

# LEGISLATIVE ADVOCACY



Maine Real Estate &  
Development Association

**Supporting Responsible Development**

## 132nd Legislature First Session Wrap-up

*July 14, 2025*

MEREDA's Public Policy Committee continues to stay engaged on critical matters impacting our members.

### 132nd Legislature Concludes First Special Session; Housing Successes but Critical Work Remains

The 132nd Legislature concluded its First Special Session on June 25, 2025. Unless a bill has an emergency preamble and was enacted on a 2/3 majority basis (in which case it takes effect immediately upon becoming law) it will take effect on the General Effectiveness Date, which is Wednesday, September 24, 2025.

Attached is a review of bills enacted into law related to housing. Many bills still remain – including key MEREDA initiatives like the WIN Act, LD 1926. Additionally, while many positive steps were taken to move the needle on housing, MEREDA is optimistic that the next session can be spent on more development initiatives to help close the financing gap to build attainable housing for all Mainers.

### Highlights from the First Regular and First Special Sessions:

**Limited Impact Fees!** [LD 1498](#). Limits impact fees to a proportional value of necessary land improvement; limits municipalities ability to hold fees in a fund by requiring use or return of fees within 365 days.

**Permanent revenue stream for Low Income Housing Tax Credit.** [LD 210](#). Increase in Real Estate Transfer Tax for properties over \$1 million to support a permanent revenue stream for the Low Income Housing Tax Credit. This bill included a number of important adjustments to administrative structure by providing additional support to the Maine Office of Community Affairs (MOCA).

**Land Use Changes to Encourage Infill Development!** [LD 1829](#). 5,000 sq. ft minimum lot size, four units on a lot subdivision threshold, affordable housing height bonus, and more!

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**Restricting Municipal Parking Mandates!** Limiting municipal parking space mandates. [LD 437](#), awaiting Governor's signature.

**Improvements to Historic Tax Credit.** [LD's 146](#) and [1755](#) expedite the accrual period for the credit for substantial projects and provide up to a 20% booster for housing in rural historic properties, respectively.

## **Work to Incentivize Housing Remains**

**MEREDA will be continuing to work with our partner organizations over the summer and fall to coordinate on advancing more legislation to help overcome the barriers to attainable housing creation in Maine.** MEREDA will be particularly focused on the WIN Act, which would provide overlay density bonuses for workforce affordable housing – LD 1926. We look forward to coordinating with our members to support this effort and will continue to push for critical changes to encourage all types of housing for Mainers.

We encourage all those who are interested in rolling up their sleeves and helping to further MEREDA's mission and vision in policymaking to contact Shelly R. Clark, MEREDA's Executive Director at [info@mereda.org](mailto:info@mereda.org).

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LD #	Public Law	Brief Summary	Special Effectiveness
<a href="#">146</a>	Public Law 2025 Chapter 444	<p>An Act to Increase the Maximum Amount of the Historic Property Rehabilitation Tax Credit That May be Taken in a Year</p> <p>It changes maximum from \$5,000,000 in each of the first 2 years to \$10,000,000 total across the first 2 years combined. It makes no changes to the \$5,000,000 maximum tax credit allowed in subsequent years.</p>	
<a href="#">413</a>	Public Law 2025 Chapter 69	<p>An Act Regarding Disclosure by Sellers of Residential Real Property of Notices of Shoreland Zoning Ordinance Violations</p> <p>Requires sellers of properties in shoreland zones to report the following:</p> <ul style="list-style-type: none"> <li>• A notice of violation issued by a municipal official or state agency;</li> <li>• A pending enforcement action;</li> <li>• Litigation;</li> <li>• A court judgment; and</li> <li>• A settlement or consent agreement.</li> </ul>	
<a href="#">427</a>	Public Law 2025 Chapter 374	<p>An Act to Regulate Municipal Parking Space Minimums</p> <ul style="list-style-type: none"> <li>• Restricts a municipality from requiring more than one off-site parking space per dwelling in a designated growth area but a municipality may impose a maximum parking space requirement or require parking demand management strategies that do not require more than one off-street parking space per dwelling</li> <li>• Requires municipalities to allow developers to satisfy parking requirements through agreements with existing parking facilities within .25 miles of the site</li> <li>• MOCA shall adopt routine technical rules to administer and enforce this law</li> </ul>	

