

MAINE STATE LEGISLATURE

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Date: 6/12/25 MAJORITY

(Filing No. H-686)

HOUSING AND ECONOMIC DEVELOPMENT

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 644, L.D. 997, "An Act to Allow Residential Use Development in Commercial Districts"

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 30-A MRSA §4364-C, sub-§3, as amended by PL 2023, c. 536, §1, is repealed.

Sec. 2. 30-A MRSA §4364-D is enacted to read:

§4364-D. Residential units in areas zoned for commercial use

A municipality shall allow residential units within buildings located in an area zoned for commercial use, including, but not limited to, buildings that are vacant or partially vacant retail property, except when a municipality determines that flooding or other natural hazards in the zone makes a building located in an area zoned for commercial use unfit for residential use. For purposes of this section, "commercial use" means the use of lands, buildings or structures the intent or result of which is the production of income from the buying or selling of goods or services. "Commercial use" does not include a home-based business, the rental of a single dwelling unit on a single lot or incidental sales of goods or services as may be allowed by permit or standard.

1. Allowable limitation on residential units in areas zoned for commercial use. An ordinance adopted by a municipality that regulates the establishment of residential units in an area zoned for commercial use may establish standards that limit the number of residential units in a commercial development.

2. Allowable requirement for commercial use on ground floor. An ordinance adopted by a municipality that regulates the establishment of residential units in an area zoned for commercial use may require the ground floor of a building containing residential units to be restricted for commercial use.

3. Allowable siting and design requirements for residential units in areas zoned for commercial use. A municipality may adopt an ordinance regulating the siting and

1 design of a residential or mixed-use development established in an area zoned for
2 commercial use as long as the ordinance, alone or in combination with other siting and
3 design ordinances, does not discourage the development through unreasonable costs or
4 delays.

5 **4. Prohibited limitations on residential development.** An ordinance adopted by a
6 municipality that regulates residential development in an area zoned for commercial use
7 may not contain restrictions or limitations more stringent than the restrictions or limitations
8 contained in section 4364, 4364-A or 4364-B.

9 **5. Health and safety requirements.** This section is not intended to reduce or change
10 health or safety requirements applicable to residential units located in a municipality.

11 **6. Rulemaking.** The state agency responsible for administering the Housing
12 Opportunity Program established in Title 5, section 13056-J may adopt rules to administer
13 and enforce this section. Rules adopted pursuant to this subsection are routine technical
14 rules as defined in Title 5, chapter 375, subchapter 2-A.

15 **7. Implementation.** A municipality must comply with the requirements of this section
16 beginning July 1, 2027.'

17 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
18 number to read consecutively.

19 **SUMMARY**

20 This amendment, which is the majority report of the committee, replaces the bill. The
21 amendment requires a municipality to allow residential units within buildings in an area
22 zoned for commercial use. The amendment allows the state agency responsible for the
23 Housing Opportunity Program to adopt rules to administer and enforce this legislation. A
24 municipality must comply with the requirements of this legislation beginning July 1, 2027.

25 **FISCAL NOTE REQUIRED**
26 **(See attached)**



132nd MAINE LEGISLATURE

LD 997

LR 1162(02)

An Act to Allow Residential Use Development in Commercial Districts

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-686)

Committee: Housing and Economic Development

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Additional costs to the state agency with responsibility for the Housing Opportunity Program associated with the rulemaking process can be absorbed within existing budgeted resources.