MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND FOURTH LEGISLATURE

Legislative Document

No. 1786

H. P. 1418 House of Representatives, January 6, 1970 Committee on Judiciary suggested.

BERTHA W. JOHNSON, Clerk

Presented by Mrs. Goodwin of Bath.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND SEVENTY

AN ACT Relating to the Housing Needs of People Who Pay Rent.

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

Sec. 1. R. S., T. 14, §§ 6012-6016, additional. Title 14 of the Revised Statutes is amended by adding 5 new sections, 6012 to 6016, to read as follows:

§ 6012. Dwelling unfit for human habitation, etc.; remedy

Whenever a municipal housing or sanitation code enforcement agency or person, after examination as provided in the applicable code, determines that a dwelling is unfit for human habitation, or is a nuisance or is a potential health or safety hazard to the occupants or the public, the duty of any tenant of such dwelling to pay, and the right of the landlord to collect rent, shall be suspended without affecting any other terms or conditions of the landlordtenant relationship, until the dwelling is certified as free of any of the above determined conditions or until the tenancy is terminated for any reason other than nonpayment of rent. During any period when the duty to pay rent is suspended, and the tenant continues to occupy the dwelling, the rent withheld shall be deposited by the tenant in an escrow account in a bank or trust company approved by the city and shall be paid to the landlord when the dwelling is certified as free of any of the above determined conditions at any time within 3 months from the date on which the dwelling was determined as unfit for human habitation, a nuisance or potential health or safety hazard to the occupants or the public. If, at the end of 3 months after the determination described above, such dwelling has not been certified as free of any of the above determined conditions, any moneys deposited in escrow on account of

continued occupancy shall be payable to the depositor, except that any funds deposited in escrow may be used by the tenant for the payment of utility services for which the landlord is obligated but which he refuses or is unable to pay. No tenant shall be evicted for any reason whatsoever while rent is deposited in escrow.

§ 6013. Failure of local code enforcement agency to act; remedy

If a local code enforcement agency or person, having received notice from a tenant or tenants of possible code violations, has failed after 7 days to inspect the premises and determine whether or not the conditions described in section 6012 exist, and the tenant still remains in the premises described in his notice to the code enforcement agency, the tenant or tenants may petition the District Court for the establishment of a receivership upon any of the grounds that are enumerated in section 6012. Hearing before the court shall be held within 7 days of notice by service of process to the landlord or owner. If, after evidence has been presented and testimony has been heard, the court determines that the conditions and violations are as alleged in the petition, it shall appoint a suitable person as receiver.

§ 6014. Receiver: powers and duties

- 1. Powers and duties. The receiver shall have all the powers and duties accorded a receiver foreclosing a mortgage on real property and all other powers and duties deemed necessary by the court. Such powers and duties shall include, but are not necessarily limited to, collecting and using all rents, issues and profits of the property, prior to and despite any assignment of rent, for the purpose of:
 - A. Correcting the condition or conditions alleged in the petition;
 - B. Materially complying with all applicable provisions of any municipal housing or sanitation code governing the maintenance, construction, use or appearances of the building or surrounding grounds;
 - C. Paying all expenses reasonably necessary to the proper operation and management of the property including insurance, taxes and assessments, and fees for the services of the receiver and any agent he should hire;
 - D. Compensating the tenants for whatever deprivation of their rental agreement rights resulted from the conditions and violations alleged in the petition; and
 - E. Paying the costs of the receivership proceeding, including attorney fees.
- 2. Notes. The court may authorize the receiver to cover the costs of subsection r by the issuance and sale of notes, bearing such interest as the court may fix. Such notes shall be negotiable. Such notes shall be superior to all prior assignments of rent and all prior and existing liens and encumbrances except taxes and assessments, provided that within 60 days of such sale of such transfer, or sale by the receiver of the note, the holders shall file notice of the lien in the office of registry of deeds in the county in which the

real estate is located. The court may further authorize the receiver to enter into such agreements and to do such acts as may be required to obtain first mortgage insurance on the receiver's notes from an agency of the Federal Government.

§ 6015. Receiver discharged

The receiver shall be discharged when the conditions and violations alleged in the petition have been remedied or repaired; and the property materially complies with all applicable provisions of any municipal housing or sanitation code governing the maintenance, construction, use or appearance of the building and the surrounding grounds; and the costs of the above work and any other costs authorized by section 6014 have been paid or reimbursed from the rents, issues and profits, or notes of the property; and the surplus money, if any, has been paid over to the landlord or owner.

If the court determines that future profits of the property will not cover the costs of bringing the property into material compliance with all applicable provisions of any state or local statute, code, regulation or ordinance, the court may discharge the receiver or order him to take such action as would be appropriate in the situation. In no case shall the court permit repairs which cannot be paid out of the future profits of the property.

§ 6016. Penalty

Any landlord or owner who willfully and intentionally deprives a tenant or other person occupying a dwelling or dwelling unit of heat, running water, light, electricity or of adequate sewage facilities, shall be punished by a fine of not less than \$500 nor more than \$3,000.

Sec. 2. R. S., T. 14, § 6002, amended. The last sentence of section 6002 of Title 14 of the Revised Statutes is amended to read as follows:

These provisions apply to tenancies of buildings erected on land of another party, and to any termination of a tenancy by sale or lease to a third party, notice consistent with this section to be required of that party.