



CITY OF BANGOR

Joint Standing Committee on Housing and Economic Development

Testimony in Opposition to LD 1498 – “An Act to Limit Municipal Impact Fees on Housing Development” and in Support of LD 1246 – “Resolve, Directing the Department of Economic and Community Development to Convene a Working Group to Review the Process of Setting Impact Fees”

April 23, 2025

Honorable Senator Curry, Honorable Representative Gere, and distinguished members of the Joint Standing Committee on Housing and Economic Development, I am Debbie Laurie, City Manager of the City of Bangor, and on behalf of the Bangor City Council I am providing testimony in Opposition to LD 1498 – “An Act to Limit Municipal Impact Fees on Housing Development” and in Support of LD 1246 – “Resolve, Directing the Department of Economic and Community Development to Convene a Working Group to Review the Process of Setting Impact Fees”.

While the City supports the intent of LD 1498 to lower fee burdens for developers, some housing developments may necessitate the need for upsized sewer lines and/or pump stations, especially now that many communities are planning for development at a higher density than that which was originally planned when sewer systems were constructed. These pump stations and sewer line upgrades may be located thousands of feet or more from the development itself, but LD 1498 would limit cost recovery to the location of the development and abutters’ properties. Similarly for road infrastructure, a particular development, when added to other development that has occurred in an area, may generate enough trips to trigger large scale upgrades to a roadway, upgrades that may or may not be directly adjacent to the development.

Additionally, the requirement to use impact fees within 180 days of receipt is unworkable in reality since the infrastructure upgrades these fees are intended for can take years to work through the necessary budgetary and regulatory processes. This point and that made previously are exemplified by a situation in Bangor where a much-needed housing development is proposed to be located in an area that has no further sewer capacity to serve development in the area. In order for the development to be built, sewer capacity restrictions must be addressed and the work will cover a broad area. This work will cost millions of dollars and will take several years to complete. If the impact fees required for this project were to abide by the regulations in this bill, they would not be able to be used on this sewer upgrade that is necessary for the project to be built.

While the City opposes LD 1498 in its current form, we do support LD 1246 and recommend that these policy decisions be discussed by the working group created by that bill. The working group would be able to take a holistic look at impact fee regulations and help provide the updates needed to Maine’s impact fee regulations while ensuring the regulations are feasible for municipalities to implement and ensuring that municipalities are able to recover some of the costs for infrastructure upgrades that are necessitated by new development. We also suggest that those with experience working with impact fees and infrastructure projects for municipalities be included in these discussions, along with organizations such as Maine Association of Planners and Maine Municipal Association.

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