

MAINE STATE LEGISLATURE

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STATE OF MAINE
 HOUSE OF REPRESENTATIVES (Filing No. H-709)
 109TH LEGISLATURE
 FIRST REGULAR SESSION

COMMITTEE OF CONFERENCE AMENDMENT "A" to H.P. 402,
 L.D. 508, Bill, "AN ACT to Clarify the Form of the Local Consent
 Resolution Regarding State Housing Authority Housing Assistance
 Allocation."

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

'Sec. 1.

30 MRSA §4552, sub-§1, ^{last ¶,} ~~as repealed~~ and replaced by
 PL 1975, c. 625, §1, is repealed and the following enacted in
 its place:

Passage of such resolution is conclusive evidence of
compliance with the referenced sections. The local govern-
ing body is entitled to repeal the resolution, provided that
any contract for federal assistance entered into between the
Maine State Housing Authority and any person, firm or corpor-
ation in or with respect to the municipality in question after
passage of the original resolution and prior to its repeal
shall not be affected by the repeal and provided further
that the security of the authority's mortgage interest or the
obligation or repayment of debt to bondholders is not affected
by the repeal.

The authority shall meet and discuss with the local governing
body concerning permissible and preferred developers, housing
management entities and ~~-----~~ sites in anticipation of a
preliminary designation of a proposed project.

When the authority has received a proposed project for consideration, it shall so notify the municipality in question. When the authority has made a preliminary designation of a proposed project, it shall so notify the municipality within 30 days. If the local governing body of the municipality disapproves of the preliminary designation, it shall so notify the authority within the 45-day period following the notice of selection. The notice of disapproval shall have the effect of repealing the consent resolution for that proposed project.'

Sec. 2. 30 MRSA §4762, as last amended by PL 1977, c. 601, is further amended to read:
§4762. Limitations

The state authority shall not at any time have, in the aggregate principal amount thereof outstanding, mortgage purchase bonds in excess of ~~\$225,000,000~~ \$275,000,000 secured by the Housing Reserve Fund or a Capital Reserve Fund to which the 3rd paragraph from the end of section 4761 applies. Bonds of the state authority secured by capital reserve funds to which the 3rd paragraph from the end of section 4761 does not apply may be issued up to \$100,000,000 per calendar year in an aggregate principal amount not to exceed \$200,000,000, and, further, the proceeds from any such bonds shall be used only to purchase the following types of interest bearing obligations from financial institutions:

1. Mortgage loans insured or guaranteed by the United

States. Mortgage loans insured or guaranteed by the United States or an instrumentality thereof; and

2. Privately insured mortgages. Privately insured mortgages; provided that all such mortgages purchased shall be limited to interest bearing obligations which finance land and improvements constituting one to 4 family owner-occupied residential housing units.

Note: Congress in this form.

Sec. 3. Legislative intent. It is the intent of the Legislature that references in Title 30 to the 3rd paragraph from the end of section 4761 shall refer to the paragraph which begins with the phrase "In order to assure the maintenance of.."

Sec. 4. Effective date. Sections 2 and 3 of this Act shall take effect 91 days after adjournment of the Legislature.'

Statement of Fact

This conference committee amendment makes 2 types of changes to L.D. 508.

First, it adopts the exact language of Committee Amendment "B" to L.D. 508, which amendment:

1. Requires the State Housing Authority to meet with a local governing body to discuss permissible and preferred developers, housing management entities and sites in anticipation of a preliminary designation of a proposed project;

2. Permits the local governing body to veto a preliminary designation of a proposed project by the State Housing Authority; and

3. Prohibits repealing a consent resolution where the repeal would affect the security of the authority's mortgage interest or the obligation or repayment of debt. This is particularly intended to prohibit repeal in the period between the sale of bonds and the signing of contracts.

Second, in sections 2 to 4 of this amendment, it corrects several technical errors in L.D. 1648, which was in the Governor's Office for signature as this amendment was prepared.

These corrections:

1. Clarify that the proceeds from bonds subject to \$200,000,000 limit shall be used only to purchase the 2 listed classes of mortgages;

2. Clarify that these 2 classes of mortgages are to be limited to mortgages for one to 4 family owner-occupied residential housing units; and

3. Change the spelling of the word "insure" to the correct spelling "assure."