

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 372

H.P. 260

House of Representatives, February 23, 1989

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

Ed Pert

EDWIN H. PERT, Clerk

Presented by Representative MILLS of Bethel.

Cosponsored by Senator ANDREWS of Cumberland, Representative NADEAU of Lewiston and Representative HEESCHEN of Wilton.

STATE OF MAINE

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

An Act to Include Moderate-income Households Within the Housing Opportunities for Maine Program.



1 **Be it enacted by the People of the State of Maine as follows:**

3 **30-A MRSA §4859** is enacted to read:

5 **§4859. Taxable bond issues**

7 The Maine State Housing Authority may issue taxable bonds
9 under this subchapter to provide financing to persons with a
11 moderate household income as defined by the authority and whose
13 income exceeds the income limits for financing under tax-free
15 bond financing.

17 1. Rules. In accordance with the Maine Administrative
19 Procedure Act, Title 5, chapter 375, the Maine State Housing
21 Authority shall adopt rules that define "moderate household
23 income" and for the implementation of this section.

25 2. Report. The Maine State Housing Authority in its annual
27 report shall describe the effectiveness of this program to
29 include, but not be limited to, the following:

31 A. The number of households, by county, which have been
33 assisted under the taxable bond financing program;

35 B. The average household income, by county, of the
37 households receiving assistance under this section;

39 C. The total number of persons residing within households
41 assisted under this program; and

43 D. The total number of households potentially eligible for
45 this program.

33 **STATEMENT OF FACT**

35 This bill proposes that the Maine State Housing Authority
37 issue taxable bonds under the Housing Opportunities for Maine
39 Program, HOME, to assist persons in moderate income households
41 who do not qualify for assistance under nontaxable bond
43 financing. Currently, the HOME Program has been financed
45 primarily by the issue of nontaxable bonds. The United States
Internal Revenue Service rules establish an income ceiling of
\$32,000 for a family of 4. York and Cumberland counties have
been granted an exception. It took 2 years from the date of
application for the IRS to grant the exception.

47 This bill provides taxable bond financing to persons with a
49 moderate household income as defined by the authority and which
51 exceeds the income limits of tax-free bond financing. By
enabling families of moderate income to purchase housing which is
currently unavailable to them under nontaxable bond financing,

1 the severe impact of the affordable housing crisis will be reduced for this income group.