

# MAINE STATE LEGISLATURE

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R.O.S.

L.D. 1551

DATE: 4-5-04

(Filing No. H-863)

MINORITY

**BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
121ST LEGISLATURE  
SECOND SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1137, L.D. 1551, Bill, "An Act To License Home Building and Improvement Contractors"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 5 MRSA §12004-A, sub-§20-A is enacted to read:

<u>20-A. Maine Home</u>	<u>Public Members 32 MRSA §15343</u>
<u>Contractor Licensing</u>	<u>Legislative</u>
<u>Board</u>	<u>Per Diem</u>
	<u>Other Members -</u>
	<u>No Compensation</u>
	<u>Authorized</u>

Sec. 2. 32 MRSA c. 135 is enacted to read:

CHAPTER 135

MAINE HOME CONTRACTOR LICENSING ACT

§15341. Short title

This chapter may be known and cited as "the Maine Home Contractor Licensing Act."

§15342. Definitions

1. Applicant. "Applicant" means a person who applies for a license under this chapter.

**COMMITTEE AMENDMENT**

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2. Board. "Board" means the Maine Home Contractor Licensing Board as established in this chapter.

3. Chimney. "Chimney" means a structure designed to lift fumes from a firebox up and out of a dwelling. "Chimney" includes the firebox, chimney back, cap, flue, post and pot.

4. Commissioner. "Commissioner" means the Commissioner of Professional and Financial Regulation.

5. Contract. "Contract" means an agreement between an owner and a home contractor to build a dwelling or perform any home improvements on a dwelling.

6. Department. "Department" means the Department of Professional and Financial Regulation.

7. Dwelling. "Dwelling" means any building that is owner-occupied or constructed for sale to an owner-occupant and contains at least one and no more than 2 dwelling units.

8. Dwelling unit. "Dwelling unit" means a single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

9. Employee. "Employee" has the same meaning as provided in Title 26, section 591, subsection 1.

10. Framing. "Framing" means the erection of the frame, flooring system, interior walls, backing, trusses, rafters, beams, stairs and soffits of a dwelling and all work related to the construction of the structure of the dwelling above the foundation.

11. Home contractor. "Home contractor" means a person who enters into a contract, offers to enter into a contract or submits a bid to enter into a contract with an owner to:

- A. Build a dwelling; or
- B. Perform any home improvement on a dwelling.

12. Home contractor services. "Home contractor services" means those services, including home improvement, performed by a home contractor licensed under this chapter.

13. Home improvement. "Home improvement" means:

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2 A. The construction, replacement, installation or  
4 improvement of additions of livable space, garages,  
carports, porches or decks if they are used in conjunction  
with a dwelling; or

6 B. Framing and roofing and the removal, repair, replacement  
8 or installation of siding, insulation, windows or chimneys.

10 "Home improvement" does not include redecorating or other  
cosmetic work.

12 14. Insulation. "Insulation" means any material high in  
14 resistance to heat transmission that, when placed in the walls,  
ceiling or floors of a structure, reduces the rate of heat flow.

16 15. License number. "License number" means a number issued  
18 by the board to a person who is issued a license to do business  
in this State under this chapter.

20 16. Licensee. "Licensee" means a person who is issued a  
22 license to do business in this State under this chapter.

24 17. Maine Model Building Code. "Maine Model Building Code"  
has the same meaning as set forth in Title 10, section 9701,  
26 subsection 1.

28 18. Owner. "Owner" means any owner or lessee or any person  
30 who orders, contracts for or purchases home contractor services  
or the person entitled to enforce the performance of the work of  
a home contractor.

32 19. Person. "Person" means any natural person, corporation  
34 or partnership or other business entity.

36 20. Roofing. "Roofing" means the installation of materials  
38 that form a weathertight surface on the roof of a dwelling,  
including but not limited to wood, cement, asbestos, clay tile  
and composition shingles, metal roofing, single ply and built-up  
40 roofing materials and all associated flashings and gravel stops.

42 21. Siding. "Siding" means the finished exterior covering  
of the outside walls of a frame dwelling.

