



AGC MAINE

THE CONSTRUCTION ASSOCIATION

Testimony of Matthew Marks on LD 1226

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

Joint Standing Committee on Housing and Economic Development

April 17, 2025

Senator Curry, Representative Gere, and distinguished members of the Joint Standing Committee on Housing and Economic Development, my name is Matt Marks. I am a Principal at Cornerstone Government Affairs and am here today to speak on behalf of the Associated General Contractors of Maine (AGC Maine).

Chartered in 1951, AGC Maine is a statewide commercial construction trade association headquartered in Augusta with members statewide that include contractors, service providers, suppliers, and developers. AGC Maine provides safety, craft, and apprenticeship education to members and non-members throughout Maine.

AGC Maine is testifying *neither for nor against* LD 1226 and is here today to provide information regarding the bill's language and subsequent process. To be clear, AGC Maine primarily focuses on commercial construction, but some members will be subject to these provisions as the bill is drafted. We recommend that a working group be utilized to review cases, understand the most significant challenges, and chart a cost-effective, practical, and solutions-oriented pathway.

Here are some of the most basic questions on this bill that are not clear and, in our opinion, should not be left to the Board and would be best served in a working group reporting back to this Committee:

- We are unclear who must obtain the license when the general contractor is a corporation with employees. For example, if the GC performs multiple crafts, who takes the education/test, and who "owns" the license? How will enforcement be managed if a claim is made in this case? Is it the "company" liable or the individual? What will be the process for a licensed firm to remedy a financial dispute if that's the pathway?
- Will a GC required to be licensed need to meet the education/testing requirements of all unlicensed subcontractors?
- Do all craft workers need to be licensed at a GC to work on the job site? How does that apply to apprentices or new hires?
- The bill requires the Board to determine the pathway for education and testing requirements and the additional burden to ensure compliance with the IBC and IEC in MUBEC. Given the extensive definition of residential construction in the bill, we are concerned that the cost and timeline will not be adequate.
- MUBEC is referenced; the State must train code enforcement officers, not contractors. Training was just announced, and while nothing prevents a builder from attending, limited days are available. It's our belief that the transition to MOCA will greatly improve both training and

resources. However, this process will take time and funding to properly set up education programs on the various parts of the code.

- There are approximately twenty different trade crafts involved in home construction. The requirement in this bill to determine the licensing pathway is extensive.
- We are not clear on the process for new home construction. Like Vermont, which requires very simple licensing and has more similarities to registration, subdivisions managed by a developer are not covered. The “GC” might be a developer, not someone practicing any trade craft, but managing the various subcontractors. Is the intent to license the “developer” in this case, who may or may not have a buyer at the time of construction?
- In the last version of this bill carried over to the second session of the 131st Legislature, the Attorney General’s Office provided a litany of complaints. Truly problematic and something this body and the State should take seriously. However, we must take time to work together to understand the challenges. The testimony shared that in 800 cases, the “contractor” never finished or started their work, taking the victim’s money. If they cannot be prosecuted under a current crime in Title 17, we should make an immediate adjustment to allow those cases to proceed. We also believe we must dive deeper into the data to determine some commonalities that might shed light on the areas where a working group might focus. For instance, is there a craft where this is more common?
- Under this model, it could provide a false sense of confidence, something echoed by Vermont officials who would prefer that residents don’t solely rely on their list. One important consideration in commercial construction is the state pre-qualification process, also utilized by private entities to secure contractor lists, which contains a vetting process and additional requirements, including safety, civil rights, and experience/company history. Below is a list of items that are not included in this statute, but currently exist in the state’s pre-qualification process:
 - Listing all related construction industry entities owned currently or in the past;
 - Officers and owners;
 - Key personnel;
 - Key subcontractors;
 - Current work in progress;
 - Work outside of Maine;
 - Experience;
 - Type of construction;
 - Recently completed work;
 - Contract termination, AG Complaints, Criminal Complaints;
 - Officers and owners criminal activity;
 - Written safety program;
 - Workers compensation experience modification rating;
 - Fatality within five years;
 - OSHA violation within five years;
 - Written hazard communications program;
 - Fall protection training and devices;
 - Environmental record;

- Civil rights record;
- Stop work orders.

During the last bill hearing, a news story featured a new subdivision and highlighted issues with the construction quality. While I believe this wouldn't have been corrected by the licensing as presented in this bill, it should be a case study. At face value, we are unsure how or why the project was issued an occupancy permit. It didn't meet the state building code requirements. To us, it highlights a broad list of challenges we should discuss.

Given all of that, we hope to forgo licensing under this proposal and convene a working group to identify gaps in state criminal law, create standards for significant barriers, and establish a process with a more limited and effective scope to protect Maine people.

I want to thank the members for listening to my testimony, and I'm happy to answer any questions.