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***Testimony of Representative Anne-Marie Mastraccio sponsoring
LD 185, An Act to Expand Opportunities to Invest Municipal Tax Increment Financing
Revenues
Before the Taxation Committee***

Senator Grohoski, Representative Cloutier and esteemed members of the Joint Standing Committee on Taxation, I am Representative Anne-Marie Mastraccio from House District 142, which includes part of the City of Sanford and the Village of Springvale. I am before you today to introduce **LD 185, An Act to Expand Opportunities to Invest Municipal Tax Increment Financing Revenues.**

Tax Increment Financing (TIF) is a flexible financing tool used to leverage new property taxes generated by a specific project or projects within a municipally defined geographic district. Any portion of the new taxes within the district may be used to fund statutorily allowed public or private projects for a specific period of time.

The City of Sanford, like other communities around the state, has utilized TIFs to encourage and attract economic development. This work has included housing projects, rehabilitation of blighted areas, road improvements and infrastructure upgrades.

LD 185 would maximize the ability of a municipality or plantation to utilize tax increment financing revenue to renovate and construct public safety buildings that contribute to the community's economic development efforts, including facilities used as emergency shelters. Currently, only 15% of the proceeds of a TIF district can be utilized in this manner. This bill would allow for 100% fund use.

I think some may argue that public safety buildings are not economic development and I might have agreed with that assessment 15 years ago. However, times have changed and we have seen that as we successfully attract businesses and workers to our state, there is an increasing demand for public safety services that are difficult to meet in our current facilities. New OSHA standards for fire stations and increased calls for service are just two reasons we are replacing two fire safety buildings in Sanford at a cost of \$42 million. It is our opinion that the provision of these services is integral to economic development and that the buildings that house these services should be projects that are allowed to be funded with TIF proceeds.

I urge your support of LD 185 and I am happy to answer any questions you may have. Thank you for your consideration.