

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE

FIRST SPECIAL SESSION

October 9, 1987 to October 10, 1987

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PUBLIC LAWS

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AS PASSED AT THE
FIRST AND SECOND SPECIAL SESSIONS
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1987

of income, gain, loss, and deduction, and the names and addresses of the individuals whether residents or non-residents who would be entitled to share in the net income if distributed and the amount of the distributive share of each individual and such other pertinent information as the assessor may prescribe by regulations and instructions. Such The appropriate return shall be filed on or before the 15th day of the 4th month for partnerships or the 15th day of the 3rd month for S corporations following the close of each taxable year. For purposes of this section, "taxable year" means a year or period which would be a taxable year of the partnership or S corporation if it were subject to tax under this Part. The State Tax Assessor may elect to waive the requirement to file a Maine return as established in this section for any particular tax year and in its place require the partnership or S corporation to file a copy of its federal partnership or S corporation return.

Sec. 13. 36 MRSA §5402, sub-§1-A, as enacted by PL 1987, c. 430, §1, is amended to read:

1-A. Base year index. "Base year index" means the Consumer Price Index for the period July 1, ~~1985~~ 1987, through June 30, ~~1986~~ 1988.

Sec. 14. 36 MRSA §5403, as amended by PL 1987, c. 430, §2, is repealed and the following enacted in its place:

§5403. Annual adjustments for inflation

For tax years beginning in 1988, no annual adjustment is applicable. Thereafter, on or about September 15th of each taxable year, the State Tax Assessor shall multiply the inflation factor for that taxable year by the dollar amounts of the tax rate table specified in section 5111. The dollar amounts of the dollar bracket amounts, adjusted by application of the inflation factor and rounded to the nearest \$100, shall be effective for the then current taxable year and shall be incorporated into the income tax forms and instructions of the State Tax Assessor for that taxable year. If the inflation factor for any taxable year is 1.000 or less, no adjustment shall be made for that taxable year in the dollar bracket amounts of the tax rate tables as adjusted for the previous year. The nominal dollar amounts of the tax credits provided in sections 5124-A and 5126 are annually subject to adjustment based on the conformity of the Maine Income Tax Law to the Code. When Maine extends its conformity to the Code for a particular taxable year, the credits provided in sections 5124-A and 5126 are to be adjusted to equal the corresponding indexed federal standard deductions and indexed federal personal exemption amount multiplied by 2% and, if the result is not an even dollar amount, rounded to the next higher dollar.

Sec. 15. Application. This Act shall apply to taxable years beginning on or after January 1, 1988.

Effective August 4, 1988.

CHAPTER 820

H.P. 1659 — L.D. 2269

AN ACT to Make Housing More Affordable to Maine Citizens.

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

Sec. 1. 5 MRSA §1742, sub-§23, ¶D is enacted to read:

D. The department shall work closely with the Maine State Housing Authority to develop a procedure by which surplus state-owned land and structures are held in trust for the purpose set forth in this section and Title 30, chapter 239, subchapter II, articles 3-A and 8.

Sec. 2. 30 MRSA §4522, sub-§9 is enacted to read:

9. Comprehensive plans to comply with standards. Any comprehensive plan developed pursuant to this subchapter shall comply with the provisions of subchapter VI.

Sec. 3. 30 MRSA c. 239, sub-c. II, art. 3-A is enacted to read:

ARTICLE 3-A. AFFORDABLE HOUSING PROGRAM

§4661. Purpose

The State is experiencing severe shortages of affordable housing in various parts of the State. The affordable housing shortage is also contributing to an increasing class of working poor people and creating severe hardships for a significant number of the State's citizens. Municipalities feel the impact of the affordable housing shortage and find it difficult to deal with the problem with their inadequate resources. By working together, sharing resources and using more comprehensive measures, the State and its municipalities can more effectively address the shortage of affordable housing and the many other problems stemming from this housing shortage.

§4662. Housing component of comprehensive plans

Any comprehensive plan developed pursuant to subchapter VI shall provide for the development of affordable housing for low-income and moderate-income households. A municipality may cooperate with neighboring municipalities to develop a regional comprehensive plan in lieu of a municipal plan. Any comprehensive plan developed under this chapter shall include municipal or regional strategies to effectively reduce the cost of housing or provide for the construction of affordable housing, including zoning measures, use of municipally owned land and other similar measures.

1. Provide technical assistance and information. The Maine State Housing Authority and any municipal housing authority shall provide technical assistance and information to municipalities requesting assistance in the development of affordable housing provisions for comprehensive plans to include the formulation of measures to effectively address the shortage of affordable housing for low-income and moderate-income households.

2. Land and buildings of political subdivisions. Each municipality shall report to the Bureau of Public Improvements any municipally owned land or buildings and any land or buildings within the jurisdiction of any other political subdivisions, except school administrative districts, that may be suitable for the construction, reconstruction or rehabilitation of affordable housing for low-income and moderate-income households.

