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Date: (Filing No. H-)

HOUSING AND ECONOMIC DEVELOPMENT

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

COMMITTEE AMENDMENT “ ” 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:

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'

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

Amend the bill by inserting after section 3 the following:

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

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

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Housing Opportunity Program or any of its administrative units or officers are in effect and continue in effect until rescinded, revised or amended by the Maine Office of Community Affairs.

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

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

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

Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.

ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

Housing Opportunity Program Z336

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

GENERAL FUND	2025-26	2026-27
POSITIONS - LEGISLATIVE COUNT	2.000	2.000
Personal Services	\$327,236	\$340,694
All Other	(\$327,236)	(\$340,694)
GENERAL FUND TOTAL	\$0	\$0

Housing Opportunity Program Z336

Initiative: Transfers All Other funding 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.

GENERAL FUND	2025-26	2026-27
All Other	(\$2,060,118)	(\$2,046,660)
GENERAL FUND TOTAL	(\$2,060,118)	(\$2,046,660)

Housing Opportunity Program Z336

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.

GENERAL FUND	2025-26	2026-27
POSITIONS - LEGISLATIVE COUNT	(2.000)	(2.000)
Personal Services	(\$327,236)	(\$340,694)
GENERAL FUND TOTAL	(\$327,236)	(\$340,694)

ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF DEPARTMENT TOTALS

	2025-26	2026-27
GENERAL FUND	(\$2,387,354)	(\$2,387,354)
DEPARTMENT TOTAL - ALL FUNDS	(\$2,387,354)	(\$2,387,354)

MAINE OFFICE OF COMMUNITY AFFAIRS

Housing Opportunity Program Z336

Initiative: Transfers All Other funding 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.

GENERAL FUND	2025-26	2026-27
All Other	\$2,060,174	\$2,046,718
GENERAL FUND TOTAL	\$2,060,174	\$2,046,718

Housing Opportunity Program Z336

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.

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

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.

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

MAINE OFFICE OF COMMUNITY AFFAIRS

DEPARTMENT TOTALS	2025-26	2026-27
GENERAL FUND	\$2,619,556	\$2,636,256
DEPARTMENT TOTAL - ALL FUNDS	\$2,619,556	\$2,636,256

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

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.'

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)