

LEGISLATIVE ADVOCACY



Maine Real Estate &
Development Association

Supporting Responsible Development

End of Session Legislative Update

August 3, 2023

MEREDA's Public Policy Committee continues to stay engaged on critical matters impacting our members.

Legislature Concluded Business on July 26, 2023

After one of the longest legislative stretches in recent history, the Maine State Legislature finally concluded its business on July 26, 2023 around 5:00 a.m. The general effectiveness date for non-emergency legislation will be October 25, 2023. This year, MEREDA engaged in or closely monitored over 70 pieces of legislation, including:

- Efforts to unwind effectiveness or repeal LD 2003, the Housing Act passed in 2022 (ultimately negotiated to delay effectiveness; see below);
- Over \$80 million in allocated funding for affordable housing;
- Paid Family Medical Leave Act, which will require companies with more than 15 employees to offer a paid family medical leave benefits plan, which would allow for paid leave up to 12 weeks for a family member or close familial relationship. More information about the law, which will take effect on October 25 but be fully implemented by May 1, 2026;
- Proposal to require licensure for residential contractors (carried over to next legislative session);
- 29 separate pieces of legislation before the Joint Select Committee on Housing;
- Statewide rent control (defeated);
- Proposal before Housing Committee to require that all existing landlords set aside 10% of their units to be offered at an affordable rate, which would be 80% of AMI or not more than 30% of an individual's income (carried over to the next legislative session); and MORE!!

MEREDA was a critical source of information and context for legislators debating weighty land use, landlord, and housing matters. While we continue to have both fights and opportunities ahead, we can say with confidence that MEREDA has had a very successful year in statewide advocacy, and we look forward to next year!

MEREDA Succeeds in Modernizing Maine's Elevator Safety Laws, Condo Act to Improve Development Environment

MEREDA successfully worked with the Maine State Legislature to enact two pieces of legislation in the 131st Legislature so far: LD 975, which aligns Maine's elevator safety standards to the standards in the Maine Uniform Building and Energy Code (MUBEC); and LD 1289, which enables the transfer of an

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unfinished commercial condominium. These two bills were passed by the legislature and signed into law by the Governor this session.

LD 975, An Act to Align Maine's Elevator Safety Laws with Maine Uniform Building and Energy Code Standards, is now Public Law 2023, Chapter 149. This new law was enacted as an emergency measure and took effect on June 12, 2023. Under the new law, Maine's safety standards, specifically with respect to elevator size and stop requirements, must be the same as the standards dictated by the International Building Code as it has been adopted by the State of Maine under the MUBEC. This change ensures that Maine's elevator safety standards evolve and align with current international standards, and that Maine statutory standards aren't out of step with current international standards. MEREDA wishes to thank Rep. Ed Crockett of Portland for his sponsorship of this legislation, and the Department of Professional and Financial Regulation (DPFR) for its assistance in updating this important law.

LD 1289, An Act to Facilitate Property Redevelopment and Encourage Affordable Housing by Allowing the Conveyance of Unfinished Commercial Condominium Units, is now Public Law 2023, Chapter 198. This new law will take effect on October 25, 2023, and provides that a commercial condominium may be conveyed from one developer to another, to accommodate projects in which the condo is the most efficient form of development but for which the initial developer is not the same as the specific project developer. For example, in a mill rehabilitation, one developer may take on the rehabilitation work and then transfer condominium units for a multitude of purposes, including to an affordable housing developer, who may fit out on condominium as affordable housing units. MEREDA wishes to thank Sen. Matt Pouliot of Augusta for his sponsorship of this legislation, and the Housing Committee for its consideration of the deep and complex world of housing policy.

