

*Testimony of former Representative Les Fossel In Support of
LD 495, An Act to Expand the Historic Property Rehabilitation Tax Credit
March 5, 2025*

Good afternoon Senator Grohoski, Representative Cloutier and honored members of the Joint Standing Committee on Taxation. I served in the 123rd and 124th Legislatures, but not on this committee. I am in favor of this bill, with reservations.

I have been an historic house contractor for 50 years. We currently we have 15 employees with a combined 186 years of experience. I have in excess of 100,000 hours of experience in this field. We are not in the landmark business. Our mission is to affordably preserve buildings to preserve our communities. We have a wall full of awards. Because of our long experience, we can do high quality historic preservation and compete in price with the gut renovators.

I do not expect to benefit financially if this bill is passed. We have never utilized these credits, nor do we intend to in the future. The problem with these programs is their overhead burden. We charge a 20% contractor's fee. To control overhead costs, we do not use the services of architects, engineers, historic preservation consultants, or project managers (participation in this program may require such services). Though we grew by 14% last year, we spend nothing on marketing.

I am here to advocate for a homeowner tax credit, with these conditions:

- * The credits apply only to owners who reside full-time on the property
- * The credits favor longtime homeowners.
- * The credits favor low income homeowners.
- * The credits favor elderly homeowners.
- * A low cost mechanism is created to help homeowners in the above 4 categories to benefit from the law, which will likely require a level of sophistication they may not have.
- * That the credits protect users from undue property tax increases.
- * That a mechanism is created to encourage the participation residents from low income and rural communities.

Before you pass legislation, I please consider what were once known as the “*Fossel*” rules:

1. Be second. Learn from the experience of other jurisdiction that have such a law. Particularly look for unforeseen adverse consequences.
2. Ask advocates about the downsides to their proposed legislation. If they don't know the downsides (or won't say), then don't trust what they do say.

I would be happy to answer your questions and attend the work session for this bill.

Thank you.