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Anne L. Head
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TESTIMONY OF ANNE L. HEAD
COMMISSIONER, DEPARTMENT OF PROFESSIONAL AND FINANCIAL
REGULATION
IN OPPOSITION TO LD 1977
“An Act to Require Registration by General Contractors for Home Improvement and
Construction”
Sponsored by Senator Chip Curry
BEFORE THE JOINT STANDING COMMITTEE ON
INNOVATION, DEVELOPMENT, ECONOMIC ADVANCEMENT AND BUSINESS
Public Hearing: February 22, 2022, 9:30 AM

Senator Curry, Representative Roberts and members of the Committee, I am here today to speak in opposition to LD 1977 on behalf of the Administration. While the Department prepared a draft document for a residential general contractor registration, we did so in response to the Committee’s directive in Resolve 76.

According to a [2020 study by the National Conference of State Legislatures](#), occupational licensing has grown exponentially over the last 60 years. Sixty years ago, only 5% of the workforce was required to obtain an occupational license to work in their chosen occupations. Today, nearly 25% of the U.S. workforce is regulated by the government. To phrase that differently, the US has moved from the number of jobs requiring government approval to practice a profession from 1-in-20 to almost 1-in-4.

Occupational licensing laws across states create barriers for individuals looking to enter the labor market and they make it harder for workers to relocate across state lines. Certain groups—including military spouses and families, immigrants with work authorization, people with criminal records, and unemployed and dislocated workers—are affected disproportionately by the requirements and variances of occupational licensing. These are the very groups that the Legislature has continually expressed great interest in having the Department modify its licensing statutes and rules to incorporate them into the workforce. This Committee has often discussed the importance of expanding Maine’s workforce to better support Maine’s economy. Increasing regulatory barriers negatively impacts that goal.

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In recent years the calls for professional and occupational licensing reform to reduce regulatory barriers have become increasingly bipartisan. Historically, calls for regulatory reform and licensing reduction have tended to come from the parties that believe in less government. However, both the Obama and Biden administrations joined in the call to reduce regulatory barriers as opposed to increasing them. Most recently in July, President Biden issued an executive order entitled [“Promoting Competition in the American Economy,”](#) in which he encouraged the Federal Trade Commission “to ban unnecessary occupational licensing restrictions that impede economic mobility.”

So while there are increasing bipartisan calls to reduce unnecessary licensing restrictions, there are competing efforts in Maine to create new licensing programs – particularly those focused on the construction and building industry. At a time when home prices are increasing exponentially, and labor is difficult to find and expensive, the Administration does not believe that it would be prudent public policy to make it more difficult and costly for the citizens of Maine to build and remodel their homes.

For these reasons, I respectfully oppose the bill.

Thank you for the opportunity to share these comments.