

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

GA  
ROS

L.D. 1498

Date:

6/16/25

(Filing No. H-

734

## HOUSING AND ECONOMIC DEVELOPMENT

Reproduced and distributed under the direction of the Clerk of the House.

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

COMMITTEE AMENDMENT "A" to H.P. 982, L.D. 1498, "An Act to Limit  
Municipal Impact Fees on Housing Development"

Amend the bill by striking out the title and substituting the following:

**'An Act to Address Maine's Housing Crisis by Limiting Municipal Impact Fees on  
Housing Development and Transferring Oversight of the Housing Opportunity  
Program to the Maine Office of Community Affairs'**

Amend the bill by inserting after the title and before the enacting clause the following:

**'Emergency preamble. Whereas,** acts and resolves of the Legislature do not  
become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** the State is facing a severe housing crisis, and to meet the goal of building  
an additional 84,000 homes in the next 5 years to alleviate this crisis, housing production  
in the State would need to roughly double its annual rate; and

**Whereas,** an array of changes needs to occur to address this crisis, starting with the  
consolidation of efforts by the executive branch in this area; and

**Whereas,** transferring oversight of the Housing Opportunity Program from the  
Department of Economic and Community Development is one critical component in  
focusing the State's efforts addressing this crisis; and

**Whereas,** delaying consolidation of efforts will further delay implementation of new  
and ongoing legislative initiatives enacted in this Legislature and in the 131st Legislature;  
and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within  
the meaning of the Constitution of Maine and require the following legislation as  
immediately necessary for the preservation of the public peace, health and safety; now,  
therefore,'

Amend the bill by inserting after the enacting clause and before section 1 the following:

# COMMITTEE AMENDMENT

ROS

1       **Sec. 1. 5 MRSA §3205**, as enacted by PL 2023, c. 643, Pt. DD, §2, is amended to  
2 read:

3       **§3205. Acceptance and administration of funds**

4       The office may accept, administer and expend funds, including but not limited to funds  
5 from the Federal Government or from private sources, for purposes consistent with this  
6 chapter. The director shall provide a report of the amount of any outside funding received  
7 from private sources and its designated purpose to the Governor, the joint standing  
8 committee of the Legislature having jurisdiction over housing matters and the joint  
9 standing committee of the Legislature having jurisdiction over municipal matters on an  
10 annual basis.

11       **Sec. 2. 5 MRSA c. 310-C** is enacted to read:

12                               **CHAPTER 310-C**

13                               **HOUSING PLANNING**

14       **§3217. Housing Opportunity Program**

15       **1. Program established; administration.** The Housing Opportunity Program,  
16 referred to in this section as "the program," is established within the Maine Office of  
17 Community Affairs, established in section 3202 and referred to in this section as "the  
18 office." The program must encourage and support the development of additional housing  
19 units in the State, including housing units that are affordable for low-income and moderate-  
20 income individuals and housing units targeted to community workforce housing needs. The  
21 office shall administer the program and provide technical and financial assistance to  
22 support communities implementing zoning and land use-related policies necessary to  
23 support increased housing development. The program must support regional approaches  
24 and municipal model ordinance development and encourage policies that support increased  
25 housing density, where feasible, to protect working lands and natural lands.

26       **2. Housing Opportunity Fund.** The Housing Opportunity Fund, referred to in this  
27 section as "the fund," is established as a fund within the office for the purpose of providing  
28 funds for the program. The fund consists of money appropriated to the fund by the  
29 Legislature and any funds received by the office for the purposes of the program.

30       **A.** The office shall solicit applications for grants from the fund through a competitive  
31 application process. Grants may be awarded to experienced service providers and  
32 municipalities to:

33               **(1)** Support municipal ordinance development, provide technical assistance and  
34 encourage public participation and community engagement in the process of  
35 increasing housing opportunities;

36               **(2)** Provide community housing planning services to municipalities to support the  
37 creation of housing development plans, including municipal ordinances, and policy  
38 amendments to support those plans; and

39               **(3)** Provide community housing implementation services.