44 22. Windows. "Windows" includes window sashes, window  
46 frames and windowpanes.

48 **§15343. Board; organization**

50 The Maine Home Contractor Licensing Board, as established in  
Title 5, section 12004-A, subsection 20-A, administers the

FORM

COMMITTEE AMENDMENT " " to H.P. 1137, L.D. 1551

2 provisions of this chapter to protect the public with respect to  
3 the practice of home contracting.

4 1. Board membership. The board consists of 9 members,  
5 appointed by the Governor, as follows:

6 A. Two public members;

8 B. Four home contractors, each having at least 5 years of  
10 experience as a home contractor;

12 C. One municipal code enforcement officer;

14 D. One engineer or architect, licensed under this Title,  
16 with experience in the design or construction of dwellings,  
17 who serves as a nonvoting member; and

18 E. One representative of the fire service in this State,  
19 who serves as a nonvoting member.

20 2. Terms; removal. The term of office of each member of  
22 the board is 4 years, except as provided in this subsection, and  
23 members are eligible for reappointment. If there is a vacancy  
24 for any cause, the Governor shall make an appointment immediately  
25 effective for the unexpired term. Members may be removed by the  
26 Governor for cause. In order to provide staggered expiration  
27 dates of terms, the duration of initial terms is as follows:

28 A. For the fire service representative, 2 years;

30 B. For one public member, 3 years;

32 C. For one public member, 4 years;

34 D. For one home contractor, 2 years;

36 E. For one home contractor, 3 years;

38 F. For one home contractor, 4 years;

40 G. For one home contractor, 5 years;

42 H. For the municipal code enforcement officer, 4 years; and

44 I. For the engineer or architect, 2 years.

46 3. Meetings; quorum. The board shall meet at least once a  
48 year and at such other times as the board determines necessary.  
49 A majority of the members of the board constitutes a quorum for  
50 the transaction of business under this chapter.

2 4. Election of officers. The board shall annually elect a  
4 chair and other officers as the board determines necessary.

6 **§15344. Rules**

8 The board shall establish guidelines and rules to administer  
10 this chapter. Except as otherwise indicated, rules adopted  
12 pursuant to this chapter are routine technical rules as defined  
14 in Title 5, chapter 375, subchapter 2-A. The board shall adopt  
16 rules:

18 1. License qualifications. Relating to the qualifications  
20 of an applicant for a license authorized under this chapter, as  
22 provided in section 15348, subsections 4 and 5;

24 2. Standards of practice. Consistent with the standards  
26 set forth in this chapter and the Maine Model Building Code;

28 3. Continuing education. Concerning requirements for the  
30 continuing education to be completed by an applicant as a  
32 prerequisite to renewal of a home contractor's license; and

34 4. Renewal. Concerning license renewal consistent with  
36 section 15345.

38 **§15345. Renewal**

40 Licenses issued under this chapter expire annually on  
42 December 31st or on a date the commissioner determines. The  
44 board shall issue a renewal license upon receipt of an  
46 application for renewal, the annual fee and evidence of  
48 satisfactory completion of the continuing education requirement  
pursuant to section 15344, subsection 3. Licenses may be renewed  
up to 90 days after expiration upon payment of a late fee in  
addition to the renewal fee. A person who submits an application  
for renewal more than 90 days after the license expiration date  
is subject to all requirements governing new applicants under  
this chapter.

42 **§15346. Fees**

44 1. Establish by rule. The Director of the Office of  
46 Licensing and Registration within the department, pursuant to  
48 Title 10, section 8003, subsection 2-A, paragraph D, may  
establish by rule fees for purposes authorized under this chapter  
in amounts that are reasonable and necessary for their respective  
purposes, except that a fee may not exceed the following:

50 A. For a general home contractor license, \$350 annually;

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2 B. For a specialty license, \$150 annually; and

4 C. For registration pursuant to section 15357, \$100.

6 2. Limitation. Fees established under this chapter may be  
8 used only for the purposes of this chapter.

