

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 12, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

LD 1218, An Act To Amend the Law Regarding Affordable Housing Tax Increment Financing

Summary: This bill includes the costs of case management and support services in the authorized project costs allowable for financing under an affordable housing tax increment financing program.

Public Hearing:

Proponents

- The sponsor presented the bill and provided written testimony.
- Those testifying in support of the bill included: 3 municipal officials and a representative of Maine State Housing Authority.
- *Major points:* would support initiatives to address needs of homeless such as Housing First (see sponsor's testimony), an affordable housing TIF can be used to leverage affordable housing credits and could help pull together some of the more difficult projects designed to meet the needs of the homeless population.

Opposed - Maine Municipal Association testified in opposition to the bill; because TIF programs involve sheltering taxable value, all municipalities have in interest; allowing communities to use TIF-generated revenue for general fund expenditure purposes impacts accountability.

NFNA- none

Suggested amendment: there are 4 statutory changes included in LD 563 that should be addressed in the affordable housing TIF statute.

Fiscal Information: The preliminary fiscal impact statement was not available at the time this analysis was finalized. The most current fiscal information on bills can be found online at: www.mainelegislature.org/LawMakerWeb/search.asp.