

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1821

H. P. 1365

House of Representatives, April 4, 1973

Speaker laid before the House and on motion of Mr. LaPointe of Portland, referred to the Committee on State Government. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. LaPointe of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

**AN ACT Appropriating Funds for Public Housing Authorities for
Operating Subsidies.**

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

Sec. 1. Purpose. The purpose of this Act is to subsidize housing authorities for part of the revenue loss incurred when welfare recipients who receive the lowest income are accepted as tenants.

Housing authorities are restricted by federal law from charging more than 25% of the net income of a tenant in rent. From a mother with one child whose sole income is \$98 per month from ADC, the housing authority receives a rent of \$23.50. Yet the cost of operating, heating and maintaining the average public housing unit is over \$70 a month.

Since the President's action to freeze or limit funds, housing authorities face severe cuts in supplementary operating funds. Many, and particularly the small authorities, will be forced to restrict or partially restrict the admittance of welfare recipients unless they receive some legislative relief.

This Act is designed to provide some measure of relief for housing authorities. The balance of the loss must be made up from limited federal subsidies, if available, and from the rent of those able to pay more than the average cost per month.

Sec. 2. R. S., T. 30, § 4703, additional. Title 30 of the Revised Statutes is amended by adding a new section 4703 to read as follows:

§ 4703. Operating subsidies

The Department of Health and Welfare shall pay to any housing authority which applies a monthly subsidy equal to the difference between the total rent paid by all welfare families residing in its units and the total costs of running units occupied by welfare families, provided that said payment shall not exceed \$10 per unit per month.

Payment shall be made to the housing authorities monthly, based on request for payment and supporting data supplied by the authority.

Sec. 3. Appropriation. There is appropriated from the General Fund to the Department of Health and Welfare the sum of \$206,160 to carry out the purposes of this Act. The breakdown shall be as follows:

	1973-74	1974-75
HEALTH AND WELFARE, DEPARTMENT OF		
Bureau of Administration		
All Other	\$103,080	\$103,080

STATEMENT OF FACT

The purpose of this bill is reflected in the title and the Statement of Purpose.

An example of the operation of the Act is as follows:

10 families receiving \$98.00 per month pay \$13.50 x 10 or \$135.00 per month rent.

10 units cost on the average \$70.00 per month each to operate or \$70.00 x 10, or \$700 total operating cost to the authority.

Net loss to the authority:

$$\begin{array}{r}
 \$700.00 \\
 -135.00 \\
 \hline
 \$565.00 \text{ per month}
 \end{array}$$

State subsidy: 10 units x \$10 per unit—\$100.00 per month.