

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1834

H. P. 1378

House of Representatives, April 3, 1973

Referred to the Committee on Judiciary. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Hewes of Cape Elizabeth.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Provide for Municipal Rent Control.

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

R. S., T. 30, c. 244, additional. Title 30 of the Revised Statutes is amended by adding a new chapter 244 to read as follows:

CHAPTER 244

MUNICIPAL RENT CONTROL

§ 5371. Declaration of emergency

If a serious public housing emergency exists in a municipality which would result in a shortage of rental housing accommodations and abnormally high rents and will produce serious threats to the public health, safety and general welfare of the citizens of the community unless residential rents are regulated and controlled, a municipality may adopt appropriate rent control legislation, with due regard for the rights and responsibilities of its citizens.

§ 5372. Acceptance

Rent control legislation shall take effect in any municipality on the 30th day following acceptance of its provisions. A municipality which has accepted this chapter may, in like manner, revoke its acceptance.

§ 5373. Definitions

As used in this chapter, unless the context otherwise specifies, the following words or phrases shall have the following meanings:

1. Rent. "Rent" means the consideration, including any bonus, benefits or gratuity demanded or received for or in connection with the use or occupancy of rental units or the transfer of a lease of such rental units.

2. Rental units. "Rental units" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes, including houses, apartments, rooming or boarding-house units and other properties used for living or dwelling purposes, together with all services connected with the use or occupancy of such property, except:

A. Rental units which a governmental unit, agency or authority either:

(1) Owns or operates; or

(2) Finances or subsidizes, if the imposition of rent control would result in the cancellation or withdrawal, by law, of such financing or subsidy;

B. Rental units in cooperatives;

C. Rental units in any public institution or college or school dormitory operated exclusively for charitable or educational purposes; or nursing or rest homes, not organized or operated for profit.

3. Services. "Services" means repairs, replacement, maintenance, painting, providing light, heat, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, refuse removal, furnishings and any other benefit, privilege or facility connected with the use or occupancy of any rental unit. Services to a rental unit shall include a proportionate part of services provided to common facilities of the building in which the rental unit is contained.

§ 5374. Local rent board or administration

1. Appointment. At the time of acceptance of rental control legislation, the municipality shall also determine whether the chapter will be administered by a rent control board or by a rent control administrator. Upon acceptance of rental control legislation and prior to its effective date, the mayor of a city, or the manager in a municipality having a manager form of government or the board of selectmen in a town, shall appoint a rent control administrator or a rent control board to serve at the pleasure of the appointing authority.

2. Compensation. Members of rent control boards shall receive no compensation for their services, but shall be reimbursed by their municipality for necessary expenses incurred in the performance of their duties.

3. Personnel. Either the rent control board, hereinafter called the board, or the rent control administrator, hereinafter called the administrator, as the case may be, shall be responsible for carrying out this chapter and shall hire, with the approval of the appointing official or officials, such personnel as are needed, shall promulgate such policies, rules and regulations as will further the provisions of this chapter and shall recommend to the city or town for

adoption such ordinances and bylaws as may be necessary to carry out the purposes of this chapter.

4. **Studies.** The board or the administrator may make such studies and investigations, conduct such hearings and obtain such information as is deemed necessary in promulgating any regulation, rule or order under this chapter or in administering and enforcing this chapter and regulations and orders promulgated hereunder. Any person who rents or offers for rent or acts as broker or agent for the rental of any controlled rental unit may be required to furnish any information required by the board or administrator and to produce records and other documents and make reports. Such persons shall have the right to be represented by counsel.

5. **Regulations.** The board or administrator shall have the power to issue orders and promulgate regulations to effectuate the purposes of this chapter.

§ 5375. Maximum rent adjustment

1. **Fair net operating income.** The board or administrator shall make such individual or general adjustments, either upward or downward, of the rent for any rental property as may be necessary to assure that rents are established at levels which yield to landlords a fair net operating income from such units.

2. **Determination.** The following factors, among other relevant factors, which the board or administrator by regulation may define, shall be considered in determining whether a controlled rental unit yields a fair net operating income:

- A. Increases or decreases in property taxes;
- B. Unavoidable increases or any decreases in operating and maintenance expenses;
- C. Capital improvement of the housing unit as distinguished from ordinary repair, replacement and maintenance;
- D. Increases or decreases in living space, services, furniture, furnishings or equipment;
- E. Substantial deterioration of the housing units other than as a result of ordinary wear and tear; and
- F. Failure to perform ordinary repair, replacement and maintenance.

3. **Schedule of standard rental increases or decreases.** For the purpose of adjusting rents under the provisions of this section, the board or administrator may promulgate a schedule of standard rental increases or decreases for improvement or deterioration in specific services and facilities.

4. **Denial.** The board or administrator may refuse to grant a rent increase under this section, if it determines that the affected rental unit does not comply with the state sanitary code and any applicable municipal codes, ordinances or bylaws and if it determines that such lack of compliance is due to the failure of the landlord to provide normal and adequate repair and

maintenance. The board or the administrator may refuse to grant a rent decrease under this section if it determines that a tenant is in arrears in payment of rent.

5. Termination procedure. The board or administrator may adjust or eliminate rent controls if, in its judgment the need for continuing rental levels no longer exists because of sufficient construction of new rental units or because the demand for rental units has been otherwise met. Any maximum rental level removed under this paragraph shall be reimposed or adjusted and reimposed upon a finding by the rent board or administrator that a substantial shortage of rental units exists in such municipality and that the reimposition of rent control is necessary in the public interest. Any action under this paragraph shall be subject to the hearing and notice requirements of section 3576.

§ 3576. Judicial review

Any person who is aggrieved by any action, regulation or order of the board or administrator may file a complaint against the board or administrator in the District Court having jurisdiction over the area in which the property is located and thereupon an order or notice shall be issued by such court and served on the board or administrator as provided in the case of a civil action. Such District Court shall have exclusive original jurisdiction over such proceedings. All orders, judgments and decrees of such District Court may be appealed as is provided in the case of a civil action in such District Court.

STATEMENT OF FACT

It is the intent of this legislation to enable municipalities of this State to establish rent control boards or rent control administrators to regulate and control residential rents.