



MAINE MUNICIPAL ASSOCIATION SINCE 1936

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Testimony of the Maine Municipal Association (MMA)

In Support of

*LD 1044, An Act to Clarify the Qualifying Use of Tax Increment Financing
for Extension of a Development District*

April 2, 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 support of LD 1044 on behalf of the Maine Municipal Association's 70-member Legislative Policy Committee (LPC).

Current law allows for a twenty-year extension to a TIF district if the extension begins after the general effective date of the law enacted during the First Special Session of the 131st Legislature and if that district uses at least 75% of its TIF revenue on either affordable housing or transit-oriented projects.

LD 1044 would clarify that the ten-year period begins on October 25, 2023 and would allow the usage of TIF district revenues, totaling the currently allowed 75%, for either affordable housing or transit related projects or both. The bill also updates the definition of transit-oriented development.

Municipal officials support these proposed updates to TIF law as they provide additional tools to facilitate economic development for communities that wish to use them.

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