



STATE OF MAINE
GOVERNOR'S OFFICE OF POLICY INNOVATION AND THE FUTURE
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LD 1226 An Act to Protect Consumers by Licensing Residential Building Contractors
April 17, 2025

Senator Curry, Representative Gere, and members of the Committee on Housing and Economic Development. My name is Molly Siegel, and I am a Buildings and Lead by Example Policy Advisor in the Governor's Office of Policy Innovation and the Future.

I appreciate the opportunity to provide testimony neither for nor against LD 1226 , "An Act to Protect Consumers by Licensing Residential Building Contractors, and to recommend a study, led by my office, that will evaluate the potential for contractor regulation to improve the quality and energy efficiency of Maine homes. I believe that a thorough, up-to-date study that includes the perspectives of key stakeholders will help us to move forward on this issue that has raised persistent questions for our state.

Contractor regulation remains a challenging but important question due to the diversity and complexity of the building trades. As my colleagues at the Department of Professional and Financial Regulation have shared, the bill leaves open many questions about what professions and activities should be regulated, and what level of regulation is appropriate. An up-to-date assessment will help us to determine whether and what type of contractor regulation is needed to improve the quality and energy efficiency of Maine's housing stock, protect consumers, address Maine's housing crisis, and support good jobs in the construction trades.

Contractor regulation, when done properly, has the potential to improve the quality, safety, and energy efficiency of Maine homes. The Maine Climate Council, in its 2024 update to the state climate action plan, recommended that the state "evaluate the benefits and feasibility of contractor certification or licensing in establishing a consistent level of education and compliance with Maine's energy code across the building community." The Council recognized that further study is needed to determine whether regulation of contractors might help to meet Maine's climate and energy goals.

Maine needs an up-to-date study on the benefits and challenges of regulating contractors. The last comprehensive sunrise study on contractor regulation was done in 2004, with a follow-up report in 2010. Both were written when MUBEC was still on the horizon. At the time of those studies, MUBEC was seen as an opportunity to set a uniform standard by which the public could assess the competency of contractors. Now that MUBEC is in place, it's time for a new study that considers the impacts that MUBEC has had on Maine's building landscape.

The administration recommends that a study be commissioned through the Governor's Office of Policy Innovation and the Future using existing resources and staff capacity and expertise. GOPIF was created by Governor Janet Mills to collaborate across State agencies, stakeholders, and public to recommend innovative policy solutions for critical issues facing Maine. GOPIF supports the work of the Maine Climate Council, which recommended further study of contractor regulation in the 2024 update to the state's climate action plan. We propose that such a study could include:

1. **Defining the objectives of state licensure:** What are the expected outcomes of a program to regulate residential contractors? What are the potential benefits of regulation for consumer protection and to improve the quality of new homes and buildings in Maine? What are the expected challenges?

2. **Defining Scope of Practice:** Who, and what types of work, should be regulated? What are the most prevalent issues facing homeowners, and where should such a program focus its efforts?
3. **Understanding the impacts of new licensing or certification requirements:** What are the impacts of a new regulation on Maine's housing stock, both positive and negative?
4. **Determining structure of regulation:** What level of regulation (certification, registration, licensing, other) would best address this issue? What qualifications should contractors have to ensure positive outcomes for consumers? How would the program interact with the enforcement of MUBEC? What types of training and education are required to ensure that people in the building trades are adequately supported?

Our office would be pleased to undertake this study, and we would welcome the opportunity to share our findings back to the committee. Thank you for your consideration, and for taking up this important issue for Maine people.