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**INNOVATION, DEVELOPMENT, ECONOMIC ADVANCEMENT AND BUSINESS**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1237, L.D. 1929, “An Act to Protect Consumers by Licensing Home Building Contractors”

Amend the bill by striking out everything after the enacting clause and inserting the following:

**Sec. 1. 5 MRSA §12004-A, sub-§50** is enacted to read:

**50.**

Residential Construction Board                      \$35/Day                      32 MRSA §18902

**Sec. 2. 10 MRSA §1487, sub-§5,** as enacted by PL 1987, c. 574, is amended to read:

**5. Payment.** The method of payment, with the initial down payment being limited to no more than 1/3 of the total contract price and with no more than 85% of the total contract price required to be paid prior to substantial completion of the work;

**Sec. 3. 10 MRSA §1487, sub-§8,** as amended by PL 2009, c. 173, §1, is repealed.

**Sec. 4. 10 MRSA §1489,** as enacted by PL 1987, c. 574, is repealed.

**Sec. 5. 10 MRSA §8001, sub-§38, ¶NN,** as amended by PL 2023, c. 17, Pt. P, §2, is further amended to read:

NN. Maine Fuel Board; ~~and~~

**Sec. 6. 10 MRSA §8001, sub-§38, ¶OO,** as enacted by PL 2023, c. 17, Pt. P, §3, is amended to read:

OO. Board of Dental Practice; ~~and~~

**Sec. 7. 10 MRSA §8001, sub-§38, ¶PP** is enacted to read:

PP. Residential Construction Board.

**Sec. 8. 32 MRSA c. 151** is enacted to read:

**CHAPTER 151**

**RESIDENTIAL GENERAL CONTRACTORS**

**§18901. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Board.** "Board" means the Residential Construction Board established in Title 5, section 12004-A, subsection 50.

**2. Contract price.** "Contract price" means the total contract price, including all costs to be incurred in the proper performance of the work, or, if the work is priced according to a so-called cost-plus formula, the agreed-upon price and an estimate of the cost of labor and materials.

**3. Maine Uniform Building and Energy Code.** "Maine Uniform Building and Energy Code" has the same meaning as in Title 10, section 9721, subsection 2.

**4. Residential construction.** "Residential construction" means the building, demolition or alteration of a residential dwelling unit or a building or premises with 2 or fewer residential dwelling units and includes interior and exterior construction, renovation and repair; paving; roofing; weatherization; installation or repair of heating, plumbing, solar, electrical, water or wastewater systems; and other activities the board specifies by rule consistent with this chapter. "Residential construction" includes activities affecting the residential portion of a building or premises that have both residential and commercial components if the building or premises include 2 or fewer residential dwelling units.

**5. Residential general contractor.** "Residential general contractor" means a person that undertakes, offers to undertake, purports to have the capacity to undertake or submits a bid for residential construction. "Residential general contractor" does not include:

A. A person undertaking residential construction as a subcontractor of a person that has entered into an agreement with a customer for the residential construction; or

B. A person that has not otherwise entered into an agreement for the residential construction with a customer.

**§18902. Residential Construction Board**

**1. Established.** Notwithstanding any provision of law to the contrary, the Residential Construction Board is established within the Department of Professional and Financial Regulation to carry out the purposes of this chapter.

**2. Membership.** The members of the board, who are appointed by the Governor, are as follows:

A. Three members who are residential general contractors, including at least one who is a member of a contracting trade association;

B. One member who is a municipal code enforcement officer;

C. One member who is an attorney with experience in residential construction and contract law;

1 D. One member who is a representative of the University of Maine System who  
2 oversees career and technical education programs;

3 E. One member who is a residential architect; and

4 F. Two members of the public.

5 Members serve 3-year terms. Appointments of members must comply with Title 10,  
6 section 8009. A member may be removed by the Governor for cause. Members not  
7 otherwise compensated or reimbursed by their employers or others whom they represent in  
8 carrying out the duties of the board are entitled to a per diem of \$35 for each day actually  
9 engaged in the performance of those duties in accordance with Title 5, section 12002-B.

10 **3. Powers and duties.** The board has the following powers and duties, in addition to  
11 other powers and duties set forth in this chapter.

12 A. The board shall meet at least once a year to conduct its business and to elect a chair.  
13 Additional meetings must be held as necessary to conduct the business of the board  
14 and may be convened at the call of the chair or a majority of the board members.

15 B. The board may adopt bylaws, rules for the transaction of the business of the board  
16 and the management of its affairs as it considers expedient.

17 C. The board shall set standards of practice for residential general contractors that are  
18 consistent with the standards set forth in this chapter and the Maine Uniform Building  
19 and Energy Code.

20 D. The board shall set standards for qualification of residential general contractors and  
21 examine, issue and renew the licenses of qualified applicants for licensure under  
22 section 18903.

23 E. The board shall prescribe curricula and standards for educational programs  
24 preparing persons for licensure under section 18903.

