

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

THIRD SPECIAL SESSION

October 1, 1992 to October 6, 1992

FOURTH SPECIAL SESSION

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ONE HUNDRED AND SIXTEENTH LEGISLATURE

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J.S. McCarthy Company
Augusta, Maine
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PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

of the
ONE HUNDRED AND SIXTEENTH LEGISLATURE

1993

CHAPTER 175

H.P. 407 - L.D. 520

An Act to Amend the Maine Housing Authorities Act

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

Sec. 1. 30-A MRSA §4706, sub-§1, ¶¶A and B, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, are further amended to read:

A. Any information acquired by an authority or a member, officer, employee or agent of an authority from applicants for residential tenancy in housing owned, financed, assisted or managed by an authority or from any residential tenants of such housing or from any 3rd person pertaining to any applicant for tenancy or to any tenant of such housing; ~~and~~

B. Any written or recorded financial statement, as determined by an authority, of an individual submitted to an authority or a member, officer, employee or agent of an authority, in connection with an application for a mortgage or mortgage insurance; ;

Sec. 2. 30-A MRSA §4706, sub-§1, ¶¶C and D are enacted to read:

C. Any information acquired by the Maine State Housing Authority or a state public body, private corporation, copartnership, association, fuel vendor, private contractor or individual, or an employee, officer or agent of any of those persons or entities, providing services related to weatherization, energy conservation, homeless assistance or fuel assistance programs of the Maine State Housing Authority, when that information was provided by the applicant for those services or by a 3rd person; and

D. Any statements of financial condition or information pertaining to financial condition submitted to any of the persons or entities set forth in paragraph C in connection with an application for services related to weatherization, energy conservation, homeless assistance or fuel assistance programs of the Maine State Housing Authority.

Sec. 3. 30-A MRSA §4706, sub-§2, ¶¶A, C and D, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, are further amended to read:

A. An authority may make such full and complete reports concerning ~~its~~ administration of ~~federal housing~~ its programs as required by the Federal

Government, any agency or department of the Federal Government, or the Legislature;

C. An authority may comply with a subpoena, request for production of documents, warrant or court order ~~which~~ that appears on its face to have been issued or made upon lawful authority; ~~and~~

D. In any litigation or proceeding in which an authority is a party, the authority may introduce evidence based on any information ~~which~~ that is deemed confidential and ~~which~~ is within the control or custody of the authority; ; and

Sec. 4. 30-A MRSA §4706, sub-§2, ¶E is enacted to read:

E. Any person or agency directly involved in the administration or auditing of weatherization, energy conservation or fuel assistance programs of the Maine State Housing Authority and any agency of the State with a legitimate reason to know must be given access to those records described in subsection 1, paragraphs C and D.

Sec. 5. 30-A MRSA §4722, sub-§1, ¶L, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, is further amended to read:

L. Contract with any financial institution to make mortgage loans on behalf of the Maine State Housing Authority ~~and to make mortgage loans without contracting with a financial institution.~~ The mortgage loans ~~shall~~ must be made under one or more mortgage loan programs governed by standards established in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375. ~~The Maine State Housing Authority may, without contracting with a financial institution, make mortgage loans only with respect to the following:~~

~~(1) To protect the security or likelihood of repayment of any mortgage loan held by the Maine State Housing Authority when such a loan is not made within 10 business days of application through the originating financial institution on terms and conditions comparable to terms and conditions available from the Maine State Housing Authority; or~~

~~(2) In one or more areas of the State, to the extent that no financial institution, after both initial and such successive reasonable opportunities as the Maine State Housing Authority may provide, has contracted with the Maine State Housing Authority to participate in a mortgage loan program.~~

The Maine State Housing Authority may also make ~~mortgage loans~~, construction loans, grants,

noninterest-bearing loans, deferred payment loans, unsecured loans and other similar types of loans to ~~state public bodies or other public instrumentalities and private nonprofit corporations without contracting with a financial institution.~~ Any mortgage loan made under this paragraph does not pledge the faith and credit of the State. Any bonds issued by the Maine State Housing Authority to finance mortgage loans authorized by this paragraph are subject to the limitations of sections 4905 and 4907;

Sec. 6. 30-A MRSA §4741, sub-§16, as amended by PL 1991, c. 871, §3, is further amended to read:

