

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1697

H.P. 1225

House of Representatives, May 24, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.

Reference to the Committee on Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads 'Ed Pert'.

EDWIN H. PERT, Clerk

Presented by Representative ADAMS of Portland.

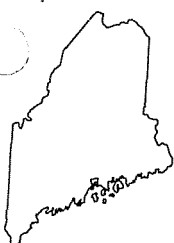
Cosponsored by Representative PLOURDE of Biddeford, Representative BELL of Caribou and Representative HANDY of Lewiston.

STATE OF MAINE

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

**An Act to Protect Tenant's Rights by Authorizing Municipalities to
Escrow Certain Funds under the General Assistance Laws.**

(AFTER DEADLINE)



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

3 Sec. 1. 14 MRSA §6001, sub-§3, ¶¶B and C, as enacted by PL
5 1981, c. 428, §1, are amended to read:

7 B. Complained as an individual, or a complaint has been
9 made in his that individual's behalf, in good faith, of
11 conditions affecting his that individual's dwelling unit
13 which may constitute a violation of a building, housing,
15 sanitary or other code, ordinance, regulation or statute,
17 presently or hereafter adopted, to a body charged with
19 enforcement of that code, ordinance, regulation or statute,
21 or such a body has filed a notice or complaint of such a
23 violation; or

25 C. Complained in writing or made a written request, in good
27 faith, to the landlord or his the landlord's agent to make
29 repairs on the premises as required by any applicable
31 building, housing or sanitary code, or by section 6021, or
33 as required by the rental agreement between the parties; or

35 Sec. 2. 14 MRSA §6001, sub-§3, ¶D is enacted to read:

37 D. Been the beneficiary of general assistance paid into
39 escrow pursuant to Title 22, section 4325.

41 Sec. 3. 14 MRSA §6021, sub-§7 is enacted to read:

43 7. Rights are supplemental. The rights created by this
45 section are supplemental to and in no way limit the power of a
47 municipality under Title 22, section 4325.

49 Sec. 4. 14 MRSA §6029 is enacted to read:

51 §6029. Discrimination based on general assistance escrow
53 accounts prohibited

55 1. Discrimination prohibited. It is unlawful for any
57 landlord to discriminate against an individual in the price,
59 terms, conditions, privileges or continuation of a rental
61 agreement because the money otherwise due to the landlord is or
63 was held in an escrow account pursuant to Title 22, section 4325.

65 2. Relief. Any violation of this section is unlawful
67 housing discrimination under Title 5, section 4582, and any
69 person aggrieved may assert that person's rights pursuant to
71 Title 5, chapter 337.

73 Sec. 5. 22 MRSA §4325 is enacted to read:

75 §4325. Municipal guarantee of safe, decent rental housing and
77 residential neighborhoods

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1. Repeated violations of municipal regulations; establishment of escrow. If the code enforcement officer, or any other municipal official responsible for enforcing any municipal health, safety, housing, trash or sanitation regulation, certifies to the overseer that a landlord has been cited for repeated violations of those regulations, the municipality, on notice from the overseer, may place in escrow general assistance payments made as rent payments to that landlord in the manner specified by subsection 4. For the purposes of this section, "repeated violations" means at least 6 violations, of which at least 2 are separate violations of the same regulation, within any 4-week period.

2. Notice to landlord. Upon receipt of the certification under subsection 1, the overseer shall notify the landlord by inclusion of a notice with the next rent payment mailed to the landlord to the address where general assistance payments for rent are mailed that the landlord has been cited for repeated violations of municipal health, safety, housing, trash or sanitation regulations. The notice shall state that, if the landlord does not within 14 days of receipt of the notice correct problems for which the citations were issued and pay in full any fines or penalties due, or show that those problems have already been corrected and any related fines or penalties paid, general assistance payments made by the municipality as rent payments on behalf of tenants of that landlord shall be placed in escrow until the problems are corrected and outstanding fines or penalties paid in full.

3. Hearing. A landlord to whom the notice provided for by subsection 2 has been issued may request a hearing before the municipal officers within 10 days of the receipt of the notice. The municipal officers, or their designated representatives for health, housing, trash, sanitation and safety code enforcement, shall hold a hearing within 10 days of the request. A landlord's request for a hearing stays establishment of the escrow provided for by subsection 2. The only issues to be determined at the hearing are whether the landlord has been cited for repeated violations of municipal health, safety, housing, trash and sanitation regulations and whether there was good cause to issue each citation. The municipal officers or their designated representatives for health, housing, sanitation and safety code enforcement, shall issue a written finding within 2 days of the close of the hearing. If the municipal officers or their designees find that the landlord was not cited for repeated violations or there was not good cause to issue the citations, the general assistance payments for rent shall not be placed in escrow.

1 4. Establishment of escrow. If the municipal officers or
2 their designees find that citations were issued to the landlord
3 for repeated violations and there was good cause to issue those
4 citations, or the landlord did not request a hearing under
5 subsection 3, the municipality shall immediately order the
6 overseer to open an interest-bearing escrow account. The
7 municipality shall deposit into that account all general
8 assistance payments made by the municipality as rent on behalf of
9 tenants of the landlord. The municipality shall continue to
10 deposit the payments until the overseer receives the
11 certification under subsection 5. The municipality and the
12 landlord shall enter into an escrow agreement which provides that
13 the landlord is entitled to funds escrowed under this section
14 upon the certification provided for by subsection 5.

15 A. The principal shall be paid to the landlord when the
16 overseer and the landlord receive the certification under
17 subsection 5.

18 B. The interest shall be paid to the municipality when the
19 overseer and the landlord receive the certification under
20 subsection 5.

21 C. Money paid by the municipality into the escrow account
22 is reimbursable by the State as general assistance payments.

23 A tenant shall not be considered in arrears for rent for the
24 purposes of this chapter if provision is made for deposit into
25 escrow of general assistance payments made for rent on the
26 tenant's behalf in accordance with this section.

27 5. Compliance; certification. The code enforcement officer
28 and any other municipal official responsible for enforcing
29 municipal health, safety, housing, trash and sanitation
30 regulations shall certify to the overseer and the landlord when a
31 property for which repeated violations were issued, and
32 concerning which an escrow was established under subsection 4,
33 complies with all municipal health, safety, housing, trash and
34 sanitation regulations.

35 6. Supplemental rights. Any rights created by this
36 subsection are supplemental to and in no way limit the rights of
37 a tenant under Title 14, section 6021 or 6029.

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STATEMENT OF FACT

 The purpose of this bill is to place restrictions on payment
of general assistance funds as rent to a landlord whose property
has been repeatedly cited for municipal health and safety code
violations. The bill provides that a municipality may notify a

1 landlord who has been repeatedly cited for health and safety
violations that general assistance funds the landlord receives as
3 rent will be placed in escrow unless the landlord corrects the
violations and pays any outstanding fines. The landlord is
5 entitled to a hearing on whether repeated citations were issued
and whether those citations were issued for good cause. The
7 landlord is entitled to escrowed funds when the municipality
determines that the violations have been corrected. The bill
9 provides that a landlord may not evict a tenant on the ground
that rental payments made with general assistance funds by the
11 municipality on the tenant's behalf were placed in escrow. Under
the bill, that would be an illegal, retaliatory eviction.