



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

---

**Legislative Document**

**No. 1534**

S.P. 618

In Senate, April 8, 2025

### **An Act Enabling Municipalities to Protect Tenants and Stabilize Rents**

---

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator BAILEY of York.

Cosponsored by Representative GRAMLICH of Old Orchard Beach and

Senator: TIPPING of Penobscot, Representatives: GERE of Kennebunkport, GOLEK of Harpswell, JULIA of Waterville, MALON of Biddeford, ROBERTS of South Berwick.

1 Be it enacted by the People of the State of Maine as follows:

2 Sec. 1. 30-A MRSA c. 187, sub-c. 7 is enacted to read:

3 **SUBCHAPTER 7**

4 **MUNICIPAL REGULATION OF RESIDENTIAL DWELLING UNITS**

5 **§4459. Municipal opt-in**

6 The provisions of this subchapter apply to a municipality if the municipality  
7 incorporates this subchapter by reference in the adoption of an ordinance or bylaw; in the  
8 amendment to or adoption of a charter provision; or in the adoption pursuant to a  
9 referendum. Nothing in this subchapter limits the home rule authority of municipalities to  
10 adopt ordinances, bylaws or charter provisions on the same subject matter as this  
11 subchapter.

12 **§4460. Rent increase limits**

13 A municipality may by adoption of an ordinance or bylaw; by amendment to or  
14 adoption of a charter provision; or by adoption pursuant to a referendum impose a limit on  
15 the amount of an annual rent increase for a residential dwelling unit within the municipality.  
16 A limit on an annual rent increase for a residential dwelling unit may not exceed the annual  
17 change in the Consumer Price Index, as defined in Title 25, section 1611, subsection 1-A,  
18 for the applicable area or 5% of the base rent, whichever is lower.

19 For purposes of this section, the rent amount in place 12 months prior to the date of  
20 adoption of the ordinance or bylaw; the amendment to or adoption of the charter provision;  
21 or adoption pursuant to a referendum is the base rent upon which an annual rent increase  
22 limit is calculated. If the residential dwelling unit was vacant 12 months prior to the date  
23 of adoption of the ordinance or bylaw; the amendment to or adoption of the charter  
24 provision; or adoption pursuant to a referendum, the last rent amount charged is the base  
25 rent. If there was no previous rent amount, or if no rent has been charged for at least the  
26 previous 5 years since adoption of the ordinance or bylaw; the amendment to or adoption  
27 of the charter provision; or adoption pursuant to a referendum, the rent amount the owner,  
28 landlord or property manager of the residential dwelling unit first charged is the base rent.

29 **§4460-A. Evictions based on just cause**

30 A municipality may by adoption of an ordinance or bylaw; by amendment to or  
31 adoption of a charter provision; or by adoption pursuant to a referendum require that an  
32 eviction or refusal by the owner, landlord or property manager of a residential dwelling  
33 unit to renew a lease be based on just cause. For purposes of this section, "just cause"  
34 includes:

35 **1. Nonpayment.** A tenant failing to pay rent;

36 **2. Substantial violation.** A tenant committing a substantial violation of a material lease  
37 term or term of the tenancy;

38 **3. Criminal activity.** A tenant engaging in criminal activity that threatens the health  
39 and safety of other tenants or persons lawfully on the premises of the residential dwelling  
40 unit; and

1       **4. Removal of unit from rental market.** An owner seeking to remove the residential  
2       dwelling unit from the rental market in order to convert the residential dwelling unit into a  
3       cooperative or condominium, to demolish the residential dwelling unit, to convert the  
4       residential dwelling unit to nonresidential use or to occupy the residential dwelling unit as  
5       the owner's principal residence.

6       A municipality may further define "just cause" by ordinance, bylaw, charter provision  
7       or referendum.

8       **§4460-B. Exemptions**

9       The following types of residential dwelling units within a municipality that adopts the  
10      provisions of this subchapter are exempt from sections 4460 and 4460-A:

11      **1. Owner-occupied units.** Residential dwelling units in owner-occupied buildings  
12      with 4 or fewer residential dwelling units;

13      **2. Housing authority units.** Residential dwelling units subject to regulation by a  
14      housing authority as defined in section 4702, subsection 2, except that occupancy by a  
15      tenant receiving housing assistance under 42 United States Code, Section 1437f(o)(12)  
16      does not exempt a residential dwelling unit otherwise subject to the provisions of section  
17      4460 or 4460-A;

18      **3. Dormitories.** Dormitories owned or managed by an educational institution where  
19      sleeping accommodations are provided in single rooms or in a series of closely associated  
20      rooms; and

21      **4. Elderly residential care facilities.** Facilities for the residential care of persons who  
22      are elderly.

23      Once annually, the owner, landlord or property manager of a residential dwelling unit  
24      shall provide a written notice to the tenant of an exempt residential dwelling unit citing the  
25      specific exemption for the residential dwelling unit under this section and the date an  
26      exemption expires, if any.

27      **§4460-C. Reports**

28      Beginning January 15, 2026, and annually thereafter, a municipality adopting the  
29      provisions of this subchapter pursuant to section 4459 shall provide a report to the Maine  
30      State Housing Authority and the Maine Office of Community Affairs. The report must  
31      include the text of the ordinance, bylaw, charter provision or referendum adopting the  
32      provisions of this subchapter; any studies undertaken that informed the adoption of the  
33      ordinance, bylaw, charter provision or referendum; the number of residential dwelling units  
34      affected by the ordinance, bylaw, charter provision or referendum; and any other  
35      information or data considered relevant by the Maine State Housing Authority or the Maine  
36      Office of Community Affairs.

37      **§4460-D. Violations**

38      Any violation of this subchapter is an unfair method of competition or an unfair or  
39      deceptive act or practice under Title 5, chapter 10. Any person claiming a violation of this  
40      subchapter may pursue remedies under Title 5, chapter 10, and the Attorney General is  
41      authorized to bring an action or institute a proceeding under Title 5, section 209.

42      **§4460-E. Other rights or protections**

This subchapter may not be construed to interfere with any existing rights or protections afforded tenants under state or federal law.

## SUMMARY

This bill permits a municipality to adopt an ordinance or bylaw; to amend or adopt a charter provision; or to adopt pursuant to a referendum rent increase limits and eviction protections. It requires such a municipality to submit an annual report to the Maine State Housing Authority and the Maine Office of Community Affairs. The bill establishes that a violation of the requirements established in the bill is an unfair method of competition or an unfair or deception act or practice pursuant to the Maine Unfair Trade Practices Act.