

# 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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Sen. Robert C. Dillenback

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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::*

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

*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 INDEF PP  
 Enhancing Employment Opportunities for Maine People  
 (Reported Pursuant to a Study by the Committee on Economic Development)

<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

Business Development and the Department of Labor would monitor the implementation of these programs to determine their impact upon the State's economy and labor supply. These agencies would report their findings annually before February 1st to the Joint Standing Committee on Economic Development.

The bill was amended to create a substantially new document. The amendment proposed to provide medicaid to AFDC recipients and SSI recipients, including elderly persons and disabled persons eligible for medicaid assistance who obtain employment, the earnings from which are 199% or less of the poverty level.

For the first 12 months, recipients with an income of less than 150% of the poverty level would not pay any premiums or any portions of premiums. People with incomes of 150% to 199% of the poverty level would pay from 1% to 5% of their gross monthly income toward monthly premium payments.

For the next 6 months, recipients with an income of less than 100% of the poverty level would not pay any premiums or portions of premiums. Persons with incomes of 100% to 149% would pay from 1% to 5% of their gross monthly income as monthly premium payments. Persons with incomes of 150% or more of the poverty level would be ineligible for medicaid assistance for this period.

The benefits would begin as soon as AFDC and SSI cash assistance to recipients is terminated. For recipients with employment earnings of 149% or less of poverty; the benefits would extend for 18 months, including the 4 and 5 month extension depending upon income, allowed under existing law. For recipients with an income of 150% to 199% of the poverty level, the benefits would be extended for 12 months from the date that cash assistance is terminated.

LD            An Act to Enable Additional Agencies to Participate under            INDEF PP  
2364    the Finance Authority of Maine Loan Program

<u>SPONSOR(S)</u>	<u>COMMITTEE</u>	<u>REPORT</u>	<u>AMENDMENTS ADOPTED</u>
KANY	OTP-AM	MAJ	S-400    MAJ REP
CARTER	ONTP	MIN	
PRIEST			
LACROIX			

SUMMARY

LD 2364 proposed to replace the community action agencies with community development corporations as the "intake" agencies for the Maine Job Start Program. The bill was amended to allow community action agencies or regional planning commissions to serve as intake agencies for job start loans. The Committee Amendment authorizes 3 additional regions to be incorporated in the program, and provides \$150,000 to be used for job start loans.

The job start program provides loans, not exceeding \$10,000 to low income, small business start up or expansions. The program has been limited to 3 regions; Aroostook County, Washington-Hancock County region, and the Oxford-Androscoggin region. As of December 31, 1987, the job start program had provided a total of 57 loans amounting roughly to \$585,000 to 49 businesses. A total of 47 loan applications totalling \$400,000 have been withdrawn or rejected.