

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
SECOND REGULAR SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2060

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H.P. 1510 House of Representatives, January 14, 1988  
Approved for introduction by a majority of the  
Legislative Council pursuant to Joint Rule 26.  
Reference to the Committee on Legal Affairs suggested and  
ordered printed.

EDWIN H. PERT, Clerk  
Presented by Representative PRIEST of Brunswick.  
Cosponsored by Senators ESTES of York, GAUVREAU of  
Androscoggin and Representative RYDELL of Brunswick.

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STATE OF MAINE

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

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1 An Act to Limit Rent Increases in Mobile Home  
2 Parks.  
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4 **Emergency preamble.** Whereas, Acts of the  
5 Legislature do not become effective until 90 days  
6 after adjournment unless enacted as emergencies; and

7 Whereas, a rapid increase in land and housing  
8 costs have made mobile home parks an important housing  
9 option for many Maine citizens; and

10 Whereas, the shortage of mobile home park spaces

1 has led to several recent increases in rent; and

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

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

10 Sec. 1. 30 MRSA §4067, as enacted by PL 1973,  
11 c. 548, is repealed.

12 Sec. 2. 30 MRSA §4068 is enacted to read:

13 §4068. Unfair rents and other trade practices

14 To demand or collect an unreasonable or unjust  
15 rent or charge, taking into due consideration the  
16 maintenance of a fair return on the owner's equity, or  
17 to impose an unreasonable or unjust term or condition  
18 for the occupancy of a mobile home park lot, rented or  
19 hired for dwelling purposes, or to violate any other  
20 requirements of this chapter shall be an unfair trade  
21 practice subject to the remedies provided in Title 5,  
22 chapter 10.

23 For the purpose of this section, "equity" means  
24 the actual cash contribution of the owner at the time  
25 of purchase and principal payments to outstanding  
26 mortgages.

27 It is presumed that the rent charged for January  
28 1986 yielded a fair return on equity, unless the  
29 landlord demonstrates that specific, unusual  
30 conditions prevailed which prevented the January 1986  
31 rent from generating a fair return. It is presumed  
32 that an increase of more than the percentage increase  
33 in the National Consumer Price Index for all urban  
34 consumers published by the United States Department of  
35 Labor for the immediately preceding 12 months is  
36 unreasonable, unless it is proven that the increase is

1 necessary to maintain a fair return on equity.

2 For the purposes of this section, fair return  
3 shall be considered 4% above the maximum passbook  
4 demand deposit savings account interest rate available  
5 in the county.

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

9 STATEMENT OF FACT

10 Recent rapid increases in mobile home park lot  
11 rents have jeopardized the home affordability for  
12 numerous low-income and moderate-income citizens.

13 Current law prohibits landlords from charging  
14 "unreasonable or unjust" rents. The law has been  
15 totally ineffective in preventing rent gouging, due to  
16 the vagueness of its terms. This bill strengthens the  
17 law by defining in specific terms what constitutes an  
18 unreasonable or unjust rent for mobile home park lot  
19 rents.

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