



Testimony in Opposition to LD 2230:

“An Act to Invest in the Construction of Industrialized Housing”

Senator Curry, Representative Gere, and distinguished members of the Joint Standing Committee on Housing and Economic Development, my name is Montana Towers, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, nonprofit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to LD 2230, “An Act to Invest in the Construction of Industrialized Housing.”

While we appreciate the bill’s recognition that Maine faces a serious housing shortage, we believe this legislation takes the wrong approach by creating new government programs and taxpayer-funded subsidies instead of removing the real barriers that prevent private innovation from flourishing. Our state needs more housing, built faster and at lower cost, but the solution lies in freeing the market rather than expanding bureaucracy.

Industrialized Housing

The Maine Policy Institute strongly supports the expanded use of industrialized housing, including modular, panelized, and factory-built systems. These methods have proven their value across the country by dramatically shortening construction timelines, reducing on-site labor costs, and delivering high-quality, energy-efficient homes that meet or exceed traditional building standards. In Maine’s challenging climate and regulatory environment, factory-controlled production offers consistency that site-built homes often struggle to achieve.

We believe industrialized housing could play a major role in easing our state’s housing crisis if allowed to compete on a level playing field with conventional construction. Removing outdated regulatory hurdles would let private manufacturers, builders, and homebuyers drive this innovation forward naturally, without the need for government direction or spending.

Problems with More Government Programs and Subsidies

Unfortunately, LD 2230 does not simply promote industrialized housing. Instead, it establishes multiple new government initiatives that rely on taxpayer dollars and expand the role of state agencies. Maine already has one of the highest state and local tax burdens in the nation, and our state budget continues to grow. Adding yet another layer of spending programs, revolving funds, and bureaucratic oversight is precisely the opposite of what is needed.



When the government attempts to pick winners through grants, loans, or pilot programs, the result is often distorted markets, higher long-term costs, and benefits that flow disproportionately to politically connected recipients rather than to the families who need housing most. True progress on housing supply comes from reducing the cost and complexity of building, not from transferring wealth from taxpayers to new government programs.

More Pilots and Reports

The legislation also directs the department to design a public-private construction extension partnership program by January 2027, involving extensive consultation with higher education institutions, labor departments, chambers of commerce, and various industry groups, followed by a formal report and potential new legislation. Additionally, the bill requires the creation of a competitive innovative housing construction pilot program for multifamily projects, complete with financial awards based on cost, speed, and “innovation,” plus another report to the Legislature in 2028. Each of these components adds administrative expenses, rulemaking authority, and ongoing oversight that will ultimately be paid for by Maine taxpayers. These programs represent a further expansion of state government into an industry that is already overly regulated and is capable of rapid growth if it is simply left unencumbered unencumbered.

A Superior, Market-Oriented Path Forward

Towards that end, if the Legislature genuinely wants to accelerate the adoption of industrialized housing, far more effective and cost-free solutions are available. Maine should work with municipalities to modernize zoning and land-use laws so that higher-density development and factory-built homes can be permitted in appropriate areas. Providing clearer statewide guidance would help reduce the patchwork of local regulations that currently drive up costs and delay housing projects. State building codes and permitting processes should also be streamlined so that modular and panelized systems approved under national standards can be installed without unnecessary duplicative reviews. Barriers that treat industrialized housing differently from traditional site-built homes should be repealed or reformed so the market can determine which methods deliver the best value to consumers.

These reforms would unleash private investment, encourage competition among manufacturers, and allow communities to benefit from faster, more affordable housing without creating new spending programs or bureaucratic infrastructure. Permitting reform rather than subsidies would lead to the supply increasing faster and more sustainably when the government steps back rather than steps in.



MPI strongly supports the goal of expanding housing choice through innovative construction methods, but we cannot support legislation that responds to a shortage caused largely by regulation with more government programs and taxpayer spending. Maine families deserve real solutions that lower costs and increase supply through market forces, not through new subsidies and bureaucracy.

For these reasons, Maine Policy Institute strongly urges this committee to vote “Ought Not to Pass” on LD 2230. Thank you for your time and consideration.