

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1574

H.P. 1019

House of Representatives, April 11, 2023

**An Act to Create Rent Stabilization and Amend the Laws Regarding
Termination of Tenancy and Rent Increase Limitations**

Reference to the Committee on Labor and Housing suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative SUPICA of Bangor.
Cosponsored by Senator BALDACCI of Penobscot and
Representatives: CRAFTS of Newcastle, GRAMLICH of Old Orchard Beach, MALON of
Biddeford, MILLIKEN of Blue Hill, PLUECKER of Warren, ROEDER of Bangor, SACHS of
Freeport, SALISBURY of Westbrook.

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

2 **Sec. 1. 14 MRSA §6002, sub-§5** is enacted to read:

3 **5. Creation.** A lease agreement becomes a month-to-month tenancy at will if the lease
4 agreement is not renewed or terminated upon its expiration, unless the landlord provides
5 90 days' notice of termination of the lease and the tenant has at least 3 lease violations.

6 **Sec. 2. 14 MRSA §6002-A** is enacted to read:

7 **§6002-A. Termination of tenancy**

8 Notwithstanding any provision of law to the contrary and except as prohibited by the
9 terms of a lease agreement, a landlord or tenant may terminate a tenancy in accordance
10 with this section.

11 **1. 30 days' notice.** A landlord or tenant may terminate a tenancy with 30 days' written
12 notice to the other party without a cause arising from the actions of the tenant if:

13 A. The dwelling unit is located in a dwelling that is no larger than a 4-family dwelling
14 and one of the units is occupied by the landlord;

15 B. The landlord intends for the landlord or a member of the landlord's immediate
16 family to occupy the dwelling unit as a primary residence and the landlord does not
17 own a comparable unit within the same municipality that is available for occupancy at
18 the time the tenant receives a notice to terminate the tenancy; or

19 C. Notice is served upon the other party within 30 days of the annual anniversary date
20 of the creation of a tenancy.

21 **2. 90 days' notice.** Except as provided in subsection 3, a landlord may terminate a
22 tenancy with 90 days' written notice to a tenant if the landlord pays the tenant an amount
23 equal to one month's rent.

24 **3. Payment of one month's rent; exception.** A landlord that has an ownership interest
25 in 4 or fewer dwelling units is not required to pay the tenant an amount equal to one month's
26 rent in order to terminate a tenancy in accordance with subsection 2.

27 **Sec. 3. 14 MRSA §6016**, as amended by PL 1985, c. 293, §5, is repealed and the
28 following enacted in its place:

29 **§6016. Rent increase limitations**

30 This section governs limitations on rent increases.

31 **1. Warranty of habitability.** Rent charged for residential estates may not be increased
32 if the dwelling unit is in violation of the warranty of habitability. Any violation caused by
33 the tenant, the tenant's family, guests or invitees may not bar a rent increase. A written or
34 oral waiver of this requirement is against public policy and is void. A person in violation
35 of this section is liable for the return of any sums unlawfully obtained from the lessee, with
36 interest and reasonable attorney's fees and costs.

37 **2. Annual limitation; maximum increase.** A landlord may not increase the rent on a
38 dwelling unit more than once per year. A rent increase under this subsection may not
39 exceed 7% more than the percentage change in the Consumer Price Index as reported by
40 the United States Department of Labor, Bureau of Labor Statistics. The Maine State
41 Housing Authority shall publish the maximum allowable rent increase percentage.

SUMMARY

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This bill:

1. Identifies situations in which a landlord or a tenant may terminate a tenancy with 30 days' written notice to the other party without a cause arising from the actions of the tenant;
2. Authorizes a landlord to terminate a tenancy with 90 days' written notice to a tenant if the landlord pays the tenant an amount equal to one month's rent unless the landlord has an ownership interest in 4 or fewer dwelling units;
3. Provides that a lease agreement becomes a month-to-month tenancy at will if the lease agreement is not renewed or terminated, with certain exceptions; and
4. Prohibits a landlord from increasing rent on a dwelling unit more than once per year and establishes a maximum allowable rent increase percentage.