



STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT

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**Testimony 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 esteemed members of the Committee on Taxation, my name is Maureen Terry, legislative liaison for the Department of Community and Economic Development (DECD), and I am here today to testify in strong support of LD 1044, "An Act to Clarify the Qualifying Use of Tax Increment Financing for Extension of a Development District."

Tax Increment Financing (TIF) is a crucial tool for municipalities to drive economic growth, enhance housing opportunities, and invest in community infrastructure. This bill provides clarity for a change made to the program in the 131st legislature, creating criteria for extending a TIF district, ensuring that municipalities can confidently utilize TIF funds to support affordable housing and transit-oriented development. By explicitly stating that tax increment financing revenue can be allocated to one or both of these essential uses, this legislation offers flexibility for local governments to meet the unique needs of their communities.

DECD supports this clarifying language to ensure clear and unambiguous application moving forward.

This legislation aligns with Maine's broader goals of fostering smart growth, ensuring equitable housing opportunities, and promoting environmentally conscious infrastructure. It also provides municipalities with the certainty they need to proceed with long-term planning efforts, knowing that their TIF investments will be honored under state law.

For these reasons, I strongly urge this committee to support LD 1044 and vote it forward for enactment. Thank you for your time and consideration, and I am happy to answer any questions you may have.