

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1534

S.P. 618

In Senate, April 8, 2025

An Act Enabling Municipalities to Protect Tenants and Stabilize Rents

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BAILEY of York.

Cosponsored by Representative GRAMLICH of Old Orchard Beach and

Senator: TIPPING of Penobscot, Representatives: GERE of Kennebunkport, GOLEK of Harpswell, JULIA of Waterville, MALON of Biddeford, ROBERTS of South Berwick.

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

2 Sec. 1. 30-A MRSA c. 187, sub-c. 7 is enacted to read:

3 **SUBCHAPTER 7**

4 **MUNICIPAL REGULATION OF RESIDENTIAL DWELLING UNITS**

5 **§4459. Municipal opt-in**

6 The provisions of this subchapter apply to a municipality if the municipality
7 incorporates this subchapter by reference in the adoption of an ordinance or bylaw; in the
8 amendment to or adoption of a charter provision; or in the adoption pursuant to a
9 referendum. Nothing in this subchapter limits the home rule authority of municipalities to
10 adopt ordinances, bylaws or charter provisions on the same subject matter as this
11 subchapter.

12 **§4460. Rent increase limits**

13 A municipality may by adoption of an ordinance or bylaw; by amendment to or
14 adoption of a charter provision; or by adoption pursuant to a referendum impose a limit on
15 the amount of an annual rent increase for a residential dwelling unit within the municipality.
16 A limit on an annual rent increase for a residential dwelling unit may not exceed the annual
17 change in the Consumer Price Index, as defined in Title 25, section 1611, subsection 1-A,
18 for the applicable area or 5% of the base rent, whichever is lower.

19 For purposes of this section, the rent amount in place 12 months prior to the date of
20 adoption of the ordinance or bylaw; the amendment to or adoption of the charter provision;
21 or adoption pursuant to a referendum is the base rent upon which an annual rent increase
22 limit is calculated. If the residential dwelling unit was vacant 12 months prior to the date
23 of adoption of the ordinance or bylaw; the amendment to or adoption of the charter
24 provision; or adoption pursuant to a referendum, the last rent amount charged is the base
25 rent. If there was no previous rent amount, or if no rent has been charged for at least the
26 previous 5 years since adoption of the ordinance or bylaw; the amendment to or adoption
27 of the charter provision; or adoption pursuant to a referendum, the rent amount the owner,
28 landlord or property manager of the residential dwelling unit first charged is the base rent.

29 **§4460-A. Evictions based on just cause**

30 A municipality may by adoption of an ordinance or bylaw; by amendment to or
31 adoption of a charter provision; or by adoption pursuant to a referendum require that an
32 eviction or refusal by the owner, landlord or property manager of a residential dwelling
33 unit to renew a lease be based on just cause. For purposes of this section, "just cause"
34 includes:

35 **1. Nonpayment.** A tenant failing to pay rent;

36 **2. Substantial violation.** A tenant committing a substantial violation of a material lease
37 term or term of the tenancy;

38 **3. Criminal activity.** A tenant engaging in criminal activity that threatens the health
39 and safety of other tenants or persons lawfully on the premises of the residential dwelling
40 unit; and

1 **4. Removal of unit from rental market.** An owner seeking to remove the residential
2 dwelling unit from the rental market in order to convert the residential dwelling unit into a
3 cooperative or condominium, to demolish the residential dwelling unit, to convert the
4 residential dwelling unit to nonresidential use or to occupy the residential dwelling unit as
5 the owner's principal residence.

6 A municipality may further define "just cause" by ordinance, bylaw, charter provision
7 or referendum.

8 **§4460-B. Exemptions**

9 The following types of residential dwelling units within a municipality that adopts the
10 provisions of this subchapter are exempt from sections 4460 and 4460-A:

11 **1. Owner-occupied units.** Residential dwelling units in owner-occupied buildings
12 with 4 or fewer residential dwelling units;

13 **2. Housing authority units.** Residential dwelling units subject to regulation by a
14 housing authority as defined in section 4702, subsection 2, except that occupancy by a
15 tenant receiving housing assistance under 42 United States Code, Section 1437f(o)(12)
16 does not exempt a residential dwelling unit otherwise subject to the provisions of section
17 4460 or 4460-A;

18 **3. Dormitories.** Dormitories owned or managed by an educational institution where
19 sleeping accommodations are provided in single rooms or in a series of closely associated
20 rooms; and

21 **4. Elderly residential care facilities.** Facilities for the residential care of persons who
22 are elderly.

23 Once annually, the owner, landlord or property manager of a residential dwelling unit
24 shall provide a written notice to the tenant of an exempt residential dwelling unit citing the
25 specific exemption for the residential dwelling unit under this section and the date an
26 exemption expires, if any.

27 **§4460-C. Reports**

28 Beginning January 15, 2026, and annually thereafter, a municipality adopting the
29 provisions of this subchapter pursuant to section 4459 shall provide a report to the Maine
30 State Housing Authority and the Maine Office of Community Affairs. The report must
31 include the text of the ordinance, bylaw, charter provision or referendum adopting the
32 provisions of this subchapter; any studies undertaken that informed the adoption of the
33 ordinance, bylaw, charter provision or referendum; the number of residential dwelling units
34 affected by the ordinance, bylaw, charter provision or referendum; and any other
35 information or data considered relevant by the Maine State Housing Authority or the Maine
36 Office of Community Affairs.

37 **§4460-D. Violations**

38 Any violation of this subchapter is an unfair method of competition or an unfair or
39 deceptive act or practice under Title 5, chapter 10. Any person claiming a violation of this
40 subchapter may pursue remedies under Title 5, chapter 10, and the Attorney General is
41 authorized to bring an action or institute a proceeding under Title 5, section 209.

42 **§4460-E. Other rights or protections**

This subchapter may not be construed to interfere with any existing rights or protections afforded tenants under state or federal law.

SUMMARY

This bill permits a municipality to adopt an ordinance or bylaw; to amend or adopt a charter provision; or to adopt pursuant to a referendum rent increase limits and eviction protections. It requires such a municipality to submit an annual report to the Maine State Housing Authority and the Maine Office of Community Affairs. The bill establishes that a violation of the requirements established in the bill is an unfair method of competition or an unfair or deception act or practice pursuant to the Maine Unfair Trade Practices Act.