

Mayor and Council Offices

Mark Dion

Mayor

April 2, 2025



Testimony of Mayor of the City of Portland, Mark Dion

Before
Committee on Taxation

In Support of

**LD 1044 – An Act to Clarify the Qualifying Use of Tax Increment Financing for the
Extension of a Development District**

April 2, 2025

Dear Senator Grohoski, Representative Cloutier, and Members of the Committee,

On behalf of the City of Portland, I write in support of LD 1044, An Act to Clarify the Qualifying Use of Tax Increment Financing for the Extension of a Development District.

Portland has long used Tax Increment Financing (TIF) as a flexible, locally controlled tool to support affordable housing, transit-oriented development, and community infrastructure. These investments are essential to ensuring our city can grow in a way that is equitable, sustainable, and responsive to the needs of all residents.

LD 1044 makes a modest but important clarification to existing law: that the use of TIF revenues to support affordable housing and transit-oriented development qualifies a municipality for a 20-year extension of the TIF district, consistent with the policy intent of the original statute. This clarity is particularly important as municipalities like Portland seek to assemble long-term financing plans that align with local comprehensive plans, state housing goals, and climate commitments.

As Maine's largest and most densely populated city, Portland faces unique challenges in developing and preserving housing that is affordable to working families. TIF revenues have been a critical part of how we fund affordable housing projects in neighborhoods that are otherwise experiencing displacement and gentrification pressures. Likewise, we have used TIF to invest in infrastructure that supports smart growth, walkability, and public transit—tools that help reduce carbon emissions and build more connected communities.

By affirming that these uses are not only allowable but also qualify a district for the full extension available under law, LD 1044 provides municipalities with the predictability and certainty they need to plan for the long term. It also ensures that the state's TIF statute remains aligned with evolving community needs and policy goals.

We are grateful to Representative Kuhn for sponsoring this bill, and to the Legislature for continuing to recognize the value of municipal tools that promote both economic development and housing equity.

For these reasons, I respectfully urge the Committee to vote Ought to Pass on LD 1044.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Dion", with a stylized flourish at the end.

Mark Dion
Mayor
City of Portland, Maine