10 **§15347. Duties; powers**

12 The board has the following duties and powers in addition to  
14 those otherwise set forth in this chapter.

16 1. Consent agreements. The board may execute a consent  
18 agreement that resolves a complaint or investigation without  
20 further proceedings pursuant to Title 10, section 8003,  
22 subsection 5, paragraph B.

24 2. Denial of license. The board may not refuse to issue or  
26 renew a license for a reason other than the failure to pay a  
28 required fee unless the applicant has been afforded an  
30 opportunity for an adjudicatory hearing consistent with the  
32 board's rules.

34 3. Hearings. The board shall conduct hearings in  
36 accordance with Title 5, chapter 375, subchapter 4 to the extent  
38 applicable. The board after hearing may impose disciplinary  
40 sanctions pursuant to Title 10, section 8003, subsection 5,  
42 paragraph A-1. In addition, the board pursuant to Title 5,  
44 section 10004 may revoke or suspend a license.

46 4. Investigation. The board may investigate or cause to be  
48 investigated any complaint made to the board and any case of  
noncompliance with or violation of this chapter.

5. License qualification. The board shall evaluate a  
person's qualifications for licensure under this chapter.

**§15348. Licensing; application**

1. License required. A person who acts as a home  
contractor must be licensed under this section. The board may  
grant the following licenses:

44 A. A license to be a general home contractor; and

46 B. Licenses specific to trades listed in section 15342,  
48 subsection 13, paragraph B.

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COMMITTEE AMENDMENT " " to H.P. 1137, L.D. 1551

2 2. Applications. Applications for licenses under this  
3 chapter must be submitted to the board on forms prescribed and  
4 furnished by the board and must contain the information and be  
5 accompanied by the attachments required by rule of the board,  
6 together with the prescribed fee.

7 3. Criminal history information. Pursuant to Title 5,  
8 chapter 341, the applicant shall provide criminal history record  
9 information.

10 4. Requirements for licensure as general home contractor.  
11 A person is qualified for a general home contractor license if:

12 A. The person has:

13 (1) Completed a combination of 4 years of relevant  
14 experience and education, as determined by the board,  
15 within one year after the effective date of this  
16 chapter pursuant to section 15357;

17 (2) Acknowledged, on a form provided by the board, an  
18 awareness of the Maine Model Building Code;

19 (3) Demonstrated, in a manner determined by the board,  
20 a familiarity with the laws governing home construction  
21 contracts under Title 10, chapter 219-A; and

22 (4) Completed any other requirements the board  
23 determines are necessary for licensure; or

24 B. The person has:

25 (1) Completed a combination of 2 years of relevant  
26 experience and education, as determined by the board,  
27 within one year after the effective date of this  
28 chapter pursuant to section 15357;

29 (2) Passed a general home contractor examination  
30 approved and adopted by the board that includes a test  
31 of proficiency in the Maine Model Building Code;

32 (3) Demonstrated, in a manner determined by the board,  
33 a familiarity with the laws governing home construction  
34 contracts under Title 10, chapter 219-A; and

35 (4) Completed any other requirements the board  
36 determines are necessary for licensure.

37 5. Requirements for licensure in specialty. A person is  
38 qualified for a specialty license, including a license to remove,  
39 including a license to remove,  
40 including a license to remove,  
41 including a license to remove,  
42 including a license to remove,  
43 including a license to remove,  
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47 including a license to remove,  
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49 including a license to remove,  
50 including a license to remove,



repair, replace and install framing, roofing, siding, insulation, windows or chimneys, as appropriate, if:

A. The person has:

(1) Completed a combination of 2 years of relevant experience and education in the specialty, as determined by the board, within one year after the effective date of this chapter pursuant to section 15357;

(2) Acknowledged, on a form provided by the board, an awareness of the Maine Model Building Code;

(3) Demonstrated, in a manner determined by the board, a familiarity with the laws governing home construction contracts under Title 10, chapter 219-A; and

(4) Completed any other requirements the board determines are necessary for licensure; or

B. The person has:

(1) Completed a combination of one year of relevant experience and education in the specialty, as determined by the board, within one year after the effective date of this chapter pursuant to section 15357;

(2) Passed an examination in the specialty approved and adopted by the board that includes a test of proficiency in those sections of the Maine Model Building Code that relate to the specialty;

(3) Demonstrated, in a manner determined by the board, a familiarity with the laws governing home construction contracts under Title 10, chapter 219-A; and

(4) Completed any other requirements the board determines are necessary for licensure.

