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WRITTEN TESTIMONY PROVIDED

- **AGAINST LD #1498 "An Act to Limit Municipal Impact Fees on Housing Development"**
- **IN SUPPORT LD 1246 "Resolve, Directing the Department of Economic and Community Development to Convene a Working Group to Review the Process of Setting Impact Fees"**

DATE OF HEARING: Tuesday, April 22, 2025

Honorable Senator Curry, Honorable Representative Gere, and Distinguished Members of the Housing and Economic Development Committee:

As municipal and regional planners, we have a front row seat to the issues of unfair and unexpected fees and costs for development this legislation seeks to address. In addition, we know that updates to Maine's Impact Fee regulations are long overdue. The Legislative Policy Committee of the Maine Association of Planners supports LD 1498's intention to increase transparency around impact fees and other monetary exactions that can be required by local site plan approvals. This legislation correctly identifies the severity of a recurring issue in housing development: a builder may spend \$30,000 to develop a site plans application only to be told their approval will be contingent on \$600,000 worth of sewer infrastructure upgrades because the existing municipal system cannot handle the additional load.

We feel that section one of LD 1498 is a step in the right direction in regard to transparency, however, section two and three can be improved and we recommend that these policy decisions wait for the Working Group to Review the Process of Setting Impact Fees (LD 1246).

Usually impact fees cannot be expended within 180 days because they are for large infrastructure projects that can't be built piecemeal. Further, requiring that improvements only be on abutting properties is usually not possible. Municipal infrastructure exists as an integrated network (i.e. sewer or roads) or serves a broad area (i.e. a town park). As written, section two and three of LD 1498 are not feasible and should be further developed during the working group (LD 1246) which we wholeheartedly support.

Sincerely,

The Maine Association of Planners Legislative Policy Committee