1 Programs receiving grants under subparagraph (1) may encourage regional  
 2 coordination between municipalities.

3 Grants awarded must be for a period of up to 3 years, with required progress reports  
 4 each year.

5 B. The office shall provide technical assistance, housing policy development and  
 6 guidance directly to regional groups, municipalities and other housing stakeholders, to  
 7 the extent feasible with available resources. This may include, but is not limited to,  
 8 assisting municipalities with information about available grant opportunities, sharing  
 9 best practices from jurisdictions inside and outside of the State, providing model  
 10 language for municipal ordinances and policies and providing information to the  
 11 general public, which may support local and statewide policy changes meant to  
 12 increase the supply of housing.

13 3. Program evaluation. A recipient of grant funds through the program shall  
 14 cooperate with the office in performing evaluations and specific reporting requirements.

15 4. Rulemaking. The office may establish by rule the criteria for eligibility for grants  
 16 from the program and the process for applying to the program. Rules adopted pursuant to  
 17 this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-  
 18 A.

19 **Sec. 3. 5 MRSA §13056-J**, as enacted by PL 2021, c. 635, Pt. U, §1, is repealed.'

20 Amend the bill by striking out all of section 2 and inserting the following:

21 'Sec. 2. 30-A MRSA §4354, sub-§1, as amended by PL 1999, c. 776, §11, is further  
 22 amended to read:

23 **1. Construction or fees may be required.** The requirements may include  
 24 construction of ~~capital~~ infrastructure improvements or impact fees instead of ~~capital~~  
 25 infrastructure improvements including the expansion or replacement of existing  
 26 infrastructure facilities and the construction of new infrastructure facilities. A municipality  
 27 shall demonstrate that a required infrastructure improvement is necessary to accommodate  
 28 the development and that the impact fee is based on the cost of the infrastructure  
 29 improvement and proportionate to the development's use of the infrastructure  
 30 improvement.

31 A. For the purposes of this subsection, infrastructure facilities include, but are not  
 32 limited to:

- 33 (1) Waste water collection and treatment facilities;
- 34 (2) Municipal water facilities;
- 35 (3) Solid waste facilities;
- 36 (4) Public safety equipment and facilities;
- 37 (5) Roads and traffic control devices;
- 38 (6) Parks and other open space or recreational areas; and
- 39 (7) School facilities.'

40 Amend the bill in section 3 in paragraph C in the 2nd line (page 1, line 26 in L.D.) by  
 41 striking out the following: "use" and inserting the following: 'use encumber'

1 Amend the bill in section 3 in paragraph C in the 2nd line (page 1, line 26 in L.D.) by  
2 striking out the following: "180" and inserting the following: '360'

3 Amend the bill by inserting after section 3 the following:

4 **'Sec. 4. Transition provisions; Housing Opportunity Program.** The following  
5 provisions govern the transition of the Housing Opportunity Program from the Department  
6 of Economic and Community Development to the Maine Office of Community Affairs  
7 established in the Maine Revised Statutes, Title 5, section 3202.

8 1. The Maine Office of Community Affairs is the successor in every way to the powers,  
9 duties and functions of the Department of Economic and Community Development  
10 regarding the Housing Opportunity Program.

11 2. All existing rules, regulations and procedures in effect, in operation or adopted in or  
12 by the Department of Economic and Community Development regarding the Housing  
13 Opportunity Program or any of its administrative units or officers are in effect and continue  
14 in effect until rescinded, revised or amended by the Maine Office of Community Affairs.

15 3. All existing contracts, agreements and compacts currently in effect in the  
16 Department of Economic and Community Development regarding the Housing  
17 Opportunity Program continue in effect.

18 4. All records, property and equipment previously belonging to or allocated for the use  
19 of the Housing Opportunity Program in the Department of Economic and Community  
20 Development become, on the effective date of this Act, part of the property of the Maine  
21 Office of Community Affairs.

22 5. All existing forms, licenses, letterheads and similar items bearing the name of or  
23 referring to the Housing Opportunity Program may be used by the Maine Office of  
24 Community Affairs until existing supplies of those items are exhausted.