**§15349. Exemptions to licensing**

A license is not required under this chapter for a person who:

1. Home contractor. Acts as a home contractor but who does not receive \$3,000 or more from any one owner in a calendar year;

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2 2. Labor; services. Performs labor or services for a  
licensed home contractor;

4 3. Trade; profession. Holds a license for a trade or  
profession and who is acting within the scope of the trade or  
6 profession for which the person is licensed;

8 4. Representative. Is an authorized representative of the  
United States Government, the State or any incorporated  
10 municipality, county or other political subdivision of this State  
who is acting within the scope of that representative's  
12 authorization;

14 5. Ownership interest. Performs work on a dwelling in  
which that person has an ownership interest or is a lessee  
16 performing work on the lessee's leased property;

18 6. Certified vocational school program. Is a student  
enrolled in a certified vocational school program in which the  
20 student works under the direct supervision of a licensed home  
contractor;

22 7. Public utility. Is a public utility operating under the  
24 regulations of the Public Utilities Commission in construction,  
maintenance or development work incidental to the public  
26 utility's business; or

28 8. Manufactured housing. Is licensed by or employed by a  
person licensed by the Manufactured Housing Board and performs  
30 home construction services in connection with the construction or  
installation of manufactured housing.

32 **§15350. License limitation**

34 A license issued under this chapter may be issued to any  
36 person. If the applicant is a corporation, partnership, limited  
liability company or other business entity, it must designate at  
38 least one natural person who is a partner, member, officer,  
manager or employee and who meets the professional qualifications  
40 required of licensees under this chapter. If the designated  
natural person no longer holds the qualifying relationship with  
42 the entity due to death or separation, the entity must designate  
another natural person within 6 months from the date of death or  
44 separation and qualify that person as soon as is practical.

46 A business entity may conduct business under this chapter  
under a trade name if its license under this chapter is issued  
48 under the trade name. The Director of the Office of Licensing and  
Registration within the department may refuse to issue a license  
50 under a specific trade name if the name is considered to be

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misleading, deceptive or likely to result in confusion with other existing businesses.

**§15351. Changes in circumstances**

A licensee shall report a change of address or name or other material change in the condition or qualifications set forth in the original application no later than 30 days after the change. Upon proper notice, the board's records must be changed and a new license issued for the unexpired term of the current license if appropriate.

**§15352. Denial of license**

Subject to section 15347, subsection 2, the board may deny a license if an applicant:

1. Fails to submit completed application. Fails to submit a completed application within 30 days after being notified of the materials needed to complete the application;

2. Fails to satisfy qualifications or standards. Fails to meet license qualifications or to satisfy standards of practice as adopted by the board pursuant to section 15344, subsections 1 and 2;

3. Suspension or revocation of license. Has had a professional or occupational license suspended or revoked for disciplinary reasons or an application rejected for reasons relating to untrustworthiness within 3 years prior to the date of application; or

4. Conviction of crime. Is subject to disqualification based on the applicant's criminal record pursuant to Title 5, chapter 341.

**§15353. Financial disclosures**

An applicant must file with the board the following information:

1. Nature of business. A complete statement of the general nature of the applicant's home contractor business or the applicant's duties;

2. Unsatisfied judgments. Any final judgment owed to a consumer, based on a finding of fraud or breach of express or implied warranty of good workmanship, that remains unsatisfied 90 days after entry of judgment by a court of competent jurisdiction;

3. Bankruptcy. Any pending petition in bankruptcy or discharge in bankruptcy within 7 years from the date of application.

**§15354. Penalties; injunction**

Violations of licensing and registration requirements under this chapter are governed by the provisions of Title 10, section 8003-C.

