



# MAINE STATE LEGISLATURE

2 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0002  
(207) 287-1440  
TTY: (207) 287-4469

## **April 22, 2025 - Testimony in support of LD 1498:**

### ***"An Act to Limit Municipal Impact Fees on Housing Development"***

***Good afternoon, Senator Curry, Representative Gere and Members of the Joint Standing Committee on Housing and Economic Development.*** I'm Representative Billy Bob Faulkingham and I serve as the House Republican Leader. I represent House District 12, which includes the towns of Franklin, Gouldsboro, Hancock, Sorrento, Sullivan, Winter Harbor, and Steuben.

I'm here to testify on ***"LD 1498 - An Act to Limit Municipal Impact Fees on Housing Development"*** and speak on behalf of the hardworking Mainers who are struggling to afford to live in the State of Maine.

There are many reasons Mainers are feeling squeezed, from rising grocery and utility bills to inflationary pressures across the board, but at the core of it all is the high cost of housing. Rents and mortgages in Maine have skyrocketed, and the only real, long-term solution is to increase the supply of housing. To do that, we must create a regulatory environment that encourages—not deters—development.

Across Maine, municipalities have increasingly turned to impact fees as a means of offsetting infrastructure costs that, in some cases, are only loosely tied to new housing developments. While local governments certainly have the responsibility to manage growth and infrastructure, there must be clear limits to ensure that fees are proportionate, justified, and used responsibly. The legislation before you today would create clear and defined rules for municipalities to impose fees for housing development and establish transparent guidelines for future housing projects.

It's important to stress that this bill doesn't eliminate impact fees. It simply clarifies the rules to ensure they are applied reasonably. By requiring that impact fees are:

- used promptly for their intended purpose;
- directly tied to adjacent infrastructure impacted by the development; and
- proportionate and necessary.

This approach supports Maine's broader housing goals, as outlined in both the **Governor's Housing Production Goals** and the **Commission to Increase Housing Opportunities in Maine**, both of which emphasize reducing regulatory barriers and promoting cost-effective housing development.

I'd also like to thank Representative Gere for her leadership on this issue through LD 1246, which proposes a working group to study the use of impact fees. However, I respectfully urge this Committee to act more decisively and pass LD 1498 now, given the urgency of the housing crisis.

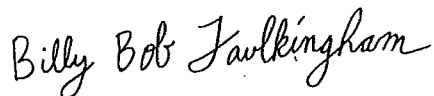
Here's why:

- 1) **The research is already done.** This Committee has already reviewed an independent report earlier this year recommending that municipal impact fees be limited to the direct effects of the projects they're tied to.
- 2) **We don't need more studies—we need action.** While further study has its place, this issue is well understood. Maine families can't wait.
- 3) **The need is urgent.** As you know, Maine must build approximately 80,000 new housing units by 2030 to meet demand. We are already behind.

LD 1498 is simple, targeted, and effective. It ensures that municipal impact fees are directly related to the projects that generate them, rather than being used to fund unrelated local priorities like parks or distant transportation infrastructure. These practices inflate costs, delay construction, and ultimately work against our shared goal of increasing affordable housing in Maine.

In conclusion, this bill is a common-sense, pro-housing, pro-transparency reform that helps strike a better balance between local infrastructure needs and statewide housing goals. I urge the members of the Committee to support LD 1498 and bring a predictable regulatory environment to housing projects in our state. I'm happy to answer any questions you may have.

Respectfully,

A handwritten signature in black ink that reads "Billy Bob Faulkingham". The signature is written in a cursive, flowing style.

Rep. Billy Bob Faulkingham  
House Republican Leader