

DRAFT (11/07/2024)

An Act to Expand Opportunities to Invest Municipal Tax Increment Financing Revenues

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 30-A MRSA §5225 sub-1(C), as amended by PL 2023, c. 142, §§1-3 is further amended to read:

§5225. Project costs

1. Authorized project costs. The commissioner shall review proposed project costs to ensure compliance with this subsection. Authorized project costs are:

C. Costs related to economic development, environmental improvements, fisheries and wildlife or marine resources projects, recreational trails, broadband service development, expansion or improvement, including connecting to broadband service outside the tax increment financing district, employment training or the promotion of workforce development and retention within the municipality or plantation, including, but not limited to:

- (1) Costs of funding economic development programs or events developed by the municipality or plantation or funding the marketing of the municipality or plantation as a business or arts location;
- (2) Costs of funding environmental improvement projects developed by the municipality or plantation for commercial or arts district use or related to such activities;
- (3) Funding to establish permanent economic development revolving loan funds, investment funds and grants;
- (4) Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained in the municipality or plantation. These costs must be designated as training funds in the development program;
- (5) Costs associated with quality child care facilities and adult care facilities, including finance costs and construction, staffing, training, certification and accreditation costs related to child care and adult care;
- (6) Costs associated with new or existing recreational trails determined by the department to have significant potential to promote economic development, including, but not limited to, costs for multiple projects and project phases that may include planning, design, construction, maintenance, grooming and improvements with respect to new or existing recreational trails, which may include bridges that are part of the trail corridor, used all or in part for all-terrain vehicles, snowmobiles, hiking, bicycling, cross-country skiing or other related multiple uses;
- (7) Costs associated with a new or expanded transit service, limited to:

- (a) Transit service capital costs, including but not limited to: transit vehicles such as buses, ferries, vans, rail conveyances and related equipment; bus shelters and other transit-related structures; and benches, signs and other transit-related infrastructure; and
 - (b) In the case of transit-oriented development districts, ongoing costs of adding to an existing transit system or creating a new transit service and limited strictly to transit operator salaries, transit vehicle fuel and transit vehicle parts replacements;
- (8) Costs associated with the development of fisheries and wildlife or marine resources projects;
- (9) Costs related to the construction, renovation, or operation of municipal or plantation public safety facilities, including facilities used as emergency shelters, the need for which is related to general economic development within the municipality or plantation, ~~not to exceed 15% of the captured assessed value of the development district~~;
- (10) Costs associated with broadband and fiber optics expansion projects, including preparation, planning, engineering and other related costs in addition to the construction costs of those projects. If an area within a municipality or plantation is unserved with respect to broadband service, as defined by the ConnectMaine Authority as provided in Title 35-A, section 9204-A, subsection 1, broadband and fiber optics expansion projects may serve residential or other nonbusiness or noncommercial areas in addition to business or commercial areas within the municipality or plantation;
- (11) Costs associated with the operation and financial support of:
- (a) Affordable housing in the municipality or plantation to serve ongoing economic development efforts, including the further development of the downtown tax increment financing districts; and
 - (b) Housing programs and services to assist those who are experiencing homelessness in the municipality or plantation as defined in the municipality's or plantation's development program; and
- (12) ~~Up to 50% of the capital costs~~ Costs related to the construction or renovation of a ~~municipality's or plantation's central administrative office~~ facilities owned by a municipality or plantation and used to provide municipal or plantation services, the need for which is related to general economic development within the municipality or plantation, ~~not to exceed 15% of the captured assessed value of the development district~~;

Summary

This bill maximizes a municipality or plantation's ability to utilize tax increment financing revenue to renovate and construct municipal facilities that contribute to the community's economic development efforts, including facilities used as emergency shelters.