



# 131st MAINE LEGISLATURE

LD 1929

LR 1086(02)

## An Act to Protect Consumers by Licensing Home Building Contractors

### Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Innovation, Development, Economic Advancement and Business

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$579,413	\$573,352	\$674,225
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$579,413	\$723,352	\$739,225
<b>Revenue</b>				
Other Special Revenue Funds	\$0	\$0	\$150,000	\$64,500
<b>Transfers</b>				
General Fund	\$0	(\$579,413)	(\$573,352)	(\$674,225)
Other Special Revenue Funds	\$0	\$579,413	\$573,352	\$674,225

### Correctional and Judicial Impact Statements

The additional workload associated with the minimal number of new cases filed in the court system does not require additional funding at this time.

The collection of additional fines will increase General Fund or other dedicated revenue by minor amounts.

### Fiscal Detail and Notes

This bill establishes the Residential Construction Board within the Department of Professional and Financial Regulation's Office of Professional and Occupational Regulation (OPOR) and requires that, effective January 1, 2026, a residential general contractor may not perform, offer to perform or agree to perform residential construction with a contract price that exceeds \$10,000 without a license issued by the board. This bill includes Other Special Revenue Funds allocations totaling \$579,413 in fiscal year 2024-25 to the department for the costs associated with implementing and administering the new licensing program.

Of that amount, Other Special Revenue Funds allocations of \$534,922 are provided to OPOR for one Office Specialist II position, one Planning & Research Associate II position and one Public Service Manager II position effective August 1, 2024 as well as per diem and related All Other costs to support the work of the board and the staff. In addition to the 3 allocated positions, OPOR expects to add one Inspector position and one Senior Inspector position in July of 2025 to research and investigate complaints. This bill also includes allocations of \$44,491 in fiscal year 2024-25 to the Administrative Services Division within the department for upgrading and maintaining the Agency Licensing Management System, Service Center support as well as for other technology related costs.

This bill caps the amount that can be collected for initial licenses and license renewals at \$250 and \$100, respectively. The department estimates the licensing of 600 contractors beginning in January 2026 at \$250 per license will generate \$150,000 in dedicated revenues to the board in fiscal year 2025-26. The department also assumes that 575 contractors will renew their licenses each year and 30 contractors will apply for a new license annually, resulting in ongoing dedicated revenue to the board of \$64,500 per year. Given that this dedicated revenue will not be sufficient to cover the costs of the licensing program, ongoing transfers from the General Fund unappropriated surplus will be required beginning in fiscal year 2024-25. This bill includes language directing the State Controller to transfer \$579,413 no later than August 1, 2024, \$573,352 no later than July 15, 2025 and \$674,225 no later than July 15, 2026 to OPOR to support the establishment and operation of the licensing board.