



Testimony of Avesta Housing to the Joint Standing Committee on Taxation  
in Opposition to LD 438 and LD 1795

May 6, 2025

Senator Grohoski, Representative Perry, and distinguished members of the Joint Standing Committee on Taxation:

My name is Eric Boucher, and I am submitting this testimony on behalf of Avesta Housing, the largest nonprofit affordable housing provider in Maine. Thank you for the opportunity to provide testimony in **strong opposition to LD 438, An Act to Allow Municipalities to Limit Nonprofit Property Tax Exemptions, and LD 1795, An Act to Change the Calculation for Municipal Service Charges for Tax-exempt Organizations.**

Avesta Housing has been serving the people of Maine for over 50 years with a singular mission: *to improve lives and strengthen communities by providing quality affordable homes for people in need*. In 2023 alone, we provided housing and services to nearly 5,000 individuals and families across 100 properties. Our residents include seniors, veterans, people with disabilities, and low-income families—all of whom depend on safe, stable housing that remains affordable.

**LD 438 and LD 1795 would directly undermine this mission.**

LD 438 allows municipalities to set their own limits on property tax exemptions for nonprofits and would create a patchwork of inconsistent tax policies across the state. This unpredictability would:

- **Destabilize the long-term financial planning** necessary to develop and maintain affordable housing.
- **Discourage future affordable housing investment**, particularly in communities most in need.
- **Shift the cost burden onto residents**, who can least afford it, or force nonprofits to scale back services.

Affordable housing developments already operate on very tight margins. The property tax exemption is not a loophole; it is a critical recognition that organizations like Avesta are providing public services that the government would otherwise need to fund.

LD 1795 proposes a shift from actual costs to “reasonable estimates” in the calculation of municipal service charges. This vague language opens the door to overcharges and misaligned fees, which:

- **Threaten the affordability and sustainability of nonprofit housing.**
- **Effectively create a backdoor tax** on organizations serving vulnerable populations.
- **Jeopardize compliance with federal and state funding requirements**, which often prohibit or severely limit the use of public funds to pay for such charges.

Both of these bills ignore the **deeply intertwined relationship between nonprofit housing providers and municipal well-being**. Avesta’s work reduces homelessness, alleviates strain on emergency services, boosts local economies, and provides stable homes for those who otherwise would not have one. Our work also saves municipalities money; we should not be penalized with new or increased financial burdens.

If enacted, LD 438 and LD 1795 would not only hurt organizations like ours—they would hurt the people and communities we serve. We urge the Committee to **oppose both measures** and instead engage with nonprofit organizations, municipalities, and housing advocates to explore sustainable, equitable solutions that recognize and support the critical role nonprofits play in Maine’s communities.

Thank you for your time and your commitment to housing and community development in our state.

Respectfully submitted,

Eric Boucher

Interim President & CEO, Senior Vice President of Finance and Administration

Avesta Housing

[AvestaHousing.org](http://AvestaHousing.org)