



Gary Friedmann

7 Pine Street

Bar Harbor, ME 04609

Phone: (207) 460-7362

Gary.Friedmann@legislature.maine.gov

HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION

AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: Maine Relay 711

April 3, 2025

Testimony of Gary Friedmann in support of

LD 1082, An Act to Invest in Maine's Families and Workforce by Amending the Real Estate Transfer Tax

Before the Joint Standing Committee on Taxation

Senator Grohoski, Representative Cloutier and esteemed colleagues of the Taxation Committee, my name is Gary Friedmann, and I represent House District 14, which includes Bar Harbor, Cranberry Isles, Lamoine and Mount Desert. Today, it is my honor to testify in support of **LD 1082, An Act to Invest in Maine's Families and Workforce by Amending the Real Estate Transfer Tax**.

The Real Estate Transfer Tax has not been adjusted in 24 years. As we all know, construction costs have skyrocketed, and our state is in the midst of a housing crisis. Maine's 2% vacancy rate leaves many struggling to find a place to live. The rate of construction has not kept pace. Longtime residents and newcomers are struggling to find homes that they can afford.

During the pandemic, builders across the state leveraged federal funding to increase housing production and address the growing demand for homes. As that funding is phased out, we must not slide back to pre-pandemic production levels. LD 1082 will update the Real Estate Transfer Tax to align with today's housing market and support the construction of new, affordable housing for Mainers across the state.

This is not just a southern Maine issue, or just a coastal issue. Almost every town in Maine faces a lack of affordable housing for young families, working people and retirees. Let me tell you about the challenges facing my district.

When I was knocking on doors, affordable housing was the number one issue in Lamoine, the Cranberry Isles, Bar Harbor and Mount Desert. Local restaurants and hotels, municipalities, schools and our biological laboratories are all understaffed because employees are offered jobs but can't find a place to live.

I met last week with the leaders of the MDI YWCA, who have stepped out of their comfort zone to buy a parcel of undeveloped land on Route 3 to build 18 studio apartments. The project is shovel-ready with building permits in hand (the fees were waived by the Town), a contractor lined up, and now just waiting on a decision on a \$4 million grant application to the Maine State Rural Housing Fund. This grant would leverage another \$1.8 million toward the \$5.8 million project total. But it's a highly competitive program, and the funds go incredibly fast.

I spoke recently with the Executive Director of the Island Housing Trust, who said plainly that, locally and regionally, funding is the greatest need of Maine's many local housing trusts. By modestly raising the Real Estate Transfer Tax, we can help towns across the state build community and economic resilience.

LD 1082 is a modest, timely and strategic step in the right direction.