25 **§18903. Licensure; exemptions; application; issuance**

26 **1. License required.** Except as provided in subsection 2, and notwithstanding any  
27 provision of law to the contrary, beginning January 1, 2026, a residential general contractor  
28 may not perform, offer to perform or agree to perform residential construction with a  
29 contract price that exceeds \$10,000 without a license issued by the board.

30 **2. Exemptions from license requirement.** The following persons are exempt from  
31 the prohibition established in subsection 1:

32 A. An electrician licensed under chapter 17 when providing licensed services;

33 B. A plumber licensed under chapter 49 when providing licensed services;

34 C. An architect licensed under chapter 3-A when providing licensed services;

35 D. A professional engineer licensed under chapter 19 when providing licensed services;

36 E. A person providing only design services for residential construction;

37 F. A person furnishing only materials for residential construction;

38 G. A person furnishing only painting services for residential construction;

39 H. A person furnishing only landscaping services for residential construction;

- 1            I. The State and any political subdivision of the State;  
2            J. A school administrative unit, as defined in Title 20-A, section 1, subsection 26;  
3            K. A consumer-owned water utility, as defined in Title 35-A, section 6101, subsection  
4            1-A;  
5            L. A sewer district, as defined in Title 38, section 1032, subsection 3;  
6            M. A sanitary district formed under Title 38, chapter 11;  
7            N. A public or private school offering career and technical education or training in  
8            residential construction;  
9            O. A person engaged in the delivery or installation of audiovisual equipment, telephone  
10           equipment or computer network equipment for residential construction;  
11           P. A person offering to perform or performing residential construction in response to  
12           an emergency, but only to the extent necessary to address the emergency;  
13           Q. A master oil burner technician or solid fuel technician licensed under chapter 139  
14           when providing licensed services;  
15           R. A person licensed under Title 10, chapter 951 when providing licensed services; and  
16           S. A person performing residential construction services on a single-family residence  
17           occupied or to be occupied by that person as their place of residence.  
18           **3. Application for license.** The board shall establish by rule the application process  
19           for a license under this chapter, including requirements for payment of an initial licensing  
20           fee of not more than \$250 and requirements for payment of a license renewal fee of not  
21           more than \$100. An applicant for a license shall provide:  
22           A. The applicant's legal name and social security number or employer identification  
23           number, as appropriate;  
24           B. Any trade or business name used in the applicant's residential construction business;  
25           C. Any employer of the applicant that is engaged in residential construction;  
26           D. The address of the applicant's principal place of business;  
27           E. The mailing address of the applicant, if different from the address of the principal  
28           place of business under paragraph D;  
29           F. The address of the applicant's primary residence;  
30           G. The following information if there is any civil proceeding, judgment or award in  
31           which a claim is asserted, adjudicated or entered against the applicant:  
32                  (1) The jurisdiction or forum of the proceeding, judgment or award;  
33                  (2) The names of the parties to the proceeding, judgment or award; and  
34                  (3) The docket number associated with the proceeding, judgment or award;  
35           H. Identification of any pending civil or criminal investigation of any residential  
36           construction business of the applicant and the name of the investigating agency or  
37           officer;

1 I. Evidence that the applicant has general liability insurance in the amount of \$100,000  
2 in the aggregate and certification that the applicant will maintain that general liability  
3 insurance during the relevant license period;

4 J. Evidence of workers' compensation coverage for employees in accordance with Title  
5 39-A;

6 K. Evidence that the applicant has satisfied the education requirements under  
7 subsection 4; and

8 L. Any other information the board determines to be necessary or useful in carrying  
9 out the purposes of this chapter.

10 **4. Education requirements.** A person may not be licensed under this chapter unless  
11 the person has satisfied education requirements established by the board by rule. The  
12 education requirements must include successful completion of a course of at least 6 hours  
13 of appropriate education and a passing score on an examination developed by the board  
14 that is designed, at a minimum, to demonstrate competency in the Maine Uniform Building  
15 and Energy Code, other relevant building codes and standards and business management  
16 practices.

17 **5. Denial or refusal to renew license; disciplinary action.** The board in its discretion  
18 may deny an application for a license, refuse a renewal of a license or impose the  
19 disciplinary sanctions authorized by Title 10, section 8003, subsection 5-A for any of the  
20 reasons enumerated in Title 10, section 8003, subsection 5-A, paragraph A, in addition to  
21 the following grounds:

22 A. The applicant failed to meet the requirements of subsection 3, paragraph I, J or K;  
23 or

24 B. The applicant has prior violations of this chapter.

25 **6. Expiration; renewal.** A license issued under this chapter expires at 11:59 p.m. on  
26 December 31st of the year in which it is issued, except that a license issued during the last  
27 3 months of the calendar year expires at 11:59 p.m. on December 31st of the following  
28 year. A licensee may renew a license by completing 6 hours of a board-approved  
29 continuing education program, submitting an application that satisfies the requirements of  
30 subsection 3 and paying a renewal fee.

31 **7. Rules.** The board shall adopt rules to implement the requirements of this chapter.  
32 Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5,  
33 chapter 375, subchapter 2-A.

34 **§18904. Penalties and remedies**

35 **1. Unfair trade practice.** A violation of this chapter constitutes an unfair trade practice  
36 prohibited under Title 5, section 207.

