

**Testimony of Greg Payne, Senior Advisor on Housing Policy  
Governor's Office of Policy Innovation and the Future**

**Before the Joint Standing Committee on  
Appropriations and Financial Affairs**

**“An Act Making Unified Appropriations and Allocations from the General  
Fund and Other Funds for the Expenditures of State Government and  
Changing Certain Provisions of the Law Necessary to the Proper Operations  
of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026  
and June 30, 2027”**

**February 5, 2025**

Good morning, Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Curry, Representative Gere, and members of the Joint Standing Committee on Housing and Economic Development. I am Greg Payne, and I serve as Senior Advisor on Housing Policy in the Governor's Office of Policy Innovation and the Future. I am here today to testify in support of a certain language item in LD 210, the Governor's proposed fiscal year 2026-2027 biennial budget bill.

**Introduction**

Maine – like many states, both blue and red – is facing a tight budget environment. The Mills Administration has spent months carefully developing a balanced budget proposal to preserve the programs lawmakers and Maine people support, including education, revenue sharing, public safety, higher education, and school meals, while also protecting the long-term fiscal health of Maine.

Ultimately, we took a balanced approach: one that makes some investments - including operational needs such as technology efficiencies, health and safety improvements, collective bargaining impacts, etc. - that proposes some spending cuts, and that makes some targeted revenue increases. We know these proposals are difficult and appreciate that you will we hope you consider them with an open mind. We look forward to working with you over the coming months to enact a budget that supports our greatest asset of all: the people of Maine.

**Part QQ**

*(3-A) Transfers to General Fund. For the months beginning on or after July 1, 2025, \$4,847,891 in fiscal year 2025-26 and \$5,147,141 in fiscal year 2026-27 from the total transfers pursuant to subparagraph 3 to the Housing Opportunities for Maine Fund in Title 30-A, section 4852, must be transferred to General Fund undedicated revenue.*

Part QQ, on page 88 of the language document, directs a portion of the real estate transfer tax from the Housing Opportunities for Maine Fund in Maine State Housing Authority to General Fund undedicated revenue. This redirect of \$4.8 million in fiscal year 2026 and \$5 million in fiscal year 2027 is for the 2026-2027 biennium only.

I want to be clear about the fact that the Administration supports the HOME Fund and is grateful to MaineHousing and our many partners on the ground who use those funds to address the housing challenges of Maine people. As you will likely hear from MaineHousing, there are many different initiatives that are supported by the Fund, and they are all important. As you all know well, however, we are facing a tight budget environment that requires some difficult choices.

This redirection of funds is a good example of a proposal that we would not be making in a less challenging fiscal environment, but which does reflect an effort to be strategic. We believe that this cut can be managed with relatively muted impact compared with other potential funding reductions in the housing arena, because MaineHousing has the ability to identify which HOME Fund-supported initiatives can best weather a temporary reduction in support.

We will also work closely with MaineHousing to mitigate, however we can, the effects of this temporary reduction in revenue allocations to the HOME Fund.

This concludes my testimony. Thank you.

**REAL ESTATE TRANSFER TAX (RETT) REVENUE AND DISTRIBUTION  
FISCAL YEARS 2000-2029**

<b>Fiscal Year</b>	<b>Total RETT Revenue to State<sup>1</sup></b>	<b>Share to General Fund</b>	<b>Share to HOME Fund</b>	<b>Share to Housing Bond</b>	<b>Share to Foreclosure Programs</b>	<b>Share to Housing First Fund</b>
2000	\$18,636,729	\$9,320,476	\$9,316,253	-	-	-
2001	\$17,328,461	\$9,048,762	\$8,279,699	-	-	-
2002	\$18,417,421	\$9,208,923	\$9,208,497	-	-	-
2003	\$21,528,828	\$10,770,668	\$10,758,160	-	-	-
2004	\$28,412,693	\$22,196,221	\$6,216,471	-	-	-
2005	\$32,995,284	\$24,113,439	\$8,881,845	-	-	-
2006	\$33,952,006	\$24,595,580	\$9,356,426	-	-	-
2007	\$29,488,291	\$22,206,638	\$7,281,652	-	-	-
2008	\$24,620,136	\$17,465,240	\$7,154,896	-	-	-
2009	\$17,787,426	\$17,184,746	\$602,680	-	-	-
2010	\$19,183,782	\$12,181,181	\$5,418,751	-	\$1,583,350	-
2011	\$19,619,251	\$13,815,942	\$5,089,513	-	\$713,796	-
2012	\$18,641,792	\$8,934,936	\$4,808,591	\$4,305,635	\$592,631	-
2013	\$22,448,680	\$11,667,284	\$5,858,149	\$4,316,212	\$607,035	-
2014	\$24,776,638	\$10,695,215	\$9,122,961	\$4,319,197	\$639,265	-
2015	\$26,677,572	\$13,836,648	\$7,749,944	\$4,316,356	\$774,624	-
2016	\$28,324,384	\$15,394,715	\$8,031,662	\$4,319,212	\$578,795	-
2017	\$32,187,561	17,059,116	\$10,363,737	\$4,319,813	\$444,896	-
2018	\$35,241,698	\$15,927,432	\$14,209,093	\$4,317,713	\$787,461	-
2019	\$36,767,139	\$19,106,058	\$12,971,521	\$4,316,237	373,323	-
2020	\$41,525,229	\$16,501,776	\$20,379,147	\$4,315,866	\$328,441	-
2021	\$52,185,934	\$22,091,539	\$25,654,795	\$4,315,700	\$123,901	-
2022	\$61,859,312	\$27,375,823	\$30,043,901	\$4,319,400	\$120,189	-
2023	\$52,020,308	\$22,355,888	\$25,197,073	\$4,318,537	\$148,809	-
2024	\$48,656,092	\$20,437,759	\$23,775,892	\$4,318,938	\$124,660	-
2025*	\$49,570,642	\$20,930,466	\$24,185,909	\$4,318,938	\$135,330	-
2026*	\$49,489,918	\$15,827,317	\$19,295,594	\$4,318,938	\$135,796	\$9,912,274
2027*	\$50,463,934	\$16,386,416	\$19,470,525	\$4,318,938	\$138,691	\$10,149,364
2028*	\$52,154,474	\$11,692,514	25,438,918	\$4,318,938	144,114	\$10,559,990
2029*	\$53,989,868	\$12,186,367	26,329,144	\$4,318,938	150,316	\$11,005,103

FY 2026 & FY 2027 figures include Governor's biennial budget proposal

<sup>1</sup> This amount reflects the 90% of RETT revenue forwarded to the State Tax Assessor by the county registers of deeds. State statute provides that the counties retain the first 10% of such revenue as a reimbursement for their services in collecting the tax.

\* Estimates based on December 2024 Revenue Forecast by State of Maine Revenue Forecasting Committee