MEREDA will have one additional piece of legislation considered in the next session of the 131st Legislature:

LD 772, An Act to Establish a Process to Vest Rights for Land Use Permit Applicants. This bill has not yet had its public hearing and is being carried over to the Second Regular Session of the 131st Legislature for consideration next year. MEREDA will be working to drum up support for this bill, which would provide that a land use applicant is subject to the ordinance standards in place on the date on which the application is submitted. This legislation is intended to lower the risk and ensure greater predictability for housing creators by preventing retroactive ordinances from being adopted with the intent or killing one project. MEREDA is open to amending its current language to address unique circumstances or narrow its application, and we look forward to coordinating with stakeholders in the fall.

Building Code, Energy Audits, and Power Plays

On the horizon is a number of state and local initiatives driven by climate action. Among them are:

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- the adoption of the latest version of the International Energy Conservation Code (IECC) under the statewide Maine Uniform Building and Energy Code (MUBEC) (MUBEC Technical Standards Board);
- local and statewide efforts to require buildings to report greenhouse gas emissions and/or score the building according to an audit system (South Portland, Maine Legislature); and
- efforts to limit local energy choice and convert Maine's transmission and distribution utilities into an entity which would be owned and operated by the State (localities, Maine Legislature, and referendum).

These are significant issues that will impact the housing creation community over the new few years and possibly decades. As climate action efforts ramp up across the globe, many Maine towns are running ahead of the legislature to adopt local policies to drive consumer choice. For example, South Portland is contemplating requiring all commercial buildings to publicly report their greenhouse gas emissions, and some advocates are seeking to implement a mandatory energy auditing system, which would score a building based on its energy efficiency. Taking it a step further, some towns have discussed disallowing the installation of fossil fuel energy systems in new construction. The intent of policymakers in support of these actions is to force housing creators and purchasers to elevate the importance of energy efficiency over other elements of a building.

Simultaneously, voters this fall will be asked to support a takeover of the state's current transmission and distribution utilities (CMP and Versant). This proposal will be in the form of a referendum question and would cost the state upward of \$8 billion to implement. Given the shifting landscape for energy generation, the natural market forces related to energy efficiency, and the above-mentioned policy proposals to limit consumer choice, MEREDA will likely engage on energy-related matters more than we have in the past. It is critically important that climate action be balanced with the very real need for housing creation in Maine. MEREDA supports reasonable and fair energy regulations and encourages climate activists not to let the perfect be the enemy of the good in this policy realm.

MEREDA to Promote Local Adoption of LD 2003 Provisions, Encourage Effective Affordable Housing Policies in Towns

This fall, MEREDA's Local Issues Committee will be meeting with individual town planners and influencers to promote the adoption of policies from LD 2003, the housing bill that passed in the last legislature. MEREDA is excited to coordinate with other stakeholders to help accelerate the housing creation opportunities inherent in the implementation of LD 2003 land use policies. The current legislature reaffirmed its commitment to this law, which will take effect on January 1, 2024, for all towns that do not require a town meeting to conduct business. For the latter towns, the effective date will be by June 1, 2024. In all cases, there are many opportunities for the adoption of either effective or burdensome language, despite the intent of the legislation. While the underlying law will remain in effect, towns will have significant latitude to narrow the application of that law or to require additional fees or regulations that will

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undermine the intent of the law. Most towns are eager and excited to dig into the work of implementing the new policies and want to help solve the affordable housing crisis in their communities. MEREDA looks forward to working with those towns and helping provide information and insight into housing creators' needs to effectively add stock to our housing supply.

MEREDA looks forward to coordinating with local town planners, developers, and interested parties to help provide feedback, guidance, and encouragement for the adoption of the policies in LD 2003 that will significantly move the needle in Maine's housing crisis.

MEREDA will continue to remain diligent in protecting its members' interests. Our members represent a critical pillar of the state economy, and we will continue to advocate for policies that are fair, practical, and predictable. We encourage all those who are interested in rolling up their sleeves and helping to further MEREDA's mission and vision in policymaking to contact Shelly R. Clark, MEREDA's Executive Director at info@mereda.org.

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