

MAINE STATE LEGISLATURE

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1 (EMERGENCY)

2 SECOND SPECIAL SESSION
3

4 ONE HUNDRED AND ELEVENTH LEGISLATURE
5

6 Legislative Document

No. 1807

7
8 H.P. 1376

House of Representatives, November 16, 1983

9 Received by the Clerk of House on November 16, 1983. Referred to the Committee
10 on State Government, and ordered printed pursuant to Joint Rule 14.

Presented by Representative Diamond of Bangor.

11 Cosponsor: Senator Hayes of Penobscot.

EDWIN H. PERT, Clerk

12
13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-THREE
17

18 AN ACT to Clarify the Allocation of Maine's
19 Qualified Mortgage Bond Limit Pursuant to Federal Law.
20

21 Emergency preamble. Whereas, Acts of the Legis-
22 lature do not become effective until 90 days after
23 adjournment unless enacted as emergencies; and

24 Whereas, federal law requires states to allocate
25 among state and local issuers a federally predeter-
26 mined dollar amount of qualified mortgage bonds to
27 provide mortgage financing for single family housing;
28 and

29 Whereas, failure to allocate the full dollar
30 amount may result in the loss of up to \$50,000,000 of
31 qualified mortgage bond funds available to the State
32 under federal law; and

33 Whereas, in the judgment of the Legislature,
34 these facts create an emergency within the meaning of

1 the Constitution of Maine and require the following
2 legislation as immediately necessary for the preser-
3 vation of the public peace, health and safety; now,
4 therefore,

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

7 30 MRSA §4751, as amended by PL 1981, c. 692,
8 §§1, 2, is further amended by adding after the 4th
9 paragraph a new paragraph to read:

10 Seventy-five percent of the aggregate amount of
11 qualified mortgage bonds that may be issued during
12 any calendar year in accordance with the United
13 States Internal Revenue Code of 1954, Section
14 103A(g), as amended, is allocated to the state
15 authority.

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

19 STATEMENT OF FACT

20 This bill clarifies a 1981 state law allocating
21 \$50,000,000 of single family mortgage bonds to local
22 housing authorities. This bill does not modify that
23 \$50,000,000 allocation. It simply provides that the
24 balance of the total available to the State
25 (\$200,000,000 in 1983) is available to the State
26 Housing Authority.

27 Under current federal law, Maine is authorized to
28 issue, on an annual basis, up to \$200,000,000 of tax
29 free mortgage bonds to provide, through the HOME pro-
30 gram, mortgage financing at lower interest rates for
31 low and moderate income families buying single family
32 homes. The federal law governing the allocation of
33 these funds provides that the Legislature must spell
34 out in detail how these funds shall be shared between
35 the state and local authorities.

36 In 1981, the Legislature acted to allocate
37 \$50,000,000 of the total \$200,000,000 authorization

1 to the local issuers represented by local housing
2 authorities. The Legislature did not affirmatively
3 act to allocate the balance of the total. The State
4 has now been advised by bond counsel that it has the
5 authority to issue \$100,000,000. This situation
6 leaves \$50,000,000 of potentially available single
7 family mortgage fund unallocated. This bill clari-
8 fies the fact that the balance of Maine's allocation
9 is available to the state authority and can be used
10 to provide additional single family mortgage money to
11 low and moderate income families on a statewide
12 basis.

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