A. School administrative districts shall report to the Bureau of Public Improvements any land and buildings owned by or within the jurisdiction of the district that may be suitable for the construction, reconstruction or rehabilitation of affordable housing for low-income and moderate-income households.

B. The Maine State Housing Authority shall adopt rules pursuant to the Maine Administrative Procedure Act, Title 5, chapter 375, which establish standards by which land and buildings are deemed suitable for the construction, reconstruction or rehabilitation of affordable housing for low-income and moderate-income households to be used by municipalities and school administrative districts pursuant to this section.

§4663. Coordination of resources and programs

The Maine State Housing Authority, municipal housing authorities, municipalities and the Department of Economic and Community Development shall cooperate in the coordination of resources and programs and the development of housing for low-income and moderate-income households.

1. Matching of resources. The Maine State Housing Authority may match the resources provided by municipalities according to ratios established by the Maine State Housing Authority by rule in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375.

A. Municipal resources may consist of land, buildings, equipment, personnel, zoning provisions, money and any other resources deemed by the Maine State Housing Authority to effectively help to provide affordable housing to low-income and moderate-income households.

B. Any municipality and the Maine State Housing Authority may use resources provided by the private sector, any private nonprofit organization or any other public sector organization for the purpose established in this article.

§4664. Purchase and acquire property; construct housing

The Maine State Housing Authority or any municipal housing authority may purchase or acquire property to preserve or provide affordable housing to low-income and moderate-income people and provide for the management and maintenance of this property.

1. Construction. The Maine State Housing Authority or any municipal housing authority may construct or reconstruct housing for low-income and moderate-income households.

2. Rehabilitation. The Maine State Housing Authority or any municipal housing authority may rehabilitate buildings as a means of providing affordable housing to low-income and moderate-income households.

3. State-owned property. The Maine State Housing Authority may use surplus state-owned property pursuant to articles 3-A and 8 and Title 5, section 1742, subsection 23, to achieve the purpose of this article.

4. Property. For the purpose of this article, property includes land, buildings, structures and equipment.

§4665. Provide property

The Maine State Housing Authority may provide surplus state property below market value pursuant to articles 3-A and 8 and Title 5, section 1742, subsection 23, to any person, firm or organization that agrees to construct, reconstruct or rehabilitate affordable housing for low-income and moderate-income households and maintain this property for this purpose in a written contract with the Maine State Housing Authority.

§4666. Rules

The Maine State Housing Authority shall adopt rules in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, to implement this article, including eligibility standards for financing under this article.

Sec. 4. 30 MRSA §4732, sub-§2, as enacted by PL 1981, c. 702, Pt. W, §1, is repealed and the following enacted in its place:

2. Use of money. Money in the fund may be used as follows.

A. Money in the Housing Opportunities for Maine Fund may be applied to:

(1) Reduce the rate of interest on or the principal amount of such mortgage loans as the state authority determines;

(2) Reduce payments by persons of low-income for rental of single-family or multi-unit residential housing;

(3) Make mortgage loans and such other types of loans or grants as the state authority determines;

(4) Fund reserve funds for, pay capitalized interest on, pay costs of issuance of or otherwise secure and facilitate the sale of the state authority's bonds issued in accordance with this subchapter;

(5) Pay the administrative costs of state public bodies or other public instrumentalities and private, non-profit corporations directly associated with housing projects; and

(6) Otherwise make the costs of single-family or multi-unit residential housing affordable by persons of low-income.

B. Notwithstanding the requirements of section 4552, subsection 18, mortgage loans made or assisted with money from the fund may be secured by a mortgage which does not constitute a first lien.

C. If any money in the Housing Opportunities for Maine Fund is used in conjunction with or as part of the issuance of any mortgage purchase bonds and the proceeds of the bonds are allocated by the state authority to assist in the acquisition of housing, the state authority may require that the purchaser of the housing make a minimum down payment in an amount determined by the state authority; except that any such requirement shall not apply to mortgage loans insured or guaranteed by the United States Veterans Administration, the Federal Housing Administration or any other agency of the Federal Government that allows for a lesser down payment than that required by the state authority. The state authority may not limit the maximum down payment that may be required.

D. Money in the fund may be provided to 3rd parties to provide reasonable administrative support and planning funds for the development or specific creation of new housing units or the rehabilitation of dilapidated or substandard existing housing units.

Sec. 5. 30 MRSA §4787, sub-§1, as enacted by PL 1973, c. 618, §1, is amended to read:

1. Contracts. The Maine State Housing Authority is authorized to establish housing mortgage insurance contracts, to charge and collect premiums, to make appropriate payments and to do all other things necessary and proper to administer a State Housing Mortgage Insurance Program. The Housing Mortgage Insurance Program may be made available to persons who have not financed housing through a program of the Maine State Housing Authority.

A. Any revenues in excess of the money required to insure housing mortgages pursuant to this article shall first be used to pay back any loans from the General Fund.

B. Following repayment to the General Fund, any surplus money may be allocated to the Housing Opportunities for Maine Program.

