



Raise-Op Housing Cooperative
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1/20/2026

Testimony in favor of LD 2149

An Act to Protect Affordability in Mobile Home Parks and Manufactured Housing Communities

Senator Curry, Representative Gere, and Honorable Members of the Housing and Economic Development Committee,

My name is Craig Saddlemire, and I am the Development Organizer for the Raise-Op Housing Cooperative in Lewiston, Maine. Founded in 2008, we are Maine's oldest, urban, multi-unit housing cooperative. Today, we own 5 apartment buildings, home to 33 different households, and 90 residents. We also provide technical assistance to new housing cooperatives and seek to promote more resident ownership of housing throughout Maine.

We support LD 2149 because it offers some very important technical corrections to important bills that were passed in the previous session and that will help to address housing needs in Maine with these critical changes.

For example, in the previous session, LD 554 "An Act to Encourage Resident-owned Communities and Preserve Affordable Housing Through Tax Deductions" was passed in order to incentivize the owners of mobile home parks to consider selling their property to the homeowners in the park. The resulting statute exempts the seller's first \$750,000 of capital gains from income tax in Maine. This is an excellent and positive way to bring park owners to the table with park residents in order to create a permanent ownership option for the residents through the vehicle of a cooperative affordable housing corporation or a "resident owned community" or "ROC" as they are more commonly known. However, a minor technical obstacle to utilizing this tax exemption is that it is only applicable to the sale of a "qualified business if the business provides housing", rather than simply the sale of the residential real estate. It goes on to define what constitutes a "qualified business" as varying types of corporations, so long as their securities are not publicly traded on the stock exchange.

When it comes to the acquisition of housing, the sale of an entire business is more challenging to execute, and in most cases is not in the interest of the seller nor buyer. For example, the businesses may own other assets that it does not wish to sell, or that are not residential in nature. The business may have liabilities that the buyer does not wish to assume. Furthermore, the buyer likely wants to have direct ownership of the residential real estate in question, rather than own it through a subsidiary corporation which will require additional administration and cost to manage or dissolve. In most cases, these challenges will eliminate the value of the tax exemption and it will not have the intended impact for which it was created.



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During deliberations on this bill, this technical obstacle was not discussed as I believe it went unnoticed by the policymakers involved. The error likely occurred because an earlier version of LD 554 was written to include the conversion of businesses to worker-owned cooperatives, who would be more likely to want to purchase the entire business in question, hence that bill's focus on a "qualified business." In order to narrow the bill to residential housing and mobile home parks, worker owned cooperatives were removed as eligible buyers, but less attention was paid to what constituted the eligible transaction. I believe the intent of LD 554 was to create an easy-to-use tax exemption for sellers upon the transfer of residential real estate to a cooperative affordable housing corporation, and LD 2149 achieves that by allowing an exemption that is applicable for the sale of "qualified property," rather than a qualified business. This bill does not make any changes to who is eligible from the prior bill, it only amends the type of transaction that is eligible, which is the sale of "qualified property." It goes on to more clearly define "qualified property" as "real estate for which the primary purpose is housing consisting of one or more mobile home parks or dwelling units or any combination thereof and that is located within the State."

LD 2149 will make these already enacted statutes much more effective while honoring the original intent of each bill. For these reasons, I urge your support of LD 2149.

Please be in touch with any questions.

Sincerely,

A handwritten signature in black ink that reads "Craig Saddlemire".

Craig Saddlemire
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