25 **Sec. 5. Appropriations and allocations.** The following appropriations and  
26 allocations are made.

27 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**  
28 **Housing Opportunity Program Z336**

29 Initiative: Continues and makes permanent 2 Public Service Coordinator II positions  
30 previously continued by Public Law 2023, chapter 412 and previously established by  
31 Public Law 2021, chapter 635 and reduces All Other to fund the positions.

32	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
33	POSITIONS - LEGISLATIVE COUNT	2,000	2,000
34	Personal Services	\$327,236	\$340,694
35	All Other	(\$327,236)	(\$340,694)
36			
37	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$0</b>

38 **Housing Opportunity Program Z336**

39 Initiative: Transfers All Other funding from the Housing Opportunity Program within the  
40 Department of Economic and Community Development to the Housing Opportunity  
41 Program within the Maine Office of Community Affairs within the same fund to provide

ROS

COMMITTEE AMENDMENT "A" to H.P. 982, L.D. 1498

1 coordinated and efficient technical assistance and funding in partnership with communities.  
2 across the State.

3	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
4	All Other	(\$2,060,118)	(\$2,046,660)
5			
6	<b>GENERAL FUND TOTAL</b>	<u>(\$2,060,118)</u>	<u>(\$2,046,660)</u>

7 **Housing Opportunity Program Z336**

8 Initiative: Transfers 2 Public Service Coordinator II positions from the Housing  
9 Opportunity Program within the Department of Economic and Community Development  
10 to the Housing Opportunity Program within the Maine Office of Community Affairs within  
11 the same fund to provide coordinated and efficient technical assistance and funding in  
12 partnership with communities across the State. Two authorized positions and any  
13 incumbent personnel as of July 1, 2025 in the Department of Economic and Community  
14 Development are transferred to the Maine Office of Community Affairs. All transferred  
15 positions, including those currently unclassified, are classified positions at the Maine  
16 Office of Community Affairs. The designation of each position as either confidential or  
17 bargaining unit is based on the classification of the position. Those employees retain their  
18 accrued vacation and sick leave balances.

19	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
20	POSITIONS - LEGISLATIVE COUNT	(2.000)	(2.000)
21	Personal Services	(\$327,236)	(\$340,694)
22			
23	<b>GENERAL FUND TOTAL</b>	<u>(\$327,236)</u>	<u>(\$340,694)</u>

24

25 **ECONOMIC AND COMMUNITY**  
26 **DEVELOPMENT, DEPARTMENT OF**  
27 **DEPARTMENT TOTALS**

28		<b>2025-26</b>	<b>2026-27</b>
29	<b>GENERAL FUND</b>	(\$2,387,354)	(\$2,387,354)
30			
31	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>(\$2,387,354)</u>	<u>(\$2,387,354)</u>

32 **MAINE OFFICE OF COMMUNITY AFFAIRS**

33 **Housing Opportunity Program Z336**

34 Initiative: Transfers All Other funding from the Housing Opportunity Program within the  
35 Department of Economic and Community Development to the Housing Opportunity  
36 Program within the Maine Office of Community Affairs within the same fund to provide  
37 coordinated and efficient technical assistance and funding in partnership with communities  
38 across the State.

39	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
40	All Other	\$2,060,174	\$2,046,718
41			
42	<b>GENERAL FUND TOTAL</b>	<u>\$2,060,174</u>	<u>\$2,046,718</u>

43 **Housing Opportunity Program Z336**

ROS

## COMMITTEE AMENDMENT "A" to H.P. 982, L.D. 1498

Initiative: Transfers 2 Public Service Coordinator II positions from the Housing Opportunity Program within the Department of Economic and Community Development to the Housing Opportunity Program within the Maine Office of Community Affairs within the same fund to provide coordinated and efficient technical assistance and funding in partnership with communities across the State. Two authorized positions and any incumbent personnel as of July 1, 2025 in the Department of Economic and Community Development are transferred to the Maine Office of Community Affairs. All transferred positions, including those currently unclassified, are classified positions at the Maine Office of Community Affairs. The designation of each position as either confidential or bargaining unit is based on the classification of the position. Those employees retain their accrued vacation and sick leave balances.

