

**TESTIMONY OF
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Housing and Economic Development
Hearing Date: *April 24, 2025*

LD 1657 – “*An Act to Expand the Use of Tax Increment Revenue for Affordable
Housing by Adding Authorized Project Costs*”

and

LD 1621 – “*An Act to Allow Municipalities to Use Tax Increment Financing
Revenues to Support Lake Restoration and Protection Activities*”

Senator Curry, Representative Gere, and members of the Committee on Housing and Economic Development – good afternoon. My name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Neither For Nor Against LD 1657, “*An Act to Expand the Use of Tax Increment Revenue for Affordable Housing by Adding Authorized Project Cost*” and LD 1621, “*An Act to Allow Municipalities to Use Tax Increment Financing Revenues to Support Lake Restoration and Protection Activities.*”

The Administration has no technical or legal concerns with these bills, and any fiscal or administrative costs can be absorbed under current budgetary allotments.

The Administration is Neither For Nor Against these bills because there have been many bills this session making changes to TIFs and it’s not clear what the State’s overall policy is on this issue. Working each bill separately rather than comprehensively reviewing TIFs may lead to an inconsistent and muddled statute

as well as inconsistencies in policy. Any analysis of these types of TIF bills should be coordinated with DECD, who largely oversees the TIF program.

The Administration looks forward to working with the Committee on these bills; representatives from MRS can be here for the Work Session to provide additional information and respond in detail to the Committee's questions if requested.