



*Testimony of*  
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*Before*  
The Joint Standing Committee on Taxation

Neither For Nor Against

**LD 1768: An Act to Protect Residents of Mobile Home Parks  
by Amending the Real Estate Transfer Tax**

Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation, I am Erik Jorgensen Senior Director of Government Relations and Communications at the Maine State Housing Authority (MaineHousing) and I am submitting this testimony neither for nor against LD 1768: *An Act to Protect Residents of Mobile Home Parks by Amending the Real Estate Transfer Tax*.

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority (not a state agency) created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first time homebuyers and for affordable multi-family housing.

We are also authorized to administer a number of state and federal programs, including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

We wish to thank Senator Bailey for bringing this bill forward. We agree with the bill's intent of promoting resident ownership of mobile home parks, and we certainly support the positive "carrot-style" approach to incentivizing such sales with a tax exemption. We also appreciate the sponsor's interest in supporting the HOME Fund by directing proceeds from other sales entirely to the HOME fund.

The HOME fund, as this committee knows, is MaineHousing's only source of flexible funding and it is used to support a wide range of important housing activities that benefit lower and middle-income households in all corners of Maine. The HOME Fund is fully allocated every year, so additional resources will be put to good use quickly, with all of the proceeds going directly to programming, and none retained by MaineHousing.

What we do not yet know about this bill is whether such a policy would have a net positive or a net negative effect on overall Real Estate Transfer tax collections (and by extension the HOME Fund). Our concern is whether the proposed tax exemption for sales to residents would be offset by the full allocation of transfer taxes collected on other park sales.

We assume that the fiscal implications of such a policy will be fully explored by Maine Revenue Services if this bill moves forward, and hope that the Committee will weigh impacts on the HOME Fund as part of any broader deliberations around the Transfer Tax. There are significant changes being proposed for the Real Estate Transfer Tax this year, and we are always concerned about the net effects of any changes, as even those with benign or even salutary intentions can sometimes play out in unexpected ways.

Thank you.