

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

1

L.D. 1226

2

Date: 5/29/25

(Filing No. H-333)

MAJORITY

3

HOUSING AND ECONOMIC DEVELOPMENT

4

Reproduced and distributed under the direction of the Clerk of the House.

5

STATE OF MAINE

6

HOUSE OF REPRESENTATIVES

7

132ND LEGISLATURE

8

FIRST SPECIAL SESSION

9

COMMITTEE AMENDMENT "A" to H.P. 801, L.D. 1226, "An Act to Protect Consumers by Licensing Residential Building Contractors"

10

11

Amend the bill by inserting after section 10 the following:

12

'Sec. 11. Transfer from General Fund unappropriated surplus; Office of Professional and Occupational Regulation, Department of Professional and Financial Regulation, fiscal year 2025-26. Notwithstanding any provision of law to the contrary, the State Controller shall transfer \$620,126 from the unappropriated surplus of the General Fund to the Office of Professional and Occupational Regulation, Other Special Revenue Funds account within the Department of Professional and Financial Regulation no later than October 1, 2025 to support the establishment and start-up costs of the Residential Construction Board established in the Maine Revised Statutes, Title 32, section 19802.

13

14

15

16

17

18

19

20

21

Sec. 12. Transfer from General Fund unappropriated surplus; Office of Professional and Occupational Regulation, Department of Professional and Financial Regulation, fiscal year 2026-27. Notwithstanding any provision of law to the contrary, the State Controller shall transfer \$664,222 from the unappropriated surplus of the General Fund to the Office of Professional and Occupational Regulation, Other Special Revenue Funds account within the Department of Professional and Financial Regulation no later than July 15, 2026 to support the operating costs of the Residential Construction Board established in the Maine Revised Statutes, Title 32, section 19802.

22

23

24

25

26

27

28

29

Sec. 13. Appropriations and allocations. The following appropriations and allocations are made.

30

31

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

32

Administrative Services - Professional and Financial Regulation 0094

33

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

34

35

OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
------------------------------------	----------------	----------------

R.O.F.S

COMMITTEE AMENDMENT "A" to H.P. 801, L.D. 1226

1	All Other	\$39,702	\$62,028
2			
3	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$39,702</u>	<u>\$62,028</u>

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

5 Initiative: Allocates funds for per diem, consulting and related All Other expenses for the
6 Residential Construction Board effective October 1, 2025. It also allocates funds for one
7 Public Service Manager II position, one Paralegal position, one Secretary Specialist
8 position and one Attorney position and associated All Other costs effective October 1, 2025
9 and one Inspector position and one Senior Inspector position and related All Other costs
10 effective January 1, 2027. It also allocates funds for the general operating costs necessary
11 to support both the board and its staff.

12	OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
13	POSITIONS - LEGISLATIVE COUNT	4.000	6.000
14	Personal Services	\$342,189	\$605,919
15	All Other	\$252,623	\$338,397
16			
17	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$594,812</u>	<u>\$944,316</u>

18

19 **PROFESSIONAL AND FINANCIAL**
20 **REGULATION, DEPARTMENT OF**
21 **DEPARTMENT TOTALS**

22		2025-26	2026-27
23	OTHER SPECIAL REVENUE FUNDS	\$634,514	\$1,006,344
24			
25	DEPARTMENT TOTAL - ALL FUNDS	<u>\$634,514</u>	<u>\$1,006,344</u>

26

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

29

SUMMARY

30 This amendment is the majority report of the committee. The amendment adds an
31 appropriations and allocations section and language directing the transfer of funds from the
32 General Fund unappropriated surplus to the Department of Professional and Financial
33 Regulation.

34

FISCAL NOTE REQUIRED

35

(See attached)

COMMITTEE AMENDMENT

**132nd MAINE LEGISLATURE****LD 1226****LR 990(02)****An Act to Protect Consumers by Licensing Residential Building Contractors****Fiscal Note for Bill as Amended by Committee Amendment "A"****Committee: Housing and Economic Development****Fiscal Note Required: Yes****A (H-333)****Fiscal Note**

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$620,126	\$664,222	\$974,690	\$1,020,799
Appropriations/Allocations				
Other Special Revenue Funds	\$634,514	\$1,006,344	\$1,163,471	\$1,209,027
Revenue				
Other Special Revenue Funds	\$0	\$300,000	\$157,500	\$157,500
Transfers				
General Fund	(\$620,126)	(\$664,222)	(\$974,690)	(\$1,020,799)
Other Special Revenue Funds	\$620,126	\$664,222	\$974,690	\$1,020,799

Correctional and Judicial Impact Statements

This bill may increase the number of civil suits filed in the court system. The additional workload associated with the minimal number of new cases does not require additional funding at this time. The collection of additional fines and filing fees will increase General Fund or other dedicated revenue by minor amounts.

Fiscal Detail and Notes

This bill establishes the Residential Construction Board within the Department of Professional and Financial Regulation's Office of Professional and Occupational Regulation (OPOR) and requires that, effective January 1, 2027, a residential general contractor may not perform, offer to perform or agree to perform residential construction with a contract price that exceeds \$15,000 without a license issued by the board. This bill includes Other Special Revenue Funds allocations totaling \$634,514 in fiscal year 2025-26 and \$1,006,344 in fiscal year 2026-27 to the department for the costs associated with implementing and administering the new licensing program.

This bill caps the amount that can be collected for initial licenses and license renewals at \$500 and \$250, respectively. The department estimates the licensing of 600 contractors beginning in January 2027 at \$500 per license will generate \$300,000 in dedicated revenues to the board in fiscal year 2026-27. The department also assumes that 570 contractors will renew their licenses each year and 30 contractors will apply for a new license annually, resulting in ongoing dedicated revenue to the board of \$157,500 per year. Given that this dedicated revenue will not be sufficient to cover the costs of the licensing program, ongoing transfers from the General Fund unappropriated surplus will be required beginning in fiscal year 2025-26. Language directing the State Controller to transfer \$620,126 no later than October 1, 2025 and \$664,222 no later than July 15, 2026 to OPOR to support the establishment and operation of the licensing board is included in the bill to support the costs to implement and operate the program through the 2026-2027 biennium.