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Testimony in Opposition of LD 824

("An Act Regarding Pet Fees in Rental Housing")

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

March 25, 2025

Senator Curry, Representative Gere and members of the Joint Select 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® 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 824. The bill would prohibit a property owner, at or prior to the commencement of a tenancy, from being able to charge more than 1% of the monthly rental charge for a pet fee and no more than \$300 for a pet deposit. Reasonable fees associated with allowing pets as part of the tenancy agreement are necessary to maintain the property and to cover expenses should damage occur. As a housing provider, there is no guarantee that damage to your property will not occur during a tenancy pets or no pets considered. However, even the most well-behaved pets can cause additional wear and damage to a property that well exceeds 1% of even a high-end rental rate. Floors get scratched, carpets stained or destroyed, ruined subfloors, damaged window and door frames, yard clean-up and maintenance and more. On average, the cost of flooring and trim replacement can start at \$3/square foot and range up to \$15/square foot depending on material. For example, on an 800 square foot unit, the cost to replace flooring at \$3/square foot could cost at minimum, \$2,400. For our members who are housing providers, on average it can routinely cost \$5,000 to \$10,000 to repair units after pets. In turn, restrictions on pets have become one way they try to minimize business expense and ensure they can continue to provide needed rental housing. Pet deposits and fees are necessary business expenses put in place to ensure the cost of doing business remains viable and ensures a successful tenancy.

Limiting business practices based on arbitrary percentages and prohibiting reasonable deposit amounts does not practically address concerns around the rising cost of housing in our state.



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Rental housing needs are best met through private investment, not additional regulations. LD 824 would negatively impact the ability of the private sector to meet the needs and demands for rental property. By making the market unfavorable to enter or continue to conduct business, housing providers will be forced to cover expenses in other ways such as rental increases or not allowing pets at all. Allowing pets is a choice for housing providers and regulating business practices and the ability for small business owners to be able to financially manage their business could deter property owners from continuing to lease their property all together. This could ultimately result in a counter-productive policy that will hurt the available rental housing inventory, not improve it or make it more affordable.

Maine needs housing and further restricting property owners who lease their units will result in a decrease of much needed rental housing supply. A housing provider needs to be able to generate revenue from their business to at least match expenses (property carrying costs and administration) for the business to continue to be viable. This bill is an overreach that unfairly dictates real estate business operating procedures. Prohibiting a property owner who is operating a business from charging a reasonable fee to cover expenses wrongly targets housing providers. For these reasons, we respectfully urge you to vote Ought Not to Pass on LD 824. Thank you for your time and consideration.