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Testimony Neither for Nor Against LD 1226

("An Act to Protect Consumers by Licensing Residential Building Contractors")

J. Andrew Cashman on behalf of the Maine Association of REALTORS®

April 17, 2025

Senator Curry, Representative Gere and members of the Joint Standing Committee on Housing and Economic Development, my name is Andy Cashman. I am the Founder of Resolve Government Relations. We represent the Maine Association of REALTORS®, a professional trade association established in 1936 with over 6,500 members statewide. REALTORS® protect private property rights, build Maine communities, and grow our state's economy. Our members represent buyers and sellers involved in both residential and commercial real estate transactions. Our membership also includes industry affiliates, such as lenders, closing agents, title agents, appraisers, building inspectors, surveyors, etc. The Maine Association is chartered by the National Association of REALTORS® (NAR), the largest trade association in the country.

The Maine Association of REALTORS® is neither for nor against 1226. The bill would establish licensing requirements for residential general contractors and create a Residential Construction Board to administer the licensing requirements and impose penalties for violations.

MAR recognizes the importance of minimum competency standards of building contractors and standards of conduct to protect consumers. A licensing system may provide accountability for bad actors and protection for consumers from underperforming residential contractors and even fraudulent contractors.

At the same time, we also have concerns about increasing the cost or creating a barrier to entry for the construction trade when we are facing a significant housing and workforce shortage. The fundamental cause of the current housing problem is a lack of supply. We do not have enough housing in Maine and need to build more – either through development or by modifying existing structures. We need more contractors to develop and modify needed housing supply for our state. Adding a licensing requirement and additional costs to conducting business could exacerbate the housing shortage by pushing experienced contractors out of the industry. For most, contractors have been in business and providing service to their clients without incident. Requiring them to obtain a license could force them into early retirement which would deter development and be counterproductive to the state's goals of increasing housing and growing Maine's workforce-



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In addition, we find it concerning that the suggested licensing requirement would only apply to residential contracts for “3 or fewer” residential units (Section 8 of the bill, 19801(4)). The bill’s arbitrary requirement of licensing for contractors who want to work on 1-3 residential units but someone without a license can work on 4 + unit apartment buildings 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.

We agree, consumer protection is essential and MAR supports efforts to increase it industry wide, but we also have concerns around the timing of this bill and the ability to meet the demand for more housing supply. For these reasons, we are neither for nor against LD 1226. Thank you for your time and consideration.