



Testimony in Opposition to LD 1912:

“An Act to Authorize a General Fund Bond Issue to Address Maine's Housing Shortage”

Senator Rotundo, Representative Gattine, and the distinguished members of the Committee on Appropriations and Financial Affairs, my name is Harris Van Pate and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to LD 1912, “An Act to Authorize a General Fund Bond Issue to Address Maine's Housing Shortage.”

This bill proposes a \$60 million bond issue to fund various state-led housing initiatives, including grants to housing manufacturers, loans for factory development, and public housing rehabilitation efforts. While the intent of this bill—to address Maine’s housing shortage—is noble, the means are deeply flawed. Public borrowing to fund top-down programs is not the appropriate response to what is fundamentally a regulatory and market supply problem.

The central challenge to housing in Maine is not a lack of government investment, but rather a lack of market incentives for private development and an overabundance of local and state regulations that throttle housing supply. As detailed in our report *Under Construction: Fixing Maine’s Self-Imposed Housing Crisis*, misguided policies like restrictive zoning, rent control, taxes, and energy mandates have only worsened our housing challenges.¹ Burdening taxpayers with more debt will not solve the problem; it risks entrenching failed policy approaches and prolonging our housing crisis.

Moreover, this proposal comes at a time when the state’s fiscal outlook is increasingly uncertain. Maine is already contending with declining revenues, rising costs across government services, and a fragile economy for working families and small businesses.² Adding new debt and spending obligations through this bond proposal is fiscally irresponsible. Rather than committing to long-term financial liabilities, the Legislature should prioritize restraint, reform, and actually improving our housing market.

Maine Policy Institute urges this committee to pursue market-based solutions that unleash the housing sector: streamline land use regulations, incentivize local

¹ <https://mainepolicy.org/research/under-construction/executive-summary/>
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<https://www.maine.gov/dafs/news/revenue-forecasting-committee-projects-flattening-state-revenues-through-next-biennium#:~:text=AUGUSTA%2C%20Maine%20%E2%80%93%20Following%20its%20meeting,fiscal%20years%202026%20and%202027.>



deregulation, and promote private-sector construction by removing barriers, not by issuing more taxpayer-backed debt.

Let's fix what is broken in our housing market, not paper over it with unsustainable government spending. For these reasons, we respectfully urge the committee to vote "Ought Not to Pass" on LD 1912. Thank you for your time and consideration.