

February 21, 2022

Members of the Committee On Innovation, Development, Economic Advancement and Business,

I am writing to ask that you endorse LD 1977, which represents a meaningful step in protecting Maine consumers involved with home improvement and construction projects. For most of us, our home is the largest asset and our largest financial and personal investment.

During the fall 2020, I asked Senator Breen and Representative Bell to put forward legislation to fill a long overdue void in Maine law and join with so many other states in protecting the public physically and financially. While I lobbied for a law requiring full licensing, I am pleased that your committee acknowledged the risks to the public and embraced the importance some level of control.

I appreciated the opportunity to submit written testimony (a copy below) and to address you during the public hearing on February 25, 2021.

I listened to those who expressed concerns about imposing excessive burden on contractors, increasing their costs or reducing the attractiveness of the trade. Some seemed to believe the burden should be on consumers to do a better job evaluating references, and that consumers were adequately protected by a good contract and local Code Enforcement efforts. While I respect these points of view, I do not believe they are realistic or grounded in fact.

First, the draft registration system put forward by Commissioner Head would not be burdensome in time or cost, and would only bring contractors closer in line with so many other licensed sub-contractors they hire and have the responsibility to supervise, and so many other professions.

Second, I expect most homeowners do in fact request and evaluate recommendations. We know firsthand, though, that recommendations can be “cherry picked” and even good recommendations often can be of limited to no value. If recommendations alone could prevent very disappointing and costly experiences, then there would arguably be no need to license other construction-related professionals.

Third, the Maine Model Home Construction Contract provides a decent framework, but places all the burden on the consumer. Responsibilities are not fairly shared among the parties. What’s more, the Contract does not address the many important aspects of a “time and materials” contracts. (Separate from LD 1977, I will be providing specific recommendations to the Attorney General on expanding the Contract and related guidance to citizens. The financial risk to homeowners grows each day and legal remedies can be cost-prohibitive to pursue.)

Fourth, it's unrealistic to expect local Code Enforcement to identify issues, many of which fall outside the building code. They cannot be on site on a regular basis, contractors sometimes cannot wait for them, and sometimes they simply have to rely on the representations by contractors. Our two home construction projects resulted in serious code violations which were not identified by Code Enforcement Officers but evident to Engineers and were extremely costly to remedy. A good reference from a trusted source, a clear building code and Code Enforcement Officer still required us to re-excavate the new foundation of entire home because not one inch of the perimeter drainage system met code. Sadly, the list goes on for us and for so many of your constituents.

Please support LD 1977, a reasonable measure to provide at least some protections to Maine consumers. Thank you.

LD 195 Testimony, Submitted 2/15/21

Construction is a challenging profession. It demands hard work and a range of important skills, and the acceptance of an awesome responsibility for people's safety. What's more, it is an admirable occupation, rich in societal value. Many should be proud to derive their livelihood from it. My late father-in-law was a successful contractor and was trusted by countless customers. My family and I have had terrific experiences with some contractors.

However, other experiences have been disastrous and very costly. That was how we learned that, unlike many, if not most, other states, there are no licensing requirements for Contractors in Maine. We understand the Legislature has considered adopting laws in this regard, but has not done so.

The time to act is now. We ask you to require Contractors to be licensed, putting them on the same footing as those other occupations associated with home construction: Architects, Engineers, Landscape Architects, Land Surveyors, Electricians, Plumbers, Interior Designers, Appraisers, Heating/Propane Technicians, Well installers, to name just some. Contractors hire, supervise, direct, schedule and pay the many licensed occupations working in a home - but there is no licensing requirement for the Contractors themselves. Local and code enforcement efforts provide some protection, but that system can be overwhelmed, and many significant issues can fall outside code compliance.

States generally protect the public by implementing licensing requirements on many occupations. You have the opportunity to apply these standards to Contractors serving your constituents. The risk of jeopardizing a license is a powerful tool, as it is with so

many occupations. The person cutting your hair for \$25 must be licensed; the person who builds or improves your home for \$25,000 or \$250,000 does not. Think about that inconsistency and the magnitude of the risk to the public, especially with an aging housing stock and the sky-rocketing cost of home improvement.

A rational licensing system would:

- Promote public safety and welfare
- Ensure appropriate baseline skills and responsible conduct, and promote greater contractor accountability
- Address the inconsistency between the State's licensing requirements for the vast majority of occupations used to build or improve homes and the general contractors who hire and supervise them
- Recognize homes are a family's single largest financial investment -- and getting more costly by the minute - and that residents need the protections afforded by other States
- Provide consumers with a new path to justice when contractors fail. Who among us can realistically afford the costs associated with the standard legal process? Mediation is costly and does not serve the public well where there is clear wrongdoing. Small claims court has a low maximum. (And let's not forget lawyers all must be duly licensed.)

A licensing system does not need to be burdensome for the State or for contractors financially or administratively. There surely are best practices, both elsewhere and right here in Maine's own current licensing laws, which can be applied.

Finally, if the scope of the study is limited to a "voluntary licensing system", what would the benefits to the public actually be? Would it become nothing more than a marketing gimmick adopted by some to promote "we're licensed"?

Thank you for addressing an obvious void and inconsistency in Maine law and a growing public need.

Tim Wheaton

51 Hickory Lane

Yarmouth, ME