Sec. 6. 30 MRSA §4791, sub-§1, as enacted by PL 1987, c. 407, §4, is amended to read:

1. Study of inventory of state-owned land. The Maine State Housing Authority, following completion of the inventory of state-owned land pursuant to Title 5, section 1742, subsection 23, shall determine sites that will be suitable for the construction of affordable housing to meet the needs of the State, particularly housing for low-income persons and middle-income households.

Sec. 7. 30 MRSA §4792 is enacted to read:

§4792. Surplus land in trust

The Maine State Housing Authority and the Department of Administration shall develop a procedure by which state-owned land and structures determined to be surplus and useable or needed for the furtherance of the development of affordable housing for low-income and moderate-income households shall be held in trust for this purpose and may not be sold or used for other purposes, except with the approval of the Commissioner of Administration and the Director of the Maine State Housing Authority.

1. Procedure. The procedure established pursuant to this section shall include provisions for the expeditious transfer of title to surplus land and structures to the Maine State Housing Authority to be used for affordable housing for low-income and moderate-income households. Transfer of title to specific parcels of land and structures shall occur following the Maine State Housing Authority's preparation of plans for housing projects for these specific parcels or structures.

2. Transfer of surplus property. Any surplus land and buildings transferred to the trust pursuant to this section shall be approved by law.

3. Surplus property removed from trust. Prior to the removal of any surplus property from the trust, the Maine State Housing Authority shall hold a hearing within the municipality in which the property is located. The hearing shall be conducted in accordance with the notice provisions of Title 5, section 8053.

4. Report to Legislature. The Maine State Housing Authority shall report to the joint standing committee of the Legislature having jurisdiction over housing matters by the 3rd Wednesday in January of each First Regular Session with respect to the implementation and impact of this section.

Sec. 8. 30 MRSA §4961, sub-§3 is enacted to read:

3. Provisions of technical assistance. Within the scope of its budget, the Department of Economic and

Community Development, upon request, may provide technical assistance to municipalities with respect to the development of comprehensive plans pursuant to this subchapter. Regional planning commissions shall cooperate with the department in the provision of technical assistance pursuant to this subchapter.

Sec. 9. 30 MRSA §4961-A is enacted to read:

§4961-A. Affordable housing

Any comprehensive plan developed pursuant to this subchapter shall provide for the development of affordable housing for low-income and moderate-income households. A municipality may cooperate with neighboring municipalities to develop a regional comprehensive plan in lieu of a municipal plan. Any comprehensive plan developed under this subchapter shall include municipal or regional strategies to effectively reduce the cost of housing or provide for the construction of affordable housing, including zoning measures, use of municipally owned land and other similar measures.

1. Housing. Notwithstanding any other provision of law, the Maine State Housing Authority and municipal housing authorities may provide technical assistance to municipalities with respect to housing components of comprehensive plans developed pursuant to this subchapter.

Effective August 4, 1988.

CHAPTER 821

H.P. 1623 — L.D. 2218

AN ACT to Require Full State Funding of any Legislative Mandate.

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

20-A MRSA §2, sub-§3 is enacted to read:

3. Mandated programs. Any legislation containing a state mandate enacted by the Legislature after January 1, 1989, which requires additional funding, shall contain provisions for full funding by the State for 2 years, after which the legislation shall contain full funding through the School Finance Act of 1985, as amended. The funding requirements to implement the mandate must be identified. Any such legislation for which full state funding is not provided may not be enacted.

State mandates are defined as any state-initiated or statutory action that requires a local school administrative unit to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues, excluding any order issued by a state court or any legislation necessary to comply with a federal mandate.

This chapter is repealed on June 30, 1992, unless reviewed and extended by specific Act of the Legislature.

Effective August 4, 1988.

CHAPTER 822

H.P. 1451 — L.D. 1962

AN ACT to Provide a Sales Tax Exemption for Charitable Suppliers of Medical Equipment.

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

36 MRSA §1760, sub-§62 is enacted to read:

62. Charitable suppliers of medical equipment. Sales to local branches of incorporated international non-profit charitable organizations which provide, on a loan basis and free of charge, medical supplies and equipment to persons.

Effective August 4, 1988.

CHAPTER 823

S.P. 960 — L.D. 2548

AN ACT to Correct Inequities in the Maine State Retirement System.

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

Sec. 1. 5 MRSA §17953, sub-§2, ¶A, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

A. Instead of accepting the payment provided in subsection 1, the first listed of the following relatives of the qualifying member who are living at the death of the qualifying member may elect the benefits described in subsections 3 to 5 5-A:

- (1) The surviving spouse, the dependent child or dependent children, the parent or parents, if any of these are designated beneficiaries. The designated beneficiary, if any; or
- (2) If no beneficiary is designated, the surviving spouse, the dependent child or dependent children, or the parent or parents.

Sec. 2. 5 MRSA §17953, sub-§5-A is enacted to read:

5-A. Amount of survivor benefit to designated beneficiary. If a designated beneficiary, other than the surviving spouse, dependent child, dependent children or the parent or parents of a deceased qualifying mem-