



**MAINE MUNICIPAL
ASSOCIATION SINCE 1936**

60 Community Drive | Augusta, ME 04330-9486

1-800-452-8786 (in state)

(T) 207-623-8428

(F) 207-624-0129

Testimony of the Maine Municipal Association

In Opposition To

LD 1498 - An Act to Limit Municipal Impact Fees on Housing Development

April 22, 2025

Sen. Curry, Rep. Gere and distinguished members of the Housing and Economic Development Committee, my name is Rebecca Graham, and I am submitting testimony in unanimous opposition to LD 1498, at the direction of MMA's Legislative Policy Committee (LPC). Our LPC is composed of municipal officials from across Maine, elected by their peers to represent communities with vastly different enforcement staff, resources and capacities.

As drafted, this bill determines what impacts a large scale development must have and be burdened by the community to qualify for impact fees and limits those impacts to infrastructure only. This narrow definition strips an important tool for municipalities away to address other related government expenditure for ALL types of development. This can include the cost of buying specialized fire equipment such as a ladder truck for high rise development, that would not be required in any other area of the municipality, and can be used to incentivize building green infrastructure or keep small wetlands that are locally important allow the fee to be waived.

Someone must pay for the community costs of additional development and its impact on shared services which are not always able to fit in a spreadsheet but are easily articulable such as the wetland example above. As drafted, this bill limits the balance that exists for all developments, not just housing, failing to recognize other harm caused by other types of development. Impact fees are already well publicized where they exist and must be able to create dynamic change based on types of development not yet created.

Residential development may bring in new students, requiring additional classroom space with little capital funding programs at the state level provided for population increase. Commercial development may generate additional traffic, causing the need for highway improvements. A growing population may require additional park and playground space. These are practical impacts that are not defined as infrastructure which are equally important, and all must pass the test to equitably collect the cost of incremental marginal growth with a demand for public facilities for those who create the demand without overburdening any single development cost of the wholesale improvements in service or new facilities. Most importantly, without requiring the rest of the residents and businesses to pay for the cost without an equitable consideration of the shared burden from development. Impacts are not limited to abutters as suggested in the bill as drafted.

Constitutionally, there must be a governmental need for the fee, and it must be reasonably relational to the cost of the regulatory need. These are not fees that are made up with no nexus to actual community cost, though they are intended to make development that potentially causes great cost burdens on the community or environmental harm necessarily responsive to address both in advance.

For all of these reasons, officials ask respectfully that you vote “ought not to pass” on LD 1498, allow local communities to retain their existing authority to assess impacts as they locally occur in proportional balance with existing constitutional obligations for their limits, and advance LD 1246 which will allow greater insight into the practice and need for the individuals tasked with balancing the harm on a regular basis.