



## CITY OF BANGOR

### Taxation Committee

#### **Testimony in Support of LD 146 – “An Act to Increase the Maximum Amount of the Historic Property Rehabilitation Tax Credit That May be Taken in a Year”**

Feb. 5, 2025

Chairwoman Grohoski, Chairwoman Cloutier and Honorable Members of the Taxation Committee. My name is Anne Krieg and I am the Economic & Community Development Director for the City of Bangor. I am writing in support of LD 146, An Act to Increase the Maximum Amount of Historic Property Rehabilitation Tax Credit That May be Taken in a Year. This bill represents an opportunity to expedite the rehabilitation of historic properties by enabling a developer to take the full amount of the credit in the first year, rather than phasing the credit over a period of years. Thereby creating additional housing and commercial development within the State.

LD 146 ensures that historic rehabilitation projects currently being proposed can be not only completed but brought online more quickly. As currently structured, the credit must be taken over a period of years, forcing both the developer and the investor to delay the project or phase the opening of the new building in order to receive the full amount of the credit. This delays projects, adds time and causes much-needed brand new housing and commercial space to lay stagnant.

LD 146 would modernize the current historic rehabilitation tax credit program to better reflect the current costs of construction. These costs are driving up the total cost of many projects across the State. While the overall value of the credit is usually sufficient to close the financing gap for historic properties, LD 146 would ensure that the cash infusion comes when it's needed in the project timeline.

In addition, LD 146 represents an easy policy choice for the Taxation Committee, as it will not result in additional spending by the State, but will result in additional tax dollars coming in and expedite the preservation and redevelopment of often-time stagnant structures.

With the full support of the Bangor City Council, I strongly urge the Taxation Committee to advance LD 146 to the full Legislature and encourage the Appropriations Committee to either incorporate the language of the bill into the biennial budget or exempt the bill from the Special Appropriations Table for final passage.

Thank you for your consideration, and please do not hesitate to reach out with any questions.

Cara Pelletier, City Council Chair, [cara.pelletier@bangormaine.gov](mailto:cara.pelletier@bangormaine.gov)

Anne Krieg, Economic & Community Development Director, [anne.krieg@bangormaine.gov](mailto:anne.krieg@bangormaine.gov)

Debbie Laurie, City Manager, [debbie.laurie@bangormaine.gov](mailto:debbie.laurie@bangormaine.gov)