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**Testimony of Nancy Smith, Executive Director of GrowSmart Maine**

**in support of LD 854, “An Act To Improve Tax Incentives for Broadband Service”**

March 6, 2019

Senator Chipman, Representative Tipping and members of the Joint Standing Committee on Taxation, my name is Nancy Smith and I am the Executive Director of GrowSmart Maine. We are a statewide non-partisan organization working to create lasting prosperity without sacrificing the quality of life that defines Maine.

We support policies, programs and projects that define and protect the value of our unique built and natural places while supporting long term economic opportunity.

LD 854, “An Act to Improve Tax Incentives for Broadband Service”, sponsored by Representative Ackley, proposes to allow tax increment financing to be used to benefit the delivery of broadband services including development, expansion or improvement of those services. Most importantly, LD 854 would allow TIF dollars to fund the connection of broadband services outside of the TIF district, as is allowed for numerous other purposes.

As a member of the Maine Broadband Coalition which seeks to significantly expand the reach of broadband services throughout the state, particularly in rural areas, we at GrowSmart Maine are in strong support of this innovative proposal. Expanding the use of TIFs to fund the development and extension of broadband has several community and economic benefits.

- First, it allows those municipalities with TIFs to effectively deploy scarce funds to build and improve their broadband connection in strategic concert with the purpose of a particular TIF. TIF funds could, for instance, provide a required match for other broadband funding sources available to the municipality.

- Second, because the expanded use of TIFs proposed in this bill has the potential benefit of expanding broadband access in both heavily and more sparsely populated areas within the municipality, towns and cities can increase the value of their housing stock and retain and recruit more residents for whom this is a priority. We know that opportunities for remote work situations and rural small businesses such as farms are mutually beneficial and factor into Maine’s economy as well as overall quality of life.

- Finally, allowing the expanded use of TIFs as a municipal tool for broadband adds significant value to statewide efforts to develop a sophisticated broadband network, bringing Maine closer our shared goal to retain and attract businesses of all sizes that add to statewide lasting prosperity.

With our focus on managing growth at the community level, GrowSmart considered if this proposal would add to the municipal costs of sprawl and determined that would likely not be an issue. That said, we encourage communities to consider the many costs of sprawl as they determine where to encourage growth.

I will close by highlighting one final point. As municipalities gain this use of TIF funds, there remains a keen need for their staff and officials to have access to information and expertise in order to ensure wise investment of these TIF dollars. GrowSmart Maine will advocate for increased funding for ConnectME and for the Municipal Planning Assistance Program within the Dept of Agriculture, Conservation and Forestry as both can provide these resources statewide. In addition, all are welcome to join the Maine Broadband Coalition, which also serves as a convener and central information source for communities.

We stand ready to support the passage of LD 854 and other innovative and sound legislative proposals to further the expansion and development of broadband services across the state. Please let me know if you have any questions regarding our support for LD 854.