16. Certification of bonds. The director of the Maine State Housing Authority is the State's designee to certify to the United States Secretary of the Treasury that housing-related bonds issued in the State satisfy the applicable ceiling requirements of the federal Internal Revenue Code; ~~and~~

Sec. 7. 30-A MRSA §4741, sub-§17, as enacted by PL 1991, c. 871, §4, is amended to read:

17. Comprehensive housing affordability strategy coordinator. The Maine State Housing Authority is designated the comprehensive housing affordability strategy coordinator for the State and has the power to prepare and submit on behalf of the State the annual comprehensive housing affordability strategy called for in the Cranston-Gonzalez National Affordable Housing Act, Public Law 101-625 (1990) and to undertake all monitoring and certification procedures required under that law. The Maine State Housing Authority shall represent the State in carrying out the HOME Investment Partnerships Program created by the Cranston-Gonzalez National Affordable Housing Act; ~~and~~

Sec. 8. 30-A MRSA §4741, sub-§18 is enacted to read:

18. State designee for homeless programs. The Maine State Housing Authority is designated the coordinating agency for the State for programs dealing with homeless persons and may apply for, receive, distribute and administer federal funds on behalf of the State for homeless programs including, without limitation, the Emergency Community Services Homeless Grant Program and the programs authorized pursuant to the federal Stewart B. McKinney Homeless Assistance Act, Public Law 100-77, (1987), as amended.

Sec. 9. 30-A MRSA c. 201, sub-c. III-B is enacted to read:

SUBCHAPTER III-B

TEMPORARY HOUSING ASSISTANCE PROGRAM

§4761. Temporary Housing Assistance Fund

1. Creation. The Temporary Housing Assistance Fund is established under the jurisdiction of the Maine State Housing Authority. For the purposes of this subchapter, "state authority" means the Maine State Housing Authority, "fund" means the Temporary Housing Assistance Fund and "program" means the Temporary Housing Assistance Program.

2. Sources of fund. The following must be paid into the fund:

A. All money appropriated for inclusion in the fund;

B. Subject to any pledge, contract or other obligation, any money that the state authority receives in repayment of loans or advances from the fund;

C. Subject to any pledge, contract or other obligation, all interest, dividends or other income from investment of the fund; and

D. Any other money, including federal money, deposited in the fund to implement the provisions of this subchapter.

3. Application of fund. The state authority may apply money in the fund for purposes authorized by this subchapter. Money in the fund not needed currently for purposes of this subchapter may be deposited with the state authority to the credit of the fund or may be invested as provided by law. The following may be used to pay the administrative costs of the program:

A. No more than 10% of the money in the fund;

B. Any earnings on money in the fund; and

C. Any recoveries to the fund, including, but not limited to, repayments, recaptures of principal and recaptures of interest.

4. Accounts within fund. The state authority may divide money in the fund into separate accounts determined necessary or convenient for carrying out this subchapter.

5. Revolving fund. The fund is a nonlapsing revolving fund. All money in the fund must be continuously applied by the state authority to carry out this subchapter.

§4762. Temporary Housing Assistance Program

The Temporary Housing Assistance Program must provide assistance to persons of low income to enable them to become tenants of rental housing units in the State.

1. Operation. The state authority shall administer the program either directly or through regional contract agents. The program may be operated in conjunction with other programs of the state authority to achieve the purpose of this subchapter.

2. Form and amount of assistance. Money in the fund may be used to provide assistance under the program in the form of loans or grants to make rental payments and finance security deposits on behalf of persons of low income. The state authority may establish limits from time to time on the amount of assistance available to applicants based on a determination of the average rental and security deposit costs in the area where the assistance is being provided.

3. Provisions governing assistance. The program must be administered subject to the provisions in this section. Priority must be given to persons who demonstrate a need for assistance and the ability to repay a loan.

A. The state authority, by rules adopted in accordance with the Maine Administrative Procedure Act, shall establish priorities of assistance. These priorities must be based on the household income of the applicant, the demonstrated need for assistance, the ability to repay a loan and other criteria established by the state authority.

B. Grants may be provided only when:

(1) The grant is essential to securing a decent, safe and sanitary rental unit for the applicant;

(2) The income of the applicant is insufficient to repay any loan or portion of a loan;

(3) All available resource alternatives have been exhausted; and

(4) The applicant has satisfied all other program priorities and requirements as established by the state authority.

