## MAINE STATE LEGISLATURE

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1 2	FIRST REGULAR SESSION
3 4	ONE HUNDRED AND ELEVENTH LEGISLATURE
5 <b>6</b>	Legislative Document No. 1397
7 8 9	H.P. 1053  Referred to the Committee on State Government. Sent up for concurrence and ordered printed. Ordered sent forthwith.
10	EDWIN H. PERT, Clerk Presented by Representative Paradis of Augusta. Cosponsors: Representative LaPlante of Sabattus and Representative Lebowitz of Bangor.
12 13	STATE OF MAINE
14 15 16	IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-THREE
17 18 19	AN ACT to Make Corrections in the Maine State Housing Authorities Law.
20 21	Be it enacted by the People of the State of Maine as follows:
22 23	<pre>Sec. 1. 30 MRSA §4552, sub-§1, as amended by PL 1979, c. 521, §1, is further amended to read:</pre>
24 25 26 27 28 29 30 31 32 33	1. Area of operation. "Area of operation" of an authority of a town shall include all of the town for which it is created, and the area of operation of a housing authority of a city shall include the city and the area within 10 miles outside the territorial boundaries thereof. The area of operation of the housing authority of a city shall not include any area which lies within the territorial boundaries of any other city nor shall it include any portion of a town for which a housing authority has been organized, without the consent by resolution of the

selectmen of the town or the governing body of the other city. No authority shall operate in any area in which an authority already established is operating without the consent by resolution of the authority already operating therein. The area of operation of the state authority is the entire State. authority shall not operate in any area in which an authority of a city or town already established pursuant to chapter 239, subchapters subchapter II er HHH, is operating without the consent by resolution the authority operating therein. In the case of the state authority, the requirements of coordination and local approval specified in sections 4651, section 10 and 4701 may be complied with by passage by the local governing body of the following resolution:

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The Maine State Housing Authority is authorized to seek and may contract for financial assistance from the Federal Government for the purpose of providing housing for low-income persons and families in (Name of Municipality).

Passage of such resolution is conclusive evidence of compliance with the referenced sections. governing 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 corporation in or 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 the obligation or repayment of debt to interest or 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
- 4 notice of selection. The notice of disapproval shall 5 have the effect of repealing the consent resolution
- 6 for that proposed project.
- 7 Sec. 2. 30 MRSA §4651, sub-§1 is amended to 8 read:
- 9 1. <u>General</u>. To sue <u>and</u>; to be sued <u>on its writ-</u>
  10 <u>ten contracts or in accordance with the Maine Tort</u>
  11 <u>Claims Act</u>, the Maine Administrative Procedure Act,
- Title 5, chapter 375, in the case of the state authority, Rule 80B or any successor rule of the
- Maine Rules of Civil Procedure in the case of a city
- or town authority or Title 1, section 409; to have a seal and to alter the same at pleasure; to have
- perpetual succession; to make and execute contracts and other instruments necessary or convenient to the
- 19 exercise of the powers of the authority; and to make
- and from time to time amend and repeal bylaws, rules and regulations not inconsistent with this subchap-
- ter, to carry into effect the powers and purposes of
- 23 the authority;
- 24 Sec. 3. 30 MRSA §4724, as enacted by PL 1975, c.
- 25 522, §2, is repealed.
- Sec. 4. 30 MRSA §4724-A is enacted to read:
- 27 §4724-A. Rules
- The state authority shall establish regulations governing, without limitation, the following subjects and procedures for participating in the making of construction loans:
- 1. Submission, review and acceptance of requests. The submission, review and acceptance of requests from borrowers for construction loans under this section;
- 36 <u>2. Qualifications. Qualifications of borrowers;</u>
- 37 3. Limitation and standards. Limitation on and 38 standards for location and construction of housing 39 units or housing projects;

- 1 4. Fees. Schedules of fees and other charges
  2 made by the authority and the financial institution
  3 to the borrower in accepting, reviewing and acting
  4 upon applications for construction loans under this
  5 Article; and
- 5. Restrictions. Restrictions on the interest rates charged by the financial institutions and the authority on such construction loans or the return on such loans to be realized by the financial institution.
- 11 Sec. 5. 30 MRSA §§4768 4770 are enacted to 12 read:
- 13 §4768. Eligible conservation projects
- The state authority in consultation with the
  Office of Energy Resources shall develop guidelines
  defining energy improvements which may be made with
  proceeds of home improvement notes.
- 18 §4769. Affidavits
- The state authority shall require an affidavit in conjunction with an application for a residential energy loan home improvement note to ensure that the proceeds are used for purposes authorized under this subchapter.
- 24 §4770. Penalties
- Anyone using the proceeds of a home improvement note for other than authorized purposes is subject to a civil penalty not to exceed \$5,000, payable to the State, to be recovered in a civil action.
- 29 STATEMENT OF FACT
- 30 Section 1 eliminates the requirement that the 31 Maine State Housing Authority obtain "consent resolutions" from urban renewal authorities, which, due to 33 changes in federal laws, no longer function as originally intended.

1 2 3 4	Section 2 clarifies that Title 30, section 4651, subsection 1, does not abrogate case law and recent acts governing the amenability of political subdivisions to suit.
5 6 7 8	The repeal of Title 30, section 4724 and enactment of Title 30, section 4724-A makes Title 30, section 4724-A subject to the Maine Administrative Procedure Act, Title 5, chapter 375.

9 Section 5 codifies PL 1979, sections 12, 13 and 10 14 and makes them consistent with the Maine Housing 11 Authorities Act.

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