 2008 and within the first 2 years, the plans were downloaded over five-thousand times. The demand for this type of modest accessory unit has proven to be extremely high.

Since 2013, we have designed and constructed over 200 similarly designed homes, most of which are in Maine. We also do much work in the affordable multifamily housing arena, and are aware of the tremendous demand for housing in the state. Due to regulatory structures and processes which are in place for good reason, our state is continually in need of more housing. We are currently down over 2,000 units of housing according to the Maine Affordable Housing Coalition. Many Mainers in rural and semi-rural regions have a substantial opportunity afforded to them - additional room on their properties to construct an accessory dwelling unit.

Recent bills have allowed for additional density on such sites. What we see every day is that although the demand is high, the need is clear, and the regulations are in place, the financials still do not add up for many Mainers. We desperately need to provide more incentives to help more Mainers, old and new, find a bed to sleep in at night. More levers for Mainers in non-urban settings which may in turn increase property values, could do just that. It would be a complete win-win for both the state and its residents with virtually no downside. This bill attempts to put in place more incentives that will close this critical financing gap by providing incremental tax breaks. I do hope that you will support this measure. This legislature has made excellent progress in this arena and we are oh-so-close to reducing our housing shortfall. Thank you.

Sincerely,
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(please allow this submission to supersede my previous)