

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1498

H.P. 982

House of Representatives, April 8, 2025

An Act to Limit Municipal Impact Fees on Housing Development

Reference to the Committee on State and Local Government suggested and ordered printed.

Handwritten signature of Robert B. Hunt in cursive.

ROBERT B. HUNT
Clerk

Presented by Representative FAULKINGHAM of Winter Harbor.
Cosponsored by Senator BRADSTREET of Kennebec and
Representatives: BOYER of Poland, CHAPMAN of Auburn, Speaker FECTEAU of
Biddeford, GERE of Kennebunkport, MINGO of Calais, MORRIS of Turner, Senators:
BENNETT of Oxford, STEWART of Aroostook.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 30-A MRSA §4354, first ¶**, as repealed and replaced by PL 1991, c. 722,
3 §8 and affected by §11, is amended to read:

4 A Subject to the requirements and restrictions set forth in this section, a municipality
5 may enact an ordinance under its home rule authority requiring the construction of ~~off-site~~
6 capital infrastructure improvements or the payment of impact fees instead of the
7 construction of infrastructure improvements. Notwithstanding section 3442, subsection 2,
8 an impact fee may be imposed that results in a developer or developers paying the entire
9 cost of an infrastructure improvement. A municipality may impose an impact fee either
10 before or after completing the infrastructure improvement. The municipality shall establish
11 a policy document, accessible at the office of the municipality or on the publicly accessible
12 website of the municipality, that describes the manner by which the municipality
13 determines that a development necessitates an infrastructure improvement and how the
14 developer's share of the cost of that improvement is determined.

15 **Sec. 2. 30-A MRSA §4354, sub-§1**, as amended by PL 1999, c. 776, §11, is further
16 amended by enacting at the end a new first blocked paragraph to read:

17 The developer's share of capital improvement or impact fees must be limited to
18 infrastructure improvements on land or property that directly abuts the location of the
19 development. A municipality shall demonstrate that the required infrastructure
20 improvement is necessary to accommodate the development and that the impact fee is
21 based on the cost of the infrastructure improvement and proportionate to the development's
22 use of the infrastructure improvement.

23 **Sec. 3. 30-A MRSA §4354, sub-§2, ¶C**, as enacted by PL 1989, c. 104, Pt. A, §45
24 and Pt. C, §10, is amended to read:

25 C. The ordinance must establish a reasonable schedule under which the municipality
26 is required to use the funds within 180 days of receipt and in a manner consistent with
27 the capital investment component of the comprehensive plan.

28 SUMMARY

29 This bill amends the law that authorizes municipalities to enact ordinances requiring
30 the assessment of impact fees or construction of infrastructure improvements necessary as
31 the result of a development project. The bill requires the municipality to establish a policy
32 document that describes how the municipality determines that a development necessitates
33 an infrastructure improvement and how the developer's share of the cost of that
34 improvement is determined. The policy document must be accessible to the public at the
35 office of the municipality or on the publicly accessible website of the municipality. The
36 bill provides that the developer's share of the cost of infrastructure improvement must be
37 proportionate to the development's use of the infrastructure and only for improvements on
38 land or property that directly abuts the location of the development. The bill also requires
39 that any fees collected for infrastructure improvements must be used by the municipality
40 within 180 days of receipt.