

STATE OF MAINE

IN THE YEAR OF OUR LORD  
TWO THOUSAND TWENTY-FIVE

H.P. 982 - L.D. 1498

**An Act to Address Maine's Housing Crisis by Limiting Municipal Impact Fees on Housing Development**

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

**Sec. 1. 30-A MRSA §4354, first ¶**, as repealed and replaced by PL 1991, c. 722, §8 and affected by §11, is amended to read:

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

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

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

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

- (1) Waste water collection and treatment facilities;

- (2) Municipal water facilities;
- (3) Solid waste facilities;
- (4) Public safety equipment and facilities;
- (5) Roads and traffic control devices;
- (6) Parks and other open space or recreational areas; and
- (7) School facilities.

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

C. The ordinance must establish a reasonable schedule under which the municipality is required to ~~use~~ encumber the funds within 360 days of receipt and in a manner consistent with the capital investment component of the comprehensive plan.