C. Loans from the fund may be made for a period based on the applicant's ability to repay the loan, not to exceed 12 months. Interest may be charged on loans based on the applicant's ability to repay the loan, not to exceed 3%. When an applicant can not repay the loan in full within the 12-month period, the state authority may extend the repayment period if the state authority determines that the loan can be repaid during the extension period. The state authority may defer or waive the payment of interest or principal on any loan or portion of a loan for which that payment is an undue hardship.

D. Assistance under the program must be provided on an ongoing basis to the extent that money is available in the fund.

4. Procedures. The state authority may adopt rules in accordance with the Maine Administrative Procedure Act, by which the program must be implemented.

Sec. 10. 30-A MRSA §4972, as enacted by PL 1989, c. 48, §§12 and 31, is amended to read:

§4972. Definition

For the purpose of this subchapter, "low-income rental housing" means residential housing projects in which a majority any of the units are subject to federal or state income eligibility restrictions and the rents within the projects are controlled, regulated or assisted by a federal or state agency pursuant to a regulatory or rental assistance agreement.

Sec. 11. 30-A MRSA §4973, as enacted by PL 1989, c. 48, §§12 and 31, is amended to read:

§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.

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

2. Right of first refusal. The Maine State Housing Authority has the right of first refusal to purchase the property at its current appraised value, as determined by appraisers for the owner and the authority. The authority ~~shall hold~~ holds the right of first refusal ~~for not more than 30 days from receipt of~~ throughout the notice required by this section 90-day period. Failure to respond to the notice of first refusal ~~in 30~~ within 90 days constitutes a waiver of that right of first refusal by the authority. By stating in writing its intention to pursue its right

of first refusal during the ~~30-day~~ 90-day period, the authority has an additional ~~60~~ 90 days, beginning on the date of the termination of the first refusal period, to buy or to produce a buyer for the property. This additional ~~60-day~~ 90-day period may be extended by mutual agreement between the authority and the owner of the property.

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

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

Sec. 12. 30-A MRSA §4976, first ¶, as enacted by PL 1989, c. 48, §§12 and 31, is amended to read:

Any owner ~~or purchaser~~ of low-income rental housing who ~~prepays the mortgage and any person who purchases low-income rental housing and who intends to convert the facility from low-income rental housing to any other use, including other residential uses, sells, transfers title or takes other action in regard to that property that would result in the termination of financial assistance designed to make a rental unit affordable to low-income or moderate-income people shall allow the current tenants to remain in the units for 6 months from the date of prepayment or sale, transfer of title or other action in regard to the property, at the same rents or portion of the total rents charged to the tenants before mortgage prepayment or that sale, transfer of title or at the rents provided under the assistance program to which the housing is subject if such assistance is not terminated, other action in regard to the property, or the owner may relocate the tenants to comparable units with comparable rents in accordance with the procedure established by rules of the Maine State Housing Authority.~~

See title page for effective date.

CHAPTER 176

S.P. 250 - L.D. 769

An Act to Clarify the Grounds for Civil Action for Child Sexual Abuse

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

Sec. 1. 14 MRSA §752-C, as amended by PL 1991, c. 551, §1 and affected by §2, is further amended to read:

§752-C. Sexual acts towards minors

Actions based upon sexual intercourse, as defined in Title 17-A, section 556, subsection 1-B, or a sexual act, as defined in Title 17-A, chapter 11, with a person under the age of majority must be commenced within 12 years after the cause of action accrues, or within 6 years of the time the person discovers or reasonably should have discovered the harm, whichever occurs later.

See title page for effective date.

CHAPTER 177

H.P. 500 - L.D. 658

An Act Related to Hook-up Fees for New Installations of Electric Heat

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

Sec. 1. 35-A MRSA §3153-A, sub-§2, as enacted by PL 1987, c. 451, §2, is repealed.

See title page for effective date.

CHAPTER 178

H.P. 421 - L.D. 540

An Act Regarding the Use of Natural Gas in Motor Vehicles

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, there is a market for natural gas use in vehicles that is not currently being served; and

Whereas, there are benefits to this State in encouraging immediate availability of natural gas for use in vehicles; and

Whereas, delay in making natural gas available for use in vehicles will reduce the benefits to this State; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Con-