**§15355. Grounds for disciplinary action**

After a hearing pursuant to section 15347, subsection 3, the board may refuse to issue or renew any license or impose disciplinary sanctions pursuant to Title 10, section 8003 if the licensee is found to have committed one or more of the following:

1. Criminal record. Subject to Title 5, chapter 341, any crime described in Title 5, section 5301, subsection 2 for which the licensee has been convicted;

2. Conduct. An act or conduct that constitutes fraud or incompetence in acting as a home contractor;

3. False statement. Procuring or attempting to procure a license under this chapter by knowingly making a false statement, submitting false information or making a material misrepresentation in an application filed with the board;

4. Aiding and abetting. Aiding and abetting a person in conduct that constitutes a violation of this chapter; and

5. Rule violation. Violating a rule adopted by the board or a provision of this chapter.

**§15356. Notification of code adoption**

A town, city or municipality shall notify the board, on a form provided by the board, of its adoption of the Maine Model Building Code within 30 days of its adoption.

**§15357. When licensing effective; prior registration**

1. Licensing effective. Sections 15348 to 15356 take effect one year after the registration date, which is the first day of January of the year following the year in which:

A. No fewer than 56 of the following towns, cities and municipalities have adopted the Maine Model Building Code: Acton; Alfred; Arundel; Ashland; Auburn; Augusta; Bar

2 Harbor; Bath; Belfast; Biddeford; Brewer; Bridgton;  
3 Brunswick; Buxton; Calais; Cape Elizabeth; Caribou;  
4 Carrabassett Valley; Cumberland; Dayton; Dedham; Durham;  
5 Eastport; Falmouth; Farmington; Fort Fairfield; Freeport;  
6 Gardiner; Gorham; Gray; Hallowell; Hampden; Herman; Holden;  
7 Hollis; Houlton; Kennebunk; Kennebunkport; Lebanon;  
8 Lewiston; Limington; Lisbon; Long Island; Lovell; Lyman;  
9 Manchester; Mechanic Falls; Newfield; Newport; North  
10 Yarmouth; Ogunquit; Old Orchard Beach; Old Town; Orono;  
11 Otisfield; Paris; Poland; Portland; Presque Isle; Rangeley;  
12 Raymond; Richmond; Rockland; Rumford; Saco; Sanford;  
13 Scarborough; Shapleigh; South Berwick; South Portland;  
14 Standish; Thomaston; Topsham; Trenton; Turner; Veazie;  
15 Waterboro; Waterville; Wells; Westbrook; Windham; Winslow;  
16 and Yarmouth; and

17 B. The total population, as determined by the Federal  
18 Decennial Census for 2000, of the towns, cities and  
19 municipalities listed in paragraph A that have adopted the  
20 Maine Model Building Code is no less than 75% of the total  
21 population, as determined by the Federal Decennial Census  
22 for 2000, of the towns, cities and municipalities listed in  
23 paragraph A.

24 2. Registration. Upon the effective date of this chapter,  
25 the commissioner is authorized to develop a program of  
26 registration for persons who wish to practice as home  
27 contractors. Beginning on the registration date determined in  
28 accordance with subsection 1, the commissioner shall begin  
29 registering these persons and collecting a registration fee in  
30 accordance with section 15346, subsection 1, paragraph C. This  
31 subsection is repealed upon the provisions of this chapter  
32 requiring licensure becoming effective pursuant to subsection 1.

33 **Sec. 3. Appointments to board; convening of first meeting.** Members  
34 of the Maine Home Contractors Licensing Board established in the  
35 Maine Revised Statutes, Title 5, section 12004-A, subsection 20-A  
36 must be appointed in accordance with Title 32, section 15343 no  
37 later than September 1, 2004. The first meeting of the Maine  
38 Home Contractors Licensing Board must be convened no later than  
39 October 1, 2004.