<a href="#">546</a>	Resolves 2025 Chapter 48	<p>Resolve, to Require the Preparation of Preapproved Building Types</p> <p>Requires MOCA to contract with a consultant to establish a set of building types that municipalities may adopt as preapproved building types:</p> <ul style="list-style-type: none"> <li>• Consultant must develop 5 to 8 preapproved building types, potentially including but not limited to single-family homes, multi-family homes and mixed use and retail buildings with 8-10 options each, and must be designed to meet any applicable state or federal building and energy codes</li> <li>• Determine the AMI for each county and require consultant to develop plans that include units that can be rented at less than 30% of AMI</li> <li>• Ensure public engagement</li> <li>• Require consultant to work with DPS and State Fire Marshal to determine compliance with Life Safety Code</li> <li>• Require consultant to provide a catalog of building types and prototypical site plans, including publicly accessible website</li> <li>• Seek input from educational institutions about materials and building methods designed to make housing more efficient and affordable</li> </ul>	Report due to HED by 11/4/2026 with recommendations
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<a href="#"><u>678</u></a>	Private & Special Law 2025 Chapter 3	<p>An Act to Provide for the 2025 and 2026 Allocations of the State Ceiling on Private Activity Bonds</p> <p>Established the allocations of the state ceiling on issuance of tax-exempt private activity bonds for 2025 &amp; 2026:</p> <ul style="list-style-type: none"> <li>• Treasurer of State: \$5M for 2025 and \$5M for 2026</li> <li>• Finance Authority of Maine (and Maine Educational Loan Authority): \$270M for 2025 and \$250M for 2026</li> <li>• Maine Municipal Bond Bank: \$10M for 2025 and \$10M for 2026</li> <li>• Maine State Housing Authority: \$100M for 2025 and \$100 for 2026</li> <li>• Unallocated state ceiling: \$3,780,000 for 2025 and \$38,780,000 for 2026</li> </ul>	Emergency bill: signed by the Governor 4/25/25
<a href="#"><u>945</u></a>	Public Law 2025 Chapter 120	<p>An Act to Amend the Laws Governing the Powers and Responsibilities of the Maine Redevelopment Land Bank Authority</p> <ul style="list-style-type: none"> <li>• Defines eligible properties</li> <li>• Allows MRLBA to exercise all general powers of a corporation under Title 13-C, section 302</li> <li>• Allows MRLBA to enter into agreements with public entities, federal agencies, and private parties.</li> </ul>	

<a href="#"><u>970</u></a>	Public Law 2025 Chapter 262	<p>An Act to Support Affordable Housing Development</p> <p>Exempts construction for new dwelling units at an existing development from review if the following is met:</p> <ul style="list-style-type: none"> <li>• Additional disturbed area doesn't exceed 40,000 sf in a year or 80,000 sf in total</li> <li>• Any new units for 4+ families is connected to public water/sewer</li> <li>• New construction is not contrary to any existing permit, other than the addition of the new disturbance</li> <li>• Permittee annually notifies the department of any new construction within the last 12 months that is eligible for the exemption.</li> </ul> <p>When review is required, permittee shall provide plans showing previous and expected activities and demonstrate compliance with storm water management.</p>	
<a href="#"><u>997</u></a>	Public Law 2025 Chapter 364	<p>An Act to Allow Residential Use Development in Commercial Districts</p> <p>Requires a municipality to permit residential units within commercially zoned areas. Allows municipality to pass ordinance limiting number of units permitted, requiring that the ground floor be dedicated to retail, and/or siting and design requirements.</p>	Municipalities must comply with the provisions of the law effective July 1, 2027.
<a href="#"><u>1143</u></a>	Public Law 2025 Chapter 263	<p>An Act to Update Language on Setback Variances for Single-family Dwellings</p> <p>Makes the setbacks previously set for single-family dwellings applicable to all dwellings.</p>	

<a href="#"><u>1170</u></a>	Public Law 2025 Chapter 264	<p>An Act to Make the Maine Redevelopment Land Bank Authority Responsible for the Transfer and Development of State-owned Surplus Land</p> <p>Requires an annual inventory of all land owned by state agencies or semiautonomous state agencies to determine land that is needed and land that is surplus. Prior to being offered for sale, land must be reviewed by Maine Redevelopment Land Bank Authority. Inventory shall be sent to MRLBA and HED Committee.</p> <p>MRLBA shall have first opportunity to purchase or acquire any land.</p> <p>If land is in a municipality served by a municipal housing authority, MRLBA shall offer it to the housing authority.</p> <p>MSHA and MRLBA shall adopt routine technical rules as noted.</p>	
<a href="#"><u>1246</u></a>	Resolves 2025 Chapter 85	<p>Resolve, Directing the Department of Economic and Community Development to Convene a Working Group to Review the Process of Setting Impact Fees</p> <p>Requires DECD, with GOPIF and MOCA, to convene a working group to study the process by which municipalities impose impact fees.</p>	<p>Emergency Bill</p> <p>Report back due to HED Committee by December 3, 2025</p>
<a href="#"><u>1375</u></a>	Resolves 2025 Chapter 64	<p>Resolve, to Establish a Working Group to Address Regulatory Barriers to Housing Construction</p> <p>Requires GOPIF to convene a group to examine and recommend solutions for regulatory barriers to housing construction.</p>	Report back due to HED Committee by December 31, 2025
<a href="#"><u>1498</u></a>	Public Law 2025 Chapter 480	<p>An Act to Address Maine's Housing Crisis by Limiting Municipal Impact Fees on Housing Development</p> <p>Allows a municipality to use impact fees for infrastructure improvements if they can demonstrate that that improvement is necessary to accommodate the development. The funds must be encumbered within 360 days of receipt.</p>	

