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Testimony in Opposition to LD 210: An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027

J. Andrew Cashman on behalf of the Maine Association of REALTORS®

February 5, 2025

Senator Rotundo, Senator Curry, Representative Gattine and Representative Gere, as well as members of the Joint Standing Committees on Appropriations and Financial Affairs and Housing and Economic Development, my name is Andy Cashman. I am the Founder of Resolve Government Relations. We represent the Maine Association of REALTORS®, a professional trade association established in 1936 with over 6,500 members statewide. REALTORS® protect private property rights, build Maine communities, and grow our state's economy. Our members represent buyers and sellers involved in both residential and commercial real estate transactions. Our membership also includes industry affiliates, such as lenders, closing agents, title agents, appraisers, building inspectors, surveyors, etc. The Maine Association is chartered by the National Association of REALTORS® (NAR), the largest trade association in the country.

As written, the proposed budget would remove significant funding from the Housing Opportunities for Maine (HOME) fund and allocate it to the General Fund. Specifically, *Part QQ (3-A) Transfers to General Fund, "For the months beginning on or after July 1, 2025, \$4,847,891 in fiscal year 2025-26 and \$5,147,141 in fiscal year 2026-27 from the total transfers pursuant to subparagraph 3 to the Housing Opportunities for Maine Fund in Title 30-A, section 4852, must be transferred to General Fund undedicated revenue."*

The Maine Association of REALTORS® has historically opposed the Real Estate Transfer Tax (RETT) and any increase to it. Given its existence, we believe that transfer tax revenues from any source should be used exclusively for housing needs, with an emphasis on the sale, transfer and ownership of real property. Any efforts made to divert funding from housing needs should be opposed.

The RETT was established in the early 1980s to provide funds to Maine State Housing Authority to directly address the affordable housing problem in Maine. Unfortunately, RETT funds have been regularly swept from the HOME Fund and placed in the General Fund. Maine Revenue Services reported that from 2005-2019: of the \$117.3 million dedicated for the HOME Fund, \$76 million was diverted to the General Fund (65%) and \$41 million stayed in the HOME Fund (35%). This took



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money away from housing development efforts and resulted in the significant underbuilding that negatively affects housing affordability today.

We support continued funding to the Maine State Housing Authority through transfer tax funds but do not support its use outside of housing, especially at a time when our state should be exhausting every effort to build, rehabilitate and use all allocated housing funds to bring more units to the market. Therefore, we respectfully urge the removal of Part QQ (3-A) as written and request that HOME funds be used only to support housing initiatives. Thank you for your time and consideration.