

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FIVE

—
H.P. 821 - L.D. 1246

Resolve, Directing the Department of Economic and Community Development to Convene a Working Group to Review the Process of Setting Impact Fees

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 housing crisis that harms the quality of life and economic prosperity of all Maine residents that needs to be addressed as soon as possible; and

Whereas, to address this crisis, an additional 84,000 new housing units must be built by 2030; and

Whereas, a study on the barriers to addressing this crisis, completed in January 2025 by HR&A Advisors, found that unpredictable and overly burdensome costs and fees, including impact fees, were a deterrent to the construction of housing; and

Whereas, the HR&A Advisors report recommends the State establish a working group to review current local fees, including impact fees, and develop standards by which a municipality determines the local infrastructure costs and impact fees resulting from a housing development project, a transparent process by which municipalities establish those fees and a requirement that the fees be established at the beginning of the project approval process; 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, be it

Sec. 1. Department of Economic and Community Development to study impact fees. Resolved: That the Department of Economic and Community Development, as the state agency responsible for overseeing the Housing Opportunity Program established in the Maine Revised Statutes, Title 5, section 13056-J, or a successor agency, in collaboration with the Office of Policy Innovation and the Future and the Maine Office of Community Affairs, shall convene a working group to study the process by which

municipalities impose impact fees under Title 30-A, section 4354. The working group must include representatives of municipalities and developers associated with municipal infrastructure improvements and others with relevant experience. The study must include a review of the existing process by which municipalities establish and impose impact fees, guidance related to impact fees provided to developers and documentation municipalities use in establishing impact fees. For the purposes of this section, "impact fee" has the same meaning as in Title 30-A, section 4301, subsection 6-A. By December 3, 2025, the state agency responsible for overseeing the Housing Opportunity Program shall submit a report based on the study, including recommendations and any suggested legislation, to the Joint Standing Committee on Housing and Economic Development, and the committee may report out legislation related to the report to the Second Regular Session of the 132nd Legislature.

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