<a href="#">1723</a>	Public Law 2025 Chapter 399	<p>An Act to Amend the Laws Governing Manufactured Housing Communities to Prevent Excessive Rent and Fees Increases</p> <p>Requires mobile home park owner or operator to notify tenants of an increase in rent or fees no less than 90 days prior to increase.</p> <ul style="list-style-type: none"> <li>• Defines the notification requirements, including calculations of allowable increases.</li> <li>• Fees and rent may increase by NE Region CPI + 1% over the average rent/fees.</li> <li>• If the increase of rent or fees is by more than above, owners may request mediation if: <ul style="list-style-type: none"> <li>○ The number of owners representing 51% of the households in the community sign a request for mediation; and,</li> <li>○ The written request is sent within 90 days.</li> </ul> </li> <li>• Defines parameters for mediation.</li> </ul>	
<a href="#">1751</a>	Public Law 2025 Chapter 393	<p>An Act to Improve Growth Management Program Laws</p> <p>Revises existing Growth Management Law. Sets definition for affordable housing at 80% of AMI and under 30% of household income for renters. Requires a needs assessment based on public input. Requires a future land use plan and implementation program. Defines a “place type” to encourage definable geographic areas that may also be identified as part of growth or rural areas.</p>	



1755	Public Law 2025 Chapter 499	<p>An Act to Increase the Maine Historic Property Rehabilitation Tax Credit in Rural Areas</p> <p>Provides a rural housing booster for properties located in towns with less than 12,500 residents.</p> <ul style="list-style-type: none"> <li>• If 33% of historic structure is apartments, dwellings or other living accommodations, the value of the credit will be 35%.</li> <li>• If the housing is certified affordable, the credit is increased by an additional 10%.</li> </ul>	
<a href="#">1765</a>	Public Law 2025 Chapter 365	<p>An Act to Ensure Affordability and Stability in Residential Housing and in Manufactured Housing Communities</p> <p>Defines the information required to apply for a license to operate a manufactured home community:</p> <ul style="list-style-type: none"> <li>• Applicant's name</li> <li>• Parent or subsidiary corporation</li> <li>• Number of sites to be licensed</li> <li>• Number of sites currently occupied</li> <li>• Lot rent</li> <li>• Age or income requirements</li> <li>• Seasonal, if applicable</li> <li>• Common expenses included in rent fees</li> </ul>	

<a href="#">1829</a>	Public Law 2025 Chapter 385	<p>An Act to Build Housing for Maine Families and Attract Workers to Maine Businesses by Amending the Laws Governing Housing Density</p> <ul style="list-style-type: none"> <li>• Disallows municipal sprinkler requirements for most ADUs</li> <li>• Disallows municipal rate of growth limits in rural areas</li> <li>• Allows additional height for affordable housing developments</li> <li>• Disallows additional requirements for water/sewer approvals if a local plumber certifies that the structure meets requirements</li> <li>• Resets subdivision requirements to allow, without triggering subdivision law, up to three dwelling units anywhere or four dwelling units in growth areas</li> <li>• Reduces minimum lot sizes to: <ul style="list-style-type: none"> <li>○ In growth areas w/ public W/S: 5,000 sf; density requirement not to exceed 1,250sf per dwelling unit up to four units and 5,000 sf per unit for additional units</li> <li>○ Outside growth area but served by public W/S: 5,000 sf with density requirement not to exceed 5,000 sf for first two units</li> <li>○ In growth area w/o public W/S: may not exceed the minimum lot size required by Title 12, chapter 423-A and the density requirement or calculation may not be more restrictive than required by Title 12, chapter 423-A</li> </ul> </li> <li>• Disallows municipal ordinances for dimensional requirements for multiple units that are greater than those for single family units</li> <li>• Disallows requirements for planning board approval for 4 or fewer units within a structure</li> </ul>	<p>If a municipality's definition of subdivision conflicts with this law, they have until July 1, 2027, to comply.</p> <p>Beginning January 1, 2026, a division of a new or existing structure into 3 or more dwelling units whether the division is accomplished by sale, lease, development or otherwise in a municipality where the project is subject to municipal site plan review.</p>
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