37 **2. Civil violation.** An intentional violation of this chapter is a civil violation for which  
38 a fine of not more than \$10,000 must be imposed. Any person that in the course of offering  
39 to perform or performing residential construction makes a misrepresentation of that  
40 person's license status under this chapter commits a civil violation for which a fine of not  
41 more than \$10,000 may be imposed.

1            **3. Limitation on other rights.** A person required to obtain a license under this chapter  
2 that does not obtain a license does not have a lien claim under Title 10, chapter 603 for any  
3 residential construction performed during the period in which the person was not licensed.

4            **Sec. 9. Residential Construction Board; staggered terms.** Notwithstanding  
5 the Maine Revised Statutes, Title 32, section 18902, subsection 2, the terms of the members  
6 initially appointed to the Residential Construction Board must be staggered, with 3  
7 members serving a term of 3 years, 3 members serving a term of 2 years and 3 members  
8 serving a term of one year.

9            **Sec. 10. Exemption from sunrise review.** This Act is enacted without review or  
10 evaluation under the Maine Revised Statutes, Title 5, section 12015, subsection 3 or Title  
11 32, chapter 1-A, subchapter 2.

12            **Sec. 11. Transfer from General Fund unappropriated surplus;**  
13 **Department of Professional and Financial Regulation, Office of Professional**  
14 **and Occupational Regulation, fiscal year 2024-25.** Notwithstanding any provision  
15 of law to the contrary, the State Controller shall transfer \$579,413 from the unappropriated  
16 surplus of the General Fund to the Office of Professional and Occupational Regulation,  
17 Other Special Revenue Funds account within the Department of Professional and Financial  
18 Regulation no later than August 1, 2024 to support the establishment and start-up costs of  
19 the Residential Construction Board created pursuant to the Maine Revised Statutes, Title  
20 32, section 18902.

21            **Sec. 12. Transfer from General Fund unappropriated surplus;**  
22 **Department of Professional and Financial Regulation, Office of Professional**  
23 **and Occupational Regulation, fiscal year 2025-26.** Notwithstanding any provision  
24 of law to the contrary, the State Controller shall transfer \$573,352 from the unappropriated  
25 surplus of the General Fund to the Office of Professional and Occupational Regulation,  
26 Other Special Revenue Funds account within the Department of Professional and Financial  
27 Regulation no later than July 15, 2025 to support the operating costs of the Residential  
28 Construction Board created pursuant to the Maine Revised Statutes, Title 32, section  
29 18902.

30            **Sec. 13. Transfer from General Fund unappropriated surplus;**  
31 **Department of Professional and Financial Regulation, Office of Professional**  
32 **and Occupational Regulation, fiscal year 2026-27.** Notwithstanding any provision  
33 of law to the contrary, the State Controller shall transfer \$674,225 from the unappropriated  
34 surplus of the General Fund to the Office of Professional and Occupational Regulation,  
35 Other Special Revenue Funds account within the Department of Professional and Financial  
36 Regulation no later than July 15, 2026 to support the operating costs of the Residential  
37 Construction Board created pursuant to the Maine Revised Statutes, Title 32, section  
38 18902.

39            **Sec. 14. Appropriations and allocations.** The following appropriations and  
40 allocations are made.

41 **PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**  
42 **Administrative Services - Professional and Financial Regulation 0094**

1 Initiative: Allocates funds for the general operating costs necessary to support the  
 2 Residential Construction Board.

3	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
4	All Other	\$0	\$44,491
5			
6	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$44,491

7 **Office of Professional and Occupational Regulation 0352**

8 Initiative: Allocates funds for per diem, consulting and related All Other costs for the  
 9 Residential Construction Board effective August 1, 2024. Also allocates funds for one  
 10 Public Service Manager II position, one Office Specialist II position and one Planning &  
 11 Research Associate II position and associated All Other costs effective August 1, 2024.  
 12 One Inspector position and one Senior Inspector position and related All Other costs will  
 13 be required effective July 1, 2025. Also allocates funds for the general operating costs  
 14 necessary to support both the board and its staff.

15	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
16	POSITIONS - LEGISLATIVE COUNT	0.000	3.000
17	Personal Services	\$0	\$292,305
18	All Other	\$0	\$242,617
19			
20	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$534,922

21

22 **PROFESSIONAL AND FINANCIAL**  
 23 **REGULATION, DEPARTMENT OF**  
 24 **DEPARTMENT TOTALS**

24		<b>2023-24</b>	<b>2024-25</b>
25			
26	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$579,413</b>
27			
28	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$579,413</b>

29

30 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
 31 number to read consecutively.

32

**SUMMARY**

33 This amendment, which is the majority report of the committee, replaces the bill. The  
 34 amendment establishes licensing requirements for residential general contractors that  
 35 perform residential construction work. It establishes the Residential Construction Board  
 36 to administer the licensing requirements and establishes certain penalties for violations of  
 37 the licensing requirements. The amendment also adds an appropriations and allocations  
 38 section.

39

**FISCAL NOTE REQUIRED**

40

**(See attached)**