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Testimony of Rep. Bill Bridgeo introducing

LD 1621, An Act to Allow Municipalities to Use Tax Increment Financing Revenues to Support Lake Restoration and Protection Activities

Before the Taxation Committee

Good afternoon, Senator Grohoski, Representative Cloutier and distinguished members of the Taxation Committee. My name is Bill Bridgeo, and I represent House District 60, which is part of Augusta. I am here today to introduce and testify in support of **LD 1621, An Act to Allow Municipalities to Use Tax Increment Financing Revenues to Support Lake Restoration and Protection Activities**.

If adopted, LD 1621 would extend, in a modest fashion, the way in which a municipality might apply property tax revenues already collected in established tax-increment financing districts. It would add to the existing permitted uses for TIF's sheltered tax revenues support for projects and activities designed to protect lakes and ponds within the municipality – much the same way existing law allows municipalities to use their TIF funds for economic development activities including supporting local economic development offices and staff.

The idea would be to allow the municipality to redirect revenues from any existing economic development TIF (much the same way a municipality may redirect other TIF districts' revenues to a downtown TIF to support downtown economic development efforts) to programs or projects sanctioned by the municipality and designed to support lake and pond restoration and/or protection efforts.

In most cities and towns that have significant water bodies within their jurisdictions, those lakes and ponds are valuable community assets. They usually represent a disproportionately high percentage of the property tax value and often have vibrant commercial enterprises on them supporting jobs and sales tax revenues.

Many of our 6,200 lakes and ponds face challenges to their water quality from issues like algae blooms and invasive aquatic species (both plant and animal). The Department of Environmental Protection has an ever-expanding list of threatened water bodies. The amount of funds – public and private – that would be required to adequately address the existing and potential threats far

exceeds what's currently available. The ability of a municipality to redirect some of its TIF resources to combatting deteriorating water quality would be a welcome addition.

Strategies to combat water quality challenges are typically approved by the DEP and the use of TIF funds must be part of a Department of Economic and Community Development approved TIF district work plan, so there's plenty of oversight to ensure conformity with statutory public purposes.

I encourage the Committee to look favorably on this proposal, and I'm happy to answer any questions.