



Testimony in Support of LD 445:

“An Act to Stimulate Housing Production by Increasing the Threshold Before Participation in the Maine Uniform Building and Energy Code Is Mandatory”

Senator Curry, Representative Gere, and the distinguished members of the Committee on Housing and Economic Development, my name is Harris Van Pate and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine.

Thank you for the opportunity to testify in strong support of LD 445, which seeks to increase the threshold before participation in the Maine Uniform Building and Energy Code (MUBEC) is mandatory. This bill represents a critical step toward addressing Maine’s pressing housing affordability crisis by reducing unnecessary regulatory barriers that drive up costs and stifle development.

The Housing Crisis and Regulatory Burdens

Maine is currently experiencing a severe shortage of affordable housing, exacerbated by rising construction costs, supply chain disruptions, and excessive regulatory mandates.¹ According to the Maine Housing Authority, home prices and rents have continued to rise due to an insufficient supply of new housing units.² The imposition of MUBEC on smaller communities and developers has only worsened this trend, adding complexity and expense to new construction projects.

The original intent of MUBEC was to standardize building and energy codes across municipalities, ensuring safety and efficiency in construction. However, the application of these regulations to small-scale builders and rural communities has proven to be overly burdensome. The current threshold for mandatory participation forces many small towns to comply with costly and complex standards that do not align with their local needs and economic realities.

The Benefits of Increasing the MUBEC Threshold

Raising the threshold for mandatory participation in MUBEC, as proposed in LD 445, will encourage more housing development by:

¹ <https://nlihc.org/housing-needs-by-state/maine>

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<https://www.wmtw.com/article/maine-housing-first-housing-outlook-report/63674136#:~:text=AUGUSTA%2C%20Maine%20E2%80%94-,Housing%20prices%20for%20both%20homeowners%20and%20renters%20in%20Maine%20continue,grew%20by%20less%20than%2033.3%25>



- **Lowering Construction Costs:** Compliance with MUBEC requires specialized knowledge, inspections, and additional materials that significantly increase the cost of new housing. By easing these mandates on smaller projects, developers will be more likely to invest in new housing units, particularly in rural and underserved areas. (According to the National Association of Home Builders 23.8% of final home prices come from government regulations).³
- **Empowering Local Decision-Making:** Local governments are better positioned to assess the needs and priorities of their communities. Many rural towns have limited administrative capacity to implement MUBEC and would benefit from greater autonomy in determining appropriate local building codes.
- **Encouraging Small-Scale and Infill Development:** Small builders and independent developers play a crucial role in expanding Maine's housing stock. However, they are disproportionately burdened by MUBEC requirements, which discourage incremental housing projects that could otherwise help alleviate shortages in high-demand areas.⁴
- **Boosting Economic Growth and Homeownership:** By reducing regulatory barriers, LD 445 will facilitate the creation of more affordable housing options, helping to attract and retain workers, stimulate economic development, and expand opportunities for homeownership across Maine.

Addressing Concerns

Some may argue that raising the MUBEC threshold could compromise safety or energy efficiency in new construction. However, it is crucial to recognize that local building codes still apply, and builders have a strong market incentive to adhere to high standards of quality and efficiency to attract buyers and tenants. Furthermore, raising the threshold does not prevent municipalities from voluntarily adopting MUBEC if they determine it to be beneficial. Lastly, if MUBEC was truly so necessary for building safety, a minimum application threshold would not exist in the first place.

Conclusion

Maine cannot afford to continue imposing unnecessary regulatory costs that hinder housing production and exacerbate our housing affordability crisis. LD 445 offers a

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<https://frontlineadvisorygroup.com/the-impact-regulation-in-home-construction/#:~:text=The%20Cost%20of%20Regulation%20in%20Home%20Construction&text=According%20to%20a%202021%20study,a%20new%20single%20family%20home.>

⁴

https://www.builderonline.com/building/regulation-policy/a-long-haul-road-to-recovery-blocked-by-overregulation_0



pragmatic solution by adjusting the MUBEC threshold to better reflect the needs of small towns, developers, and homebuyers. By supporting this bill, the Legislature can take meaningful action to expand Maine's housing supply, lower costs, and promote economic prosperity.

For these reasons, Maine Policy respectfully urges the committee to vote "Ought to Pass" on LD 445. Thank you for your time and consideration.