MAINE STATE LEGISLATURE

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	SECOND REGULAR	. SESSION
ONE	HUNDRED AND TWEL	FTH LEGISLATURE
Legislative Docu	ument	No. 211
H.P. 1501	Hous	se of Representatives, March 3, 198
Approved for	introduction by a major	rity of the Legislative Council
pursuant to Joint Reference to printed.		Affairs suggested and ordered
princed.		EDWIN H. PERT, Cle
	resentative Connolly of F by Senator Najarian of	
	STATE OF M	AINE
N	IN THE YEAR OF INETEEN HUNDRED A	
AN ACT	to Strengthen the Law.	Rent Profiteering
Be it enacte	d by the People o	f the State of Maine as
Sec. 1. 148, is re place:		s amended by PL 1983, c. following enacted in its
§1106. Prof	iteering in rents	
rent or ch maintenance or to impose tion, for t of any build	arge, taking in of a fair return an unreasonable he occupancy of a ing or any part o	unreasonable or unjust to due consideration the on the owner's equity or unjust term or condi- mobile home park lot or f a building, rented or shall be an unfair trade
practice sub	ject to the remed	ies provided in Title 5
chapter 10.		

"Equity" means the actual cash contribution of the owner at the time of purchase and principal payments to outstanding mortgages.

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 It is presumed that the rent charged for January 1986 yielded a fair return on equity unless the landlord can demonstrate that specific, unusual conditions prevailed which prevented the January 1986 rent from generating a fair return. It is presumed that an increase of more than the percentage increase in the National Consumer Price Index for all urban consumers published by the United States Department of Labor for the immediately preceding 12 months is unreasonable unless it is proven that that increase is necessary to maintain a fair return on equity.

A "fair return" shall be considered 6% above the maximum passbook demand deposit savings account interest rate available in the county.

STATEMENT OF FACT

Current law prohibits landlords from charging "unreasonable or unjust" rents. The law has been totally ineffective in preventing rent gouging, due to the vagueness of its terms. This bill strengthens the law by defining in specific terms what constitutes an unreasonable or unjust rent.

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