



MAINE MUNICIPAL ASSOCIATION SINCE 1936

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Testimony of the Maine Municipal Association (MMA)

In Opposition to

*LD 652, An Act to Provide Qualifying Downtown Businesses and
Developments with Assistance Paying Flood Insurance Premiums*

March 5, 2025

Senator Grohoski, Representative Cloutier and distinguished members of the Joint Standing Committee on Taxation, my name is Amanda Campbell, and I am submitting testimony in opposition to LD 652 on behalf of the Maine Municipal Association's 70-member Legislative Policy Committee (LPC).

LD 652 would expand the eligible costs related to Tax Increment Financing (TIF) District revenue to include establishing and funding a flood assistance program to assist businesses and developments with flood insurance. This new eligible cost would be limited to a value not to exceed 25% of the TIF district's captured value.

As the Department of Economic and Community Development (DECD) has stated in prior testimony, TIF revenues must be used to further the economic development interests of the community. The proposed usage of funds to assist businesses with an operating expense directly related to a deliberate decision to maintain an establishment in the flood zone certainly strays from the original investment intentions of TIF law. TIF revenues to assist businesses would be better spent on relocating those businesses to a sustainable location out of harms way. In these times of resilience and hazard mitigation, incentivizing business and development in potentially hazardous areas is counterproductive and puts bad money before good.

Thank you for your consideration of the municipal perspective on this important topic. Please feel free to contact any member of the LPC or the MMA Advocacy team with any questions relating to municipal operations.