

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: February 21, 2012

To: Members, Joint Standing Committee on Taxation

From: Elizabeth Cooper, Legislative Analyst

LD 1653, "An Act To Make Fisheries and Wildlife Projects Eligible for Tax Increment Financing"

Summary: This bill authorizes the use of tax increment financing for fisheries and wildlife projects approved by the Department of Inland Fisheries and Wildlife. Projects must be undertaken for the purpose of improving public access to fisheries and wildlife resources of the State for fishing, hunting, research or observation or for conservation or improvement of the fisheries and wildlife resources of the State.

Public Hearing:

Proponents

- Sponsor explained in his testimony that this bill provides clarification that municipalities can use TIF for fisheries and wildlife projects and includes technical corrections from the Revisor's office.
- Those testifying in favor of the bill include Sportman's Alliance of Maine, Maine Audubon, the Nature Conservancy and Maine Municipal Association. Additional written testimony was submitted by GrowSmart Maine.
- Testimony suggested the bill provides clear direction that the development of infrastructure projects that protect deer yards, develop fishing opportunities or other enhancement of wildlife habitat are permissible activities under the TIF law. There was testimony that noted that as the TIF law evolves specific activities continue to be added to a part of the law that already authorizes projects outside of the TIF.

Opposed

There was no testimony in opposition to LD 1653.

NFNA

There was no testimony "neither for nor against" LD 1653.

Additional Information:

- Attached is a side-by-side of the bill.

Fiscal Information: The preliminary fiscal impact statement from OFPR was not available at this time this analysis was prepared. Typically, there is no state fiscal impact related to tax increment financing bills.

An Act To Make Fisheries and Wildlife Projects Eligible for Tax Increment Financing

<p>Sec. 1. 30-A MRS §5222, sub-§10-A is enacted to read:</p> <p>10-A. Fisheries and wildlife project. "Fisheries and wildlife project" means a project approved by the Department of Inland Fisheries and Wildlife undertaken for the purpose of improving public access to fisheries and wildlife resources of the State for fishing, hunting, research or observation or for conservation or improvement of the fisheries and wildlife resources of the State.</p>	<p>This adds a new definition to the Tax Increment Financing Law in Title 30-A. The fisheries and wildlife projects that a municipality wishes to undertake using a TIF must be a project approved by the Department of Inland Fisheries and Wildlife per this definition.</p>
<p>Sec. 2. 30-A MRS §5223, sub-§3, ¶A, as amended by PL 2007, c. 413, §3, is further amended to read:</p> <p>A. At least 25%, by area, of the real property within a development district must meet at least one of the following criteria:</p> <p>(1) Must be a blighted area;</p> <p>(2) Must be in need of rehabilitation, redevelopment or conservation work <u>including fisheries and wildlife projects</u>; or</p> <p>(3) Must be suitable for commercial or arts district uses.</p>	<p>This section of law lays out the criteria for the condition of approval of a development district and the additional language clarifies that fisheries and wildlife projects are considered conservation work.</p>
<p>Sec. 3. 30-A MRS §5225, sub-§1, ¶C, as amended by PL 2011, c. 101, §14 and c. 102, §1, is repealed and the following enacted in its place:</p> <p><u>C. Costs related to economic development, environmental improvements, fisheries and wildlife projects, recreational trails or employment training within the municipality or plantation, including, but not limited to:</u></p> <p>(1) <u>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;</u></p> <p>(2) <u>Costs of funding environmental improvement projects developed by the municipality or plantation for commercial or arts district use or related to such activities;</u></p> <p>(3) <u>Funding to establish permanent economic development revolving loan funds or investment funds;</u></p> <p>(4) <u>Costs of services to provide skills development and training for residents of the municipality or plantation. These costs may not exceed 20% of the total project costs and must be designated as training funds in the development program;</u></p> <p>(5) <u>Quality child care costs, including finance costs and construction, staffing, training, certification and accreditation costs related to child care;</u></p>	<p>Most of section 3 is current law. You will notice it has been “repealed and replaced” and I have highlighted the only <i>new</i> language for ease of reference. This language appears on page 1, lines 18 and 19, and page 2, line 14 of your bill.</p> <p><i>Explanation:</i></p> <p>PL 2011, c. 101 and PL 2011, c. 102 affected the same part of the TIF law and since the laws were enacted in the same session, they created a conflict that needed to be corrected in the statute. Chapter 101 provided that plantations have the same powers as municipalities and counties in creating TIFs and chapter 102 clarified this use of TIFs for recreational trails much in the same way this bill is clarifying the use of TIFs for fisheries and wildlife projects.</p>

<p><u>(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;</u></p> <p><u>(7) Costs associated with a new or expanded transit service, limited to:</u></p> <p><u>(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</u></p> <p><u>(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; and</u></p> <p><u>(8) Costs associated with the development of fisheries and wildlife projects; and</u></p>	
<p>Sec. 4. Fisheries and wildlife projects; rules. The Department of Inland Fisheries and Wildlife, in consultation with the Department of Economic and Community Development, shall adopt rules establishing standards and a process for approval of fisheries and wildlife projects eligible for tax increment financing under the Maine Revised Statutes, Title 30-A, chapter 206.</p>	<p>This is a rulemaking provision that allows IF&W to adopt rules.</p>