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**Testimony in Opposition of LD 1490  
("An Act to Reduce Rental Housing Costs by Eliminating Additional Fees at or Prior to the  
Commencement of Tenancy")**

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

**May 18, 2023**

Senator Carney, Representative Moonen and members of the Joint Standing Committee on Judiciary, 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. 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® opposes LD 1490. The bill would prohibit a property owner, at or prior to the commencement of a tenancy, from being able to charge any fees beyond rent for the first full month of occupancy, a security deposit and the purchase and installation cost for a key and lock.

Rental housing needs are best met through private investment and incentives to accomplish the development of rental housing, not additional regulations. This bill would negatively impact the ability of the private sector to meet the needs and demands for rental property efficiently and effectively by making the market unfavorable to enter or conduct business. Similar to LD 691, heard earlier this session, this bill unfairly targets the real estate industry by regulating business practices and the ability for small business owners to be able to cover expenses, including rental application fees. As it was expressed in previous testimony, fees associated with the onset of tenancy do not generate revenue for housing providers, they are necessary business expenses to protect their assets and ensure a successful tenancy.

This bill could also deter property owners from continuing to lease their property, or force rental increases to cover expenses in different ways, both resulting in a decrease of much needed rental housing supply. Property owners who lease their units are operating Maine businesses. A property owner needs to be able to generate revenue from their business to at least match expenses (property carrying costs and administration) for the business to



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continue to be viable. This bill is an overreach that unfairly dictates real estate business operating procedures. Prohibiting a property owner from charging a fee to cover business expenses wrongly targets housing providers.

For these reasons, we respectfully urge you to vote Ought Not to Pass on LD 1490. Thank you for your time and consideration.