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Senator Chip Curry
Representative Tiffany Roberts
Committee On Innovation, Development, Economic Advancement and Business
State House
Augusta ME 04333

Re: L.D. 1929, An Act to Protect Consumers by Licensing Home Building Contractors – in support

Dear Senator Curry, Representative Roberts and committee members:

As a member and House chair of the Committee on Business Legislation, the predecessor to your committee, I wrote and introduced the first legislation requiring a written contract for residential construction. It was limited to insulation contractors, following my own experience as a first-time homeowner dealing with an incompetent and dishonest contractor. That law has been expanded over the years to cover all residential construction.

A written contract, while important, is not sufficient to ensure that homes are built or renovated competently. A contract does nothing to increase the likelihood that a contractor is either competent or honest. This is why I am glad to see L.D. 1929 is before you.

It is illogical that we require licensing of various trades who typically work as subcontractors (e.g. electricians, plumbers, heating contractors, interior designers), but we maintain a laissez-faire market when it comes to the general contractors who oversee their work.

Previous legislatures have failed to address what for many years has been one of, if not the, largest source of consumer complaints filed with the AG's office, a problem which has cumulatively cost trusting customers millions of dollars.

The goal of licensing should be one or both of the following:

1. to ensure the competence of licensees;
2. to give consumers recourse against shoddy work or financial malfeasance.

L.D. 1929 appears focused on the first goal, but contains little giving consumers additional recourse. Here are a few thoughts on this matter I hope you find useful.

Education requirements

If you decide that imposing an education requirement is too burdensome, an examination that demonstrates basic knowledge of building construction techniques would at least raise the bar. Such exams could be tailored to the type of work the contractor intends to hold himself or herself out to do. Perhaps this would be unnecessary for those who have received certification from a recognized building trades school or apprenticeship program.

Focus on general contractors

Some testimony pointed out the complexity of licensing a wide range of building trades, e.g. flooring, drywall, insulation.

Instead, consider focusing for now on the general contractor who oversees the entire building project and hold the g.c. responsible for the work of the his or her subcontractors. This would require a definition of “general contractor” which should not be difficult.

This approach would not include many small, remodeling and renovation projects, but it would cover the more expensive projects. Those smaller projects could be addressed through better recourse mechanisms for consumers. Over time, more focused exams on specific trades, e.g. flooring drywall, etc., could be developed and licensing expanded.

Performance bonds

This approach was recommended by AGC Maine and has merit. It should apply to all contractors, not merely the general contractors, whether you decide to implement licensing or not. It is not too heavy a burden for anyone who is serious about going into business as a contractor taking money from persons whose home is often their biggest financial investment. It should be coupled with registration if licensing is not to be required. It would increase the probability that a consumer who was the subject of incompetence or fraud would be made whole.

Licensing versus Registration

L.D. 1929 is a licensing bill. Another approach with fewer barriers to entry would be registration. It would prohibit persons from engaging in residential construction practices without first registering with the state and showing proof of insurance and a surety bond. In the event of misfeasance or malfeasance, one’s registration to practice could be temporarily or permanently lifted.

This approach does not require developing a plethora of specialized exams and, therefore, should apply to contractors in all the trades not currently subject to licensing. It could be an intermediate step as a full-blown licensing approach is developed. Or we might find over time that it is sufficient to substantially address the problems that have been brought to your attention.

Previous studies


As recommended by Commissioner Head, please take a look at the previous studies of this issue.

Resources for recourses

While it is not within the scope of this bill to provide greater resources to the Consumer Protection Division of the Department of Attorney General, it nevertheless is critical to do so if the large number of consumer complaints is going to be adequately addressed.

I urge you to take meaningful action on this issue. The citizens of Maine will be the beneficiaries of your efforts.

Sincerely yours,



Robert S. Howe