

MAINE STATE LEGISLATURE

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STATE OF MAINE
113TH LEGISLATURE
SECOND REGULAR SESSION



BILL SUMMARY
JOINT STANDING COMMITTEE
ON
ECONOMIC DEVELOPMENT

MAY 1988

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* Denotes Chair

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**ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST & SECOND SPECIAL SESSIONS
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES
MAY 1988**

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are indicated as follows::

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Secretaries: Charlene Brann, Janet Jean, Earl Knox, Valarie Parlin; Research Assistant Hartley Palleschi. Finally, Secretary Lorette Knox, Legal Assistant Carolyn Chick, and Research Assistant Robert Dunn had special responsibilities in the preparation of the overall document.

Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.

The bill addresses the problem created by federal contracts with low income housing developers and owners approximately 20 years ago. Low income housing constructed with assistance from the Department of Housing and Urban Development (HUD) and the Farmers Home Loan Administration (FMHL) and subject to accelerated depreciation, allowed the owners of this housing to prepay 40 year mortgages at the end of 20 years. Following complete repayment, the housing would no longer be subject to federal restrictions.

Beginning in 1988, some federally assisted low income housing projects are subject to prepayment. By the year 2000, approximately 1,900 HUD units and 1181 FMHL units will be subject to prepayment, and many of those units could be at risk.

The committee amended the bill to reduce the 45 day period of the right-of-first refusal to 30 days with a 60 day extension to allow the authority time to put a financing package together. In addition, the committee amendment allows the low income housing owner to enter into a contract with a bonafide buyer during the period of the authority's right of first refusal, but the contract has no affect unless the authority waives its right. If the Maine State Housing Authority or local housing authority and the owner of low income housing cannot agree to a purchase price, the authority may take the property by eminent domain. The purchase price would then be determined by the courts.

The amendment also provides that a low-income housing owner who prepays the mortgage or a buyer of the housing is required to provide relocation assistance to the tenants or allow the tenants to remain in their units for 6 months at their current rents.

LD 2340 An Act to Promote Economic Development in the State by Enhancing Employment Opportunities for Maine People (Reported Pursuant to a Study by the Committee on Economic Development) INDEF PP

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
	OTP-AM	H-705
		H-730 CROWLEY
		S-467 ANDREWS

SUMMARY

LD 2340 proposed to allow eligible Medicaid recipients to continue to receive medical insurance benefits under the Medicaid programs while participating in job training programs and during probationary periods with employers. In addition, this bill proposed to establish a medical insurance group composed of persons working full time or part time for employers who do not provide medical insurance coverage to employees or their dependents. The Superintendent of Insurance would negotiate with a private firm to provide a group plan, the premium of which would be paid from funds provided by employees purchasing this insurance.

The Department of Economic and Community Development and the Department of Labor would inform businesses, labor recruitment organizations and job training organizations about these programs. In addition, the Office of