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**Testimony in Opposition To Sponsor Amendment to LD 1929:
("An Act to Protect Consumers by Licensing Home Building Contractors")**

**J. Andrew Cashman on behalf of the Maine Association of REALTORS®
February 6, 2024**

Senator Curry, Representative Roberts and members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business my name is Andy Cashman. I am the Founder of Resolve Government Relations, and we represent the Maine Association of REALTORS®, a professional trade association established in 1936 with over 6,500 members statewide. REALTORS® grow Maine's economy and build Maine communities.

The Maine Association of REALTORS® continues to oppose LD 1929. This bill is concerning both in its original and amended form. The licensing of contractors would be detrimental to the housing shortage right now, especially since we already have a shortage of contractors and other trade workers. More development and rehabilitation of old structures needs to occur to be able to target the root of our housing needs in Maine: more supply. We cannot build more without contractors and tradespeople. Adding a licensing requirement would only exacerbate the housing shortage by forcing good contractors out of the industry or posing as a deterrent to entry for some. It is also important to consider the potential for increased costs associated with adding licensure to the contractor industry. Increased regulatory fees and higher costs of operation for contractors will lead to higher consumer costs. This will prevent some homeowners from being able to make needed repairs or renovations, which could result in loss of housing in some instances.

In addition, we find it alarming that the suggested licensing requirement would only apply to residential contracts for "2 or fewer" units (Section 4 of the bill, 18601(4)). The bill's arbitrary requirement of licensing for contractors who want to work on single family and duplexes while someone without a license can work on a 3 or more-apartment building make it overly complex and challenging to enforce. Any home, regardless of its type, should be treated equally under the same guidelines. If enacted, this would drive contractors to only take on multi-unit jobs and leave the single-family homeowners with less resources for repairs and renovations.

Maine needs more single-family available inventory; this bill would create additional strain on already limited supply. Currently, the Homebuilders and Remodelers Association of Maine notes on average there is an 18-month wait on construction projects. This bill, if passed, would be a huge deterrent to our state's efforts to increase housing. We need policies that address the needs of both today and tomorrow, and this bill is not the solution.

While we recognize there are pitfalls to the industry and not all contractors are created equal, as it is with any commercial enterprise, we feel that further research would be beneficial. We are



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recommending LD 1929 become a Resolve to study and report findings on contractor licensing requirement needs, before recommending policy that would negatively impact the fragile housing industry. We fear that loosely framed regulations will deter entry into the industry. As we know, Maine has an aging workforce, we need to incentivize the skilled trades, not create additional barriers to entry. We thank you for your time and consideration.