

2020 Board of Directors

Ethan Boxer-Macomber, Chair
Carol Morris, Vice-Chair
Buzz Lamb, Secretary
Ben Smith, Treasurer
Rachel Bouvier
Rebecca Casey
Jean Claveau
Carl Eppich
Maggie Fleming
Tyler Kidder



Jeff Levine
Tom Rumpf
Lynne Seeley
Sally Stockwell
David Webster
Christopher Winstead
Robin Zinchuk
Daniel Hildreth, Emeritus
Evan Richert, Emeritus
Anna Marie Thron, Emeritus

Testimony of Nancy Smith, Executive Director of GrowSmart Maine

in support of LD 2047, “An Act to Amend the State Tax Laws”

February 6, 2020

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.

We are providing this testimony to indicate our strong support for a proposed amendment to LD 2047, “An Act To Amend the State Tax Laws”. It is our understanding that Maine Revenue Services intends to propose an amendment to this department bill which will extend the sunset date for the Historic Preservation Tax Credit (36 MRSA 5219-BB) from the current end date of 2023. We advocate for extending this sunset provision for a 15-year period.

Our support for the continuation of the highly successful Historic Preservation Tax Credit (HPTC) relates directly to one of GSM’s core objectives; that of downtown revitalization. Since its inception in 2008, the HPTC has proven to be an incentive which has more than fulfilled its intended purpose of preserving and rehabilitating historic buildings for reuse. Many of the historic buildings that have benefitted from use of this tax credit are located in historic downtown areas located in municipalities across the state.

The advantages and benefits of the HPTC are many:

- As mentioned above, the preservation and reuse of historical buildings is vitally important to preserving Maine's unique quality of place which in turn attracts people to Maine and strengthens our economy;
- With a focus on the state’s newly released 10-year strategic plan, continued access to the HPTC affirms predictable business regulation;
- Continued use of the HPTC also compliments many of the goals of the Maine Climate Council through the reuse of building materials. Avoiding the need to manufacture new building materials

makes use of the embedded energy used many years ago to produce the original building materials and therefore represents a significant measure of energy efficiency and carbon sequestration;

- A lengthy continuation of the HPTC in Maine law helps to create certainty among municipal planners, developers and construction firms that the tax credit can be counted on for a reasonable planning period; and
- Finally, the restoration and reuse of historic buildings represents a significant economic development tool. According to recent data compiled by the Maine Historic Preservation Commission, since the inception of the HPTC in 2008, more than 100 projects have been completed with total construction costs of almost \$556 million with an increased municipal assessment value of more than \$160 million.

We urge you to adopt a continuation of the highly successful HPTC in Maine law. Please do not hesitate to contact me with any questions that you may have regarding our support for continuation of the HPTC as an amendment to LD 2047.