

I'm in opposition to LD 1036, An Act To Protect Recipients of Public Assistance From Housing Discrimination. While the intent to prevent discrimination is understood, this bill, as written, raises significant concerns and potential negative consequences across multiple sectors within the state.

I wish to highlight the following points for your consideration:

1. **Freedom of Contract and Constitutional Concerns:** LD 1