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***Testimony of Representative Raegan F. LaRoche presenting
LD 1493 An Act to Increase Affordable Housing by Expanding Tax Increment Financing
Before the Joint Committee on Taxation***

Senator Grohoski, Representative Perry and esteemed members of the Joint Standing Committee on Taxation, my name is Raegan LaRoche and I represent House District 59, which is part of Augusta. I'm introducing LD 1493, An Act to Increase Affordable Housing by Expanding Tax Increment Financing.

Part of my work outside of the legislature is helping developers with requesting tax increment financing (TIF) districts and municipalities with establishing them. While TIF districts are powerful tools for incentivizing development, the increased cost of land, buildings materials and labor are severely inhibiting development. The hope is that the expansion of the TIF statute would provide added incentives to increase much needed affordable housing throughout the state.

This bill authorizes the automatic creation of Pine Tree Housing Zones as part of a tax increment financing district. The sales tax exemption permitted for Pine Tree Zones would be in effect for the purchasing of goods and services, including electricity, as part of a qualified affordable housing project.

LD 1493 would also allow for the retained value from a tax increment financing district in a municipality to be used anywhere in the municipality for the purposes of purchasing, rehabilitating, or establishing affordable and workforce housing.

This bill was originally brought to me by Maine Municipal Association, and they are here today to provide additional information about this bill. However, I would be happy to answer questions.