<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
POSITIONS - LEGISLATIVE COUNT	2,000	2,000
Personal Services	\$327,180	\$340,636
<b>GENERAL FUND TOTAL</b>	<b>\$327,180</b>	<b>\$340,636</b>

**Maine Office of Community Affairs Z396**

Initiative: Establishes one Secretary Specialist position and one Public Service Coordinator I position to provide administrative support for the Maine Office of Community Affairs and provides funding for related All Other costs.

<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
POSITIONS - LEGISLATIVE COUNT	2,000	2,000
Personal Services	\$214,376	\$231,076
All Other	\$17,826	\$17,826
<b>GENERAL FUND TOTAL</b>	<b>\$232,202</b>	<b>\$248,902</b>

**MAINE OFFICE OF COMMUNITY AFFAIRS**  
**DEPARTMENT TOTALS**

	<b>2025-26</b>	<b>2026-27</b>
<b>GENERAL FUND</b>	<b>\$2,619,556</b>	<b>\$2,636,256</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$2,619,556</b>	<b>\$2,636,256</b>

<b>SECTION TOTALS</b>	<b>2025-26</b>	<b>2026-27</b>
<b>GENERAL FUND</b>	<b>\$232,202</b>	<b>\$248,902</b>
<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$232,202</b>	<b>\$248,902</b>

Amend the bill by adding before the summary the following:

**'Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.'

# COMMITTEE AMENDMENT

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

3 **SUMMARY**

4 This amendment changes the title of the bill and adds an emergency preamble and  
5 emergency clause. The amendment amends the time within which a municipality must  
6 encumber an impact fee from 180 days, as proposed in the bill, to 360 days after receipt.  
7 The amendment changes "capital improvements" to "infrastructure improvements"  
8 throughout the provisions of law amended in the bill to provide consistency. The  
9 amendment removes the limitation proposed in the bill that impact fees must be related to  
10 infrastructure improvements on land or property that directly abuts the development. The  
11 amendment repeals the provisions of law that established the Housing Opportunity  
12 Program within the Department of Economic and Community Development and  
13 establishes the program in the Maine Office of Community Affairs. The amendment  
14 includes an appropriations and allocations section to accomplish this transfer.

15 **FISCAL NOTE REQUIRED**

16 (See attached)





Approved: 05/20/25 **LRL**

# 132nd MAINE LEGISLATURE

LD 1498

LR 2143(02)

## An Act to Limit Municipal Impact Fees on Housing Development

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Housing and Economic Development

Fiscal Note Required: Yes

*A(H-734)*

---

### Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
<b>Net Cost (Savings)</b>				
General Fund	\$232,202	\$248,902	\$271,467	\$294,860
<b>Appropriations/Allocations</b>				
General Fund	\$232,202	\$248,902	\$271,467	\$294,860

### Fiscal Detail and Notes

This bill includes General Fund appropriations to the Department of Economic and Community Development (DECD) of \$327,236 in fiscal year 2025-26 and \$340,694 in fiscal year 2026-27 to establish 2 Public Service Coordinator II positions within the Housing Opportunity Program and transfers All Other funding to Personal Services to fund the position. It also repeals the Housing Opportunity Program within DECD and transfers the program and its funding of \$2,387,354 in fiscal year 2025-26 and \$2,387,354 in fiscal year 2026-27 to the Office of Community Affairs. There is no net General Fund cost in the 2026-2027 biennium as a result of these initiatives.

The bill also includes General Fund appropriations to the Maine Office of Community Affairs of \$232,202 in fiscal year 2025-26 and \$248,902 in fiscal year 2026-27 to establish one Secretary Specialist position and one Public Service Coordinator I position to provide administrative support for the office and provides funding for related All Other costs.

These initiatives are also included in LD 210, the 2026-2027 biennial budget. The fiscal impact of this bill, as well as the General Fund appropriations included in this bill, may need to be adjusted based on final legislative actions on LD 210.