



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.

A handwritten signature in black ink, reading "Rlt B. Hunt".

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 FECTION of
Biddeford, GERE of Kennebunkport, MINGO of Calais, MORRIS of Turner, Senators:
BENNETT of Oxford, STEWART of Aroostook.

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Sec. 1. 30-A MRSA §4354, first ¶, as repealed and replaced by PL 1991, c. 722, §8 and affected by §11, is amended to read: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 by enacting at the end a new first blocked paragraph to read:

The developer's share of capital improvement or impact fees must be limited to infrastructure improvements on land or property that directly abuts the location of the development. A municipality shall demonstrate that the 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.

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 the funds within 180 days of receipt and in a manner consistent with the capital investment component of the comprehensive plan.

SUMMARY

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