40 **Sec. 4. Transfer.** The Office of Licensing and Registration  
41 within the Department of Professional and Financial Regulation  
42 shall assess its Other Special Revenue licensing programs in the  
43 amount of \$284,052 for the purpose of supporting the creation of  
44 the Maine Home Contractor Licensing Board. The assessment must  
45 be made to the other licensing boards within the Office of  
46 Licensing and Registration in a manner to be determined by the  
47 Office of Licensing and Registration and be transferred to the  
48 Office of Licensing and Registration and be transferred to the  
49 Office of Licensing and Registration and be transferred to the  
50 Office of Licensing and Registration and be transferred to the

Maine Home Contractor Licensing Board by September 1, 2004. All funds so assessed and transferred to the Maine Home Contractor Licensing Board must be repaid no later than January 1, 2006 by the Maine Home Contractor Licensing Board. If sufficient funds are not available within the Maine Home Contractor Licensing Board to repay the funds by January 1, 2006, the Department may request a General Fund appropriation.

**Sec. 5. Appropriations and allocations.** The following appropriations and allocations are made.

**PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

**Licensing and Enforcement 0352**

Initiative: Allocates funds for per diem, Attorney General services and related All Other expenses for the Maine Home Contractor Licensing Board effective September 1, 2004. Also allocates funds for one Clerk IV position and one Clerk Typist II position and related All Other costs effective January 1, 2005.

<b>Other Special Revenue Funds</b>	<b>2003-04</b>	<b>2004-05</b>
Positions - Legislative Count	(0.000)	(2.000)
Personal Services	\$0	\$48,298
All Other	0	432,427
Other Special Revenue Funds Total	\$0	\$480,725'

**SUMMARY**

This amendment, which is the minority report of the committee, creates the Maine Home Contractor Licensing Act. The amendment replaces the bill and contains the following provisions:

1. It requires licensure of a person who acts as a general home contractor or who installs, removes, repairs and replaces framing, roofing, siding, insulation, windows or chimneys;

2. It requires a license only for work on "dwellings," which are defined as being owner-occupied buildings or buildings constructed for sale to owner-occupants consisting of 1 or 2 units;

3. It exempts from licensure requirements a person who receives less than \$3,000 per year from each owner; works for licensed contractors; is working within the scope of another trade license; is a government employee acting within the scope of employment; has an ownership interest in the subject dwelling;

is a vocational student; is a public utility; or is operating under a manufactured housing license;

4. It creates the Maine Home Contractor Licensing Board, appointed by Governor, consisting of 2 public members; 4 home contractors; one municipal code enforcement officer; one licensed engineer or architect, who is a nonvoting member; and one representative of the fire service, who is a nonvoting member;

5. It empowers the board to make rules, grant and deny licenses, impose standards of practice, require continuing education and hold hearings, as well as to exercise other powers;

6. It requires for licensure as a general home contractor the following:

A. Four years combined experience and education, acknowledgment of the Maine Model Building Code, familiarity with the laws governing home construction contracts and any other requirements determined necessary; or

B. Two years combined experience and education, passage of an exam including a test of proficiency in the Maine Model Building Code, familiarity with the laws governing home construction contracts and any other requirements determined necessary;

7. It requires for licensure in a specialty trade the following:

A. Two years combined experience and education in that trade, acknowledgment of the Maine Model Building Code, familiarity with the laws governing home construction contracts and any other requirements determined necessary; or

B. One year combined experience and education in that trade, passage of an exam in that trade including a test of proficiency in the Maine Model Building Code, familiarity with the laws governing home construction contracts and any other requirements determined necessary;

8. It requires an applicant for a license to provide criminal history information;

9. It requires an applicant for a license to make financial disclosures to the board;

10. It sets as fee caps \$350 per year for a general home contractor license, \$150 per year for a specialty license and \$100 per year for registration;

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COMMITTEE AMENDMENT " " to H.P. 1137, L.D. 1551

2           11. It requires municipalities that adopt the Maine Model  
Building Code to notify the board; and

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6           12. It creates a trigger mechanism for registration and  
licensing as follows: registration is triggered upon adoption of  
the Maine Model Building Code by 2/3 of municipalities with a  
8 prior code that make up 75% of population of people covered by  
these prior codes; the full licensing program begins one year  
10 later, along with a bar to practicing without having registered  
becoming effective.

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**FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**



**121st Maine Legislature  
Office of Fiscal and Program Review**

**LD 1551****An Act to License Home Building and Improvement Contractors****LR 1815(02)****Fiscal Note for Bill as Amended by Committee Amendment " "****Committee: Business, Research and Economic Development****Fiscal Note Required: Yes****Minority Report****Fiscal Note**

Potential current biennium cost increase - General Fund

	<b>2003-04</b>	<b>2004-05</b>	<b>Projections 2005-06</b>	<b>Projections 2006-07</b>
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$480,725	\$684,585	\$548,835
<b>Revenue</b>				
Other Special Revenue Funds	\$0	\$600,000	\$1,140,000	\$1,140,000
<b>Transfers</b>				
Other Special Revenue Funds	\$0	\$0	\$0	\$0

**Correctional and Judicial Impact Statements**

Establishes new Class D and Class E crimes

Establishes new civil violations

**Fiscal Detail and Notes**

This bill establishes the Maine Home Contractor Licensing Board within the Department of Professional and Financial Regulation's Office of Licensing and Registration. This bill includes an Other Special Revenue Funds allocation totaling \$480,725 in fiscal year 2004-05. Of this amount, \$284,054 is estimated to be required for the operation of the board from September 1, 2004 through December 31, 2004, and includes the costs associated with the per diem and other expenses for board members, administrative support from the Office of Licensing and Registration and the upgrade of the licensing system. An additional \$196,671 in funding will be required for the remainder of the 2004-05 fiscal year to support the costs of one Clerk IV position and one Clerk Typist II position beginning in January 2005, as well as the per diem and All Other expenses related to the operation of the Board. Additional Other Special Revenue Funds allocations will be required beginning in fiscal year 2005-06 for two Inspector positions, one Paralegal position, one Director position and additional All Other expenses.

This bill establishes fees for general home contractor licenses, specialty licenses and registration and creates a two-part triggering mechanism in which registration and licensing will occur. This fiscal note assumes that the triggering events occur before January 1, 2005 and that the receipt of registration fees will begin in January 2005. An economic impact analysis prepared by Planning Decisions, Inc. of South Portland, Maine in November 2003 estimates a potential for approximately 12,000 home improvement contractors that could be licensed. Given the exemptions from the licensure requirements provided in this bill, this fiscal note assumes the registration of 6,000 contractors beginning in January 2005 which will result in \$600,000 in dedicated revenues to the Board in fiscal year 2004-05. Actual dedicated revenues from registration fees will be higher or lower depending on the actual number of registrants and the timing of the triggering mechanism included in this legislation. A General Fund appropriation may be required if sufficient dedicated revenues are not received to support the operation of the Board by January 2005.

Because sufficient dedicated funds will not be available to support the operation of the Board from September 1, 2004 through December 31, 2004, this fiscal note includes language which directs the Office of Licensing and Registration within the Department of Professional and Financial Regulation to assess its Other Special Revenue Funds licensing programs in the amount of \$284,052 and to transfer that amount to the Maine Contractor Licensing Board to support the initial start up costs by September 1, 2004. This language also specifies that these funds are to be paid back to the existing boards by January 1, 2006.

**HOUSE OF REPRESENTATIVES**

*April 10, 2003*

COMMITTEE ON BUSINESS, RESEARCH AND ECONOMIC  
DEVELOPMENT SUGGESTED AND ORDERED PRINTED.

BILL REFERRED TO THE COMMITTEE ON BUSINESS,  
RESEARCH AND ECONOMIC DEVELOPMENT

SENT FOR CONCURRENCE. ORDERED SENT FORTHWITH.

*Millicent M. MacFarland*  
CLERK

**IN THE SENATE CHAMBER**

*April 10, 2003*

UNDER SUSPENSION OF THE RULES ON MOTION BY SENATOR  
BROMLEY OF CUMBERLAND REFERRED TO THE COMMITTEE  
ON BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT IN  
CONCURRENCE

*Jay J. O'Brien*

SECRETARY OF THE SENATE