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Legislative Document

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S.P. 708

In Senate, February 10, 2022

An Act To Require Registration by General Contractors for Home Improvement and Construction

Reported by Senator CURRY of Waldo for the Joint Standing Committee on Innovation, Development, Economic Advancement and Business pursuant to Resolve 2021, chapter 76, section 3.

Reference to the Committee on Innovation, Development, Economic Advancement and Business suggested and ordered printed pursuant to Joint Rule 218.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 32 MRSA c. 147** is enacted to read:

3 **CHAPTER 147**

4 **REGISTRATION FOR GENERAL CONTRACTORS FOR HOME**
5 **IMPROVEMENT AND CONSTRUCTION**

6 **§18601. Short title**

7 This chapter may be known and cited as "the Residential Construction Contractor
8 Registration Act."

9 **§18602. Definitions**

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

12 **1. Department.** "Department" means the Department of Professional and Financial
13 Regulation.

14 **2. Home improvement.** "Home improvement" means any of the following, other than
15 incidental work:

16 A. Fixing, replacing, altering, converting, modernizing, improving or making an
17 addition to a residential structure;

18 B. Structural work including the construction, installation, replacement and
19 improvement of roofing, porches, kitchens, chimneys, chimney liners, central air
20 conditioning, central heating, heat pumps, boilers, furnaces, hot water heaters, electric
21 wiring, sewers, plumbing fixtures, storm doors, storm windows or siding and other
22 improvements to a residential structure; or

23 C. The construction, installation, replacement and improvement of in-ground
24 swimming pools, garages, fallout shelters or other structures upon the land adjacent to
25 a residential structure.

26 **3. Incidental work.** "Incidental work" means the construction, installation,
27 replacement or improvement of:

28 A. Landscaping;

29 B. Interior painting or wall covering;

30 C. Finished floor covering, including but not limited to carpeting, vinyl floor covering
31 or tile;

32 D. Fencing or freestanding masonry walls;

33 E. Aboveground swimming pools;

34 F. Shutters or awnings;

35 G. Ground-level patios; and

36 H. Driveways.

1 **4. Person.** "Person" means a natural person, corporation, partnership or other business
2 entity.

3 **5. Registrant or registered residential construction contractor.** "Registrant" or
4 "registered residential construction contractor" means a person holding a valid registration
5 under this chapter.

6 **6. Residential construction contract.** "Residential construction contract" means an
7 agreement or contract to provide home improvement services for more than \$5,000.

8 **7. Residential construction contractor.** "Residential construction contractor" means
9 a person that undertakes, offers to undertake or submits a bid for a residential construction
10 contract.

11 **8. Residential structure or dwelling.** "Residential structure" or "dwelling" means a
12 residential structure that contains at least one but not more than 4 units, including an
13 individual condominium unit or cooperative unit or, if used as a residence, manufactured
14 housing.

15 **§18603. Exemptions**

16 The following persons are exempt from this chapter:

17 **1. Homeowners.** An individual who builds a dwelling or performs any home
18 improvement on a dwelling that is intended to be used as the individual's residence unless
19 the primary purpose of the structure is a commercial enterprise;

20 **2. Engineers and architects.** Professional engineers licensed under chapter 19 and
21 architects licensed under chapter 3-A;

22 **3. Oil burner or solid fuel technicians; propane and natural gas technicians.** Oil
23 burner or solid fuel technicians and propane and natural gas technicians licensed under
24 chapter 139;

25 **4. Manufacturers and dealers of manufactured housing.** Manufacturers and dealers
26 of manufactured housing licensed under Title 10, chapter 951;

27 **5. Plumbers and electricians.** Plumbers licensed under chapter 49 and electricians
28 licensed under chapter 17;

29 **6. Employees.** Persons acting within the scope of their employment under the authority
30 of a registered residential construction contractor;

31 **7. Subcontractors.** A person working as a subcontractor under a contract with a
32 registered residential construction contractor;

33 **8. Persons that perform work in emergency situations.** A person that performs
34 home improvement work in response to an emergency, as long as the person applies for
35 registration under this chapter within a reasonable time after performing the work; and

36 **9. Persons working on buildings used for commercial or business purposes.**
37 Persons building, altering or repairing buildings used for commercial or business purposes.

38 **§18604. Registration required**

39 Except as provided in section 18603, a person may not undertake, offer to undertake
40 or submit a bid for a residential construction contract unless registered in accordance with
41 this chapter.

1 **§18605. Application**

2 An application for registration under this chapter must be in writing, under oath and in
3 an electronic form prescribed by the department.

4 **I. Requirements.** An application under this section must include:

5 A. The applicant's name, physical address, mailing address if different, e-mail address
6 and telephone number;

7 B. If the applicant is an individual, the applicant's date of birth or, if the applicant is an
8 entity other than an individual, the applicant's employer identification number and the
9 name of the individual authorized to file the application on behalf of the applicant and:

10 (1) If the applicant is a corporation or limited liability company, the date and state
11 of incorporation and the name, physical address, mailing address if different and
12 telephone number of individuals with the authority to bind the organization; or

13 (2) If the applicant is a partnership or limited liability partnership, the state where
14 the partnership agreement is filed;

15 C. Any website or business-related social media maintained by or for the benefit of the
16 applicant;

17 D. The number of years the applicant has provided home improvement services;

18 E. Information for the 10-year period immediately preceding application relating to
19 any criminal convictions, guilty pleas or no contest pleas of the applicant or any officer,
20 director or general partner of the applicant relating to fraud, false statement or
21 omission, wrongful taking of property, bribery, perjury or conspiracy to commit any of
22 these crimes, including any such convictions, guilty pleas or no contest pleas in a
23 military court in this State or any other state;

24 F. Information for the 10-year period immediately preceding application relating to any
25 bankruptcy petitions filed by or against the applicant, any business with which the
26 applicant was associated or any officer, director or general partner of the applicant in
27 this State or any other state;

28 G. Information for the 10-year period immediately preceding application relating to
29 any judgments or liens against the applicant, any business with which the applicant was
30 associated or any officer, director or general partner of the applicant in this State or any
31 other state;

32 H. The applicant's workers' compensation insurance policy company name and policy
33 number;

34 I. The applicant's liability insurance policy company name and policy number, if any;

35 J. Information about the status of all professional or occupational licenses and
36 registrations in all jurisdictions in which the applicant holds or has held a license within
37 the 10-year period immediately preceding application. For the purposes of this section,
38 an applicant may affirm that a license is in good standing in another jurisdiction only
39 if the applicant:

40 (1) Does not have a complaint, allegation or investigation pending;

41 (2) Does not have a license that is suspended or subject to practice restrictions; and

1 (3) Has not surrendered a license or had a license revoked; and
2 K. The applicant's acknowledgement that the applicant is required to comply with all
3 provisions of Title 10, chapter 219-A governing home construction contracts.

4 **§18606. Public posting of registrants; disclaimer**

5 The department shall make registrant information available on its publicly accessible
6 website. The department shall include notice on its publicly accessible website that the
7 information supplied by the registrant is not validated by the department and confers no
8 assurance of competence.

9 **§18607. Registration term; renewal**

10 All registrations issued pursuant to this chapter expire on January 31st of each year.

11 **§18608. Penalties**

12 The following are violations of the Maine Unfair Trade Practices Act:

13 **1. Failure to register.** Unless exempted under this chapter, acting as a residential
14 construction contractor without registering as a residential construction contractor;

15 **2. Failure to use written contract.** Unless exempted under this chapter, failure of a
16 person that is registered under this chapter to provide a written contract or change order
17 pursuant to Title 10, chapter 219-A; and

18 **3. False information.** Submitting false information on the applicant's application to
19 the department under this chapter.

20 **§18609. Fees**

21 A registrant shall pay an annual registration fee of \$150 in a manner prescribed by the
22 department to the department upon application or renewal.

23 **SUMMARY**

24 This bill, which is reported out by the Joint Standing Committee on Innovation,
25 Development, Economic Advancement and Business pursuant to Resolve 2021, chapter
26 76, establishes a mandatory registration process for residential construction contractors for
27 the purpose of providing consumers an opportunity to confirm whether the contractor is
28 operating legally, whether the contractor has certain insurances and whether the contractor
29 has been subject to claims related to fraud, theft, deception, breach of contract and other
30 violations that may have a bearing on the integrity of the contractor. Registration confers
31 no assurance of competence.

32 The committee has not taken a position on the substance of the bill and by reporting
33 this bill out the committee is not suggesting and does not intend to suggest that it agrees or
34 disagrees with any aspect of this bill. The committee is reporting the bill out for the sole
35 purpose of obtaining a printed bill that can be referred to the committee for a public hearing
36 and subsequent committee action in the normal course.