



Maine Real Estate &  
Development Association

Supporting Responsible Development

## In Opposition to LD 1806: An Act to Create a Residential Rental Unit Registry

May 6, 2025

Chair Curry, Chair Gere, and members of the Housing and Economic Development Committee:

On behalf of the Maine Real Estate and Development Association, please accept the following testimony in opposition to LD 1806: An Act to Create a Residential Rental Unit Registry. MEREDA's members consist of a wide range of people and organizations involved in real estate development in Maine, from architects and contractors to bankers and attorneys to developers and municipalities. Our members work together to support responsible development in Maine.

In October of 2023, the State of Maine Housing Production Needs Study was released, and in that report, it documented Maine's drop in housing production after the Great Recession, combined with an influx of new residents, resulting in an incredibly tight market for housing.

In response to that report and other factors, HR&A was commissioned to report back to this committee on potential solutions to the high cost of housing in Maine. That report recommended streamlining processes, incentivizing production, and strengthening the private sector. This bill provides the opposite – it adds processes, disincentivizes production, and weakens small landlords in the private sector because of the threats of extreme penalties.

While the process may seem as easy as checking off a box on an annual report to the Secretary of State, that simplified step is only available to those who already file corporate documents annually. Should this bill pass, any owner of a residential rental unit would need to file annually. And while this bill recognizes that our smaller landlords shouldn't be forced to pay a registration fee, the process is more onerous. It adds administrative hassle and potential for penalties if they are remiss in submitting the information. These potential penalties include requiring a landlord to wait four months to file notice for non-payment on a tenant if the registration was inadvertently missed, and the landlord could face a penalty of 3 times the monthly rent for simply serving such a notice erroneously.

While there is risk in owning any type of real estate, this bill adds risk that is spurred solely by unnecessary and burdensome regulation. Managing residential real estate is extremely time consuming and at times frustrating work, with calls at all hours of the day and night from tenants. At the same time that we are encouraging homeowners to open

their doors and add an ADU to help us solve our housing crisis, we shouldn't be also scaring them away. To be clear, the risk is that this registration process is an easy step to statewide rental restrictions, which would create a tremendous disruption in the real estate market.

MEREDA believes it is possible to make our rental market better for tenants while also supporting and encouraging our many smaller landlords to grow. We encourage you to oppose this bill and look toward incentivizing new housing construction rather than hindering it.

Thank you for your consideration of this testimony.

Elizabeth Frazier

On behalf of Maine Real Estate & Development Association

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