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Testimony of Senator Donna Bailey introducing

## LD 1534, An Act Enabling Municipalities to Protect Tenants and Stabilize Rents

Before the Joint Standing Committee on Housing and Economic Development Friday, April 25, 2025

Senator Curry, Representative Gere, and Esteemed Members of the Joint Standing Committee on Housing and Economic Development, my name is Donna Bailey, and I proudly represent Senate District 31, which includes Buxton, Old Orchard Beach, and Saco. Today I am pleased to introduce my bill LD 1534, "An Act Enabling Municipalities to Protect Tenants and Stabilize Rents."

As drafted, LD 1534 would honor Maine's tradition of local control. It simply gives municipalities the option to implement a rent control ordinance that meets the housing needs of their communities. Each municipality is different, and rent control is not the answer in each town. This bill would allow the local residents to decide if they want rent control or not; and, if they decide they do and if they adopt an ordinance that meets the criteria set forth in the bill, it would insure a violation of that ordinance would be an Unfair Trade Practice.

In my district, the Town of Old Orchard Beach passed an ordinance to control the rents for residents of mobile home parks.<sup>1</sup> This bill, of course, is not just limited to mobile home parks, but illustrates how a town could use this law.

In 2024, residents of Atlantic Village and Old Orchard Village (where I lived and raised my son while going to law school), tried to put together a bid to purchase their own park – after it went up for sale. Unfortunately, they were unsuccessful. Despite this setback, they drafted a rent control measure as a referendum for approval (or denial) by the voters.

That rent control measure caps annual lot rent increases at 5%, with some exceptions. It also includes a detailed process for residents to dispute proposed increases through an arbitrator. The residents had to overcome a negative campaign by the new owners of the mobile home parks, which spent more than \$17,700 to oppose the measure.

 $<sup>{}^{1}\,\</sup>underline{\text{https://www.mainepublic.org/business-and-economy/2024-11-07/old-orchard-beach-voters-endorse-rent-control-for-mobile-home-residents}$ 

But folks like Linda Cole, a resident at Atlantic Village, ultimately prevailed with a clear message: "That we have lived here for a while. There's a lot of senior citizens who live here on fixed incomes. And that a large corporation had bought the park for a very large amount of money. And we were afraid that they were going to, because of their history, kind of price us right out of our own homes."

As we all know, these units are truly some of the last affordable housing options in the state. That's why it is critical that we preserve them. The majority of residents in Old Orchard Beach shared that belief and made a commitment to keep people housed, surrounded by their families, friends, and neighbors.

In addition to providing some financial stability for renters and tenants, LD 1534 would provide municipalities with an invaluable tool: the power, resources, and staff of the Maine Attorney General's Office. We all know that many municipalities have small Code Enforcement Departments – usually one or two people. It would be burdensome, challenging, and near-impossible for them to enforce a rent control in their municipality. By establishing an unfair method of competition or an unfair or deceptive act or practice (under the Maine Unfair Trade Practices Act), municipalities could call on the Attorney General to enforce rent control or respond to a violation of it.

I thank the Committee for its time, and I would be happy to answer any questions.

**Donna Bailey** 

State Senator, Senate District 31 Buxton, Old Orchard Beach, and Saco