

**132nd MAINE LEGISLATURE****LD 1226****LR 990(01)****An Act to Protect Consumers by Licensing Residential Building Contractors****Preliminary Fiscal Impact Statement for Original Bill****Sponsor: Rep. Roberts of South Berwick****Committee: Housing and Economic Development****Fiscal Note Required: Yes**

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**Preliminary Fiscal Impact Statement**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	\$620,126	\$664,222	\$974,690	\$1,020,799
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$634,514	\$1,006,344	\$1,163,471	\$1,209,027
<b>Revenue</b>				
Other Special Revenue Funds	\$0	\$300,000	\$157,500	\$157,500
<b>Transfers</b>				
General Fund	(\$620,126)	(\$664,222)	(\$974,690)	(\$1,020,799)
Other Special Revenue Funds	\$620,126	\$664,222	\$974,690	\$1,020,799

**Correctional and Judicial Impact Statements**

This bill may increase the number of civil suits filed in the court system. The additional workload associated with the minimal number of new cases does not require additional funding at this time. The collection of additional fines and filing fees 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, 2027, a residential general contractor may not perform, offer to perform or agree to perform residential construction with a contract price that exceeds \$15,000 without a license issued by the board. The department will require Other Special Revenue Funds allocations totaling \$634,514 in fiscal year 2025-26 and \$1,006,344 in fiscal year 2026-27 for the costs associated with implementing and administering the new licensing program.

This bill caps the amount that can be collected for initial licenses and license renewals at \$500 and \$250, respectively. The department estimates the licensing of 600 contractors beginning in January 2027 at \$500 per license will generate \$300,000 in dedicated revenues to the board in fiscal year 2026-27. The department also assumes that 570 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 \$157,500 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 2025-26. Language directing the State Controller to transfer \$620,126 no later than October 1, 2025 and \$664,222 no later than July 15, 2026 to OPOR to support the establishment and operation of the licensing board will need to be added to the bill to support the costs to implement and operate the program through the 2026-2027 biennium.