

131<sup>st</sup> Maine Legislature Second Regular Session  
Testimony of Erik C. Jorgensen, MaineHousing  
In opposition to

**LD 1454 An Act Regarding the Distribution of Revenue from the Real Estate Transfer Tax**

**January 24, 2024**

Senator Grohoski, Representative Perry, and members of the Committee on Taxation, good afternoon. My name is Erik Jorgensen, I serve as the Senior Director of Government Relations and Communications at MaineHousing, and I am here today to testify in regretful opposition to LD 1454, **An Act Regarding the Distribution of Revenue from the Real Estate Transfer Tax**.

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first-time homebuyers and for affordable multi-family housing.

We are also authorized to administer a number of state and federal programs including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

Based on the text of the version of the bill that was carried over, I am here to testify in opposition on the basis that it appears that the carryover occurred prior to the work done around the change package last spring. In that legislation, part AAAA specified a use for the same portion of the real estate transfer tax that is being proposed for reallocation here: it designated those funds to be used for both construction of and ongoing services at “housing first” apartment complexes, which serve the chronically homeless. This is a new program of both MaineHousing and DHHS and the work was done by the Housing Committee, GOPIF, The Speaker’s office and a range of providers of homeless services. It was arguably the most important legislative action taken around homelessness in Maine in many years.

The HOME Fund is a critical source of support for a wide range of essential housing services, and we would not normally ever advocate against anything that might make that fund more robust. That said we do not think it probably is Senator Chipman’s desire to overwrite that important housing first legislation, but rather a function of timing.