

MAINE STATE LEGISLATURE

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R. of S.

L.D. 520

(Filing No. H- 232)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 407, L.D. 520, Bill, "An Act to Amend the Maine Housing Authorities Act"

Amend the bill in section 2 in paragraph C in the 4th line from the end (page 1, line 26 in L.D.) by inserting after the following: "conservation" the following: ', homeless assistance'

Further amend the bill in section 2 in paragraph D in the next to the last line (page 1, line 35 in L.D.) by inserting after the following: "conservation" the following: ', homeless assistance'

Further amend the bill in section 11 by striking out all of that part designated "§4973." and inserting in its place the following:

§4973. Notification of intent to sell

Any person who, firm or organization that has a controlling interest in any low-income rental housing may not sell, transfer title or take other action in regard to the property which that would result in the termination of financial assistance designed to make a rental unit affordable to low-income or moderate-income people, without providing notice, as outlined in subsection 1, to the tenants of that property, the Maine State Housing Authority and the municipal housing authority, if any, in for the region where municipality in which the property is located, as provided in this section.

COMMITTEE AMENDMENT

1. **Notice.** The notice shall must be made to the tenants,
2 the Maine State Housing Authority and the local municipal housing
3 authority serving the area, if any, when at least 90 days prior
4 to the owner enters entering into a contract for the sale or
5 transfer or takes taking other action in regard to the property
6 that will result in the termination of financial assistance
7 designed to make the rental units affordable to low-income or
8 moderate-income people. This notice shall include a copy of any
9 contract of sale.

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12 2. **Right of first refusal.** The Maine State Housing
13 Authority has the right of first refusal to purchase the property
14 at its current appraised value, as determined by appraisers for
15 the owner and the authority. The authority shall hold holds the
16 right of first refusal for not more than 30 days from receipt of
17 throughout the notice required by this section 90-day period.
18 Failure to respond to the notice of first refusal in 30 within 90
19 days constitutes a waiver of that right of first refusal by the
20 authority. By stating in writing its intention to pursue its
21 right of first refusal during the 30-day 90-day period, the
22 authority has an additional 60 90 days, beginning on the date of
23 the termination of the first refusal period, to buy or to produce
24 a buyer for the property. This additional 60-day 90-day period
25 may be extended by mutual agreement between the authority and the
26 owner of the property.

27
28 A. Nothing in this section prevents an owner of the
29 property from ~~withdrawing the property from the market~~
30 deciding not to sell, transfer or take other action that
31 would result in termination of the financial assistance and
32 revoking the notice required by subsection 1 at any time
33 before the 90-day period expires or until the authority
34 provides its notice of taking by eminent domain expiration.
35 The withdrawal or revocation extinguishes any right of first
36 refusal held by the Maine State Housing Authority.

37
38 3. **Exceptions.** The Maine State Housing Authority shall may
39 not possess any right of first refusal when a bona fide buyer, by
40 contract with the seller, agrees to maintain the property as
41 low-income housing. The notice provisions of this section apply
42 to this subsection subchapter.

43 Further amend the bill by inserting at the end before the
44 statement of fact the following:

45 FISCAL NOTE

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47 The Maine State Housing Authority will incur some minor
48 additional costs to become the state designee for homeless
49 persons and to develop and implement the required rules. These
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COMMITTEE AMENDMENT "A" to H.P. 407, L.D. 520

costs can be absorbed within the authority's existing budgeted resources.

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STATEMENT OF FACT

This amendment adds "homeless assistance" to reflect the recent program transfer to the Maine State Housing Authority and provides for a 90-day right of first refusal. The amendment also adds a fiscal note to the bill.

Reported by the Committee on Housing and Economic Development
Reproduced and distributed under the direction of the Clerk of the House
4/30/93 (Filing No. H-232)

COMMITTEE AMENDMENT