

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1934

H. P. 1880

Office of the Clerk of the House.

The Committee on State Government suggested. Approved for introduction by the Legislative Council pursuant to Joint Rule 24.

EDWIN H. PERT, Clerk

Presented by Mrs. Najarian of Portland

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-EIGHT

AN ACT to Increase the Bonding Limit of the Maine State Housing Authority.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period will not terminate until the summer of 1978; and

Whereas, the Maine State Housing Authority will issue revenue bonds in the spring of 1978 for the purchase of mortgages on multi-family housing projects for Maine's elderly and other low income families; and

Whereas, the cost of purchasing those mortgages for all of the current allocation of multi-family units for which federal rent subsidies will be available would exceed \$20,000,000; and

Whereas, only \$20,000,000 in revenue bonds can be issued by the Maine State Housing Authority within its current bonding limitation; and

Whereas, the Maine State Housing Authority also desires to issue additional revenue bonds in the spring of 1978 for the purchase of mortgages on single-family, low income housing so as to allow that housing to be built in the summer of 1978 during the construction season; and

Whereas, without an increase in its authorized bonding capacity, the Maine State Housing Authority will be without funds to continue its statutory duty of providing capital to the state's mortgage market and thereby encouraging the increased availability of adequate housing to the citizens of Maine and stimulating the economy of the State; and

Whereas, in the judgement of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

30 MRSA § 4762, as last amended by PL 1975, c. 229, 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 ~~\$150,000,000~~ \$300,000,000.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

The authority's existing revenue bond limitation of \$150 million, established 3 years ago by the 107th Legislature, will be reached in the spring of 1978 when the 4th series in less than 2 years is issued.

The purpose of this bill is to allow the authority to continue its operations which legislatively are to assist Maine's elderly, disabled, handicapped and low income families in securing equal opportunity for the full enjoyment of housing which is decent, safe, independently selected, designed and located with reference to their particular needs and available at costs which they can afford.

The proceeds of future revenue bond sales allowable with an increased bonded debt limitation will be used to purchase mortgages from Maine financial institutions which are secured in the case of single-family residences by land and buildings and by mortgage insurance, and in the case of multi-family projects by land and buildings constructed to rigid standards in economically feasible locations and by rent subsidy contracts with the Federal Government. Such bonds will be issued without being backed by the full faith and credit of the State and shall be entirely dependent on, and be retired solely by, mortgage payment revenues of the authority.