

MAINE STATE LEGISLATURE

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(EMERGENCY)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 4

H.P. 4 House of Representatives, December 3, 1986
Reference to the Committee on Economic Development
suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Gwadosky of Fairfield.
Cosponsored by Senator Andrews of Cumberland and Senator
Dillenback of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SIX

AN ACT to Designate the Maine State Housing
Authority as the Housing Credit Agency
for Low-income Housing Credits.

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

Whereas, the Tax Reform Act of 1986 established
a low-income housing credit which must be allocated
by a designated housing credit agency; and

Whereas, there is an immediate need to designate
the State's housing credit agency so that the State
can fully use its credit allocation; and

Whereas, the inability to immediately allocate
and use the credit will substantially diminish the
ability of the State to redress the continuing prob-
lem of insufficient, decent, safe and sanitary hous-
ing in the State; and

1 Whereas, in the judgment of the Legislature,
2 these facts create an emergency within the meaning of
3 the Constitution of Maine and require the following
4 legislation as immediately necessary for the preser-
5 vation of the public peace, health and safety; now,
6 therefore,

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

9 Sec. 1. 30 MRS §4651, sub-§12, as amended by PL
10 1985, c. 594, §8, is further amended to read:

11 12. Mortgage assistance payments. Pursuant to
12 the purposes of this Act to provide housing for per-
13 sons of low-income, the State Housing Authority shall
14 have the power to make payments and binding commit-
15 ments, subject to the authority's receipt of suffi-
16 cient funds to honor ~~said~~ these commitments from
17 periodic appropriations from appropriate sources, to
18 continue ~~said~~ these payments if necessary over the
19 life of the mortgage to mortgagors or to mortgagees
20 on behalf of low-income persons to reduce interest
21 costs on market rate mortgages to as low as 1%. No
22 commitment made by the authority under this subsec-
23 tion shall be construed to commit the faith and cred-
24 it of ~~the~~ this State of Maine.

25 Persons benefiting from these mortgage assistance
26 payments shall, according to guidelines to be in-
27 cluded in ~~said~~ the mortgage agreements, be required
28 to pay a larger interest payment as their ability to
29 pay increases; and

30 Sec. 2. 30 MRS §4651, sub-§14, as enacted by PL
31 1985, c. 594, §9, is amended to read:

32 14. Allocation of federal ceilings. By
33 rulemaking pursuant to Title 5, chapter 375, subchap-
34 ter II, the state authority shall have the power
35 to establish a process that is different from the feder-
36 al formula for allocating that portion of the ceiling
37 on the issuance of certain tax-exempt bonds estab-
38 lished by the United States Code, Title 26, which has
39 been allocated to the state authority pursuant to Ti-
40 tle 10, section 363, and may also limit the types of

1 projects which are eligible to receive allocations or
2 carry-forward designations from the state authority;
3 and

4 Sec. 3. 30 MRSA §4651, sub-§15 is enacted to
5 read:

6 15. State housing credit agency. The state au-
7 thority is designated the housing credit agency for
8 the State and shall have the power to receive and al-
9 locate, according to a process established by
10 rulemaking pursuant to Title 5, Chapter 375, subchap-
11 ter II, the annual state housing credit ceiling for
12 the low-income housing credit established by the
13 United States Code, Title 26.

14 Emergency clause. In view of the emergency cited
15 in the preamble, this Act shall take effect when ap-
16 proved.

17 STATEMENT OF FACT

18 The purpose of this bill is stated in the pream-
19 ble. The bill designates the Maine State Housing Au-
20 thority as the housing credit agency for purposes of
21 allocating the new low-income housing credit and di-
22 rects the authority to establish a process for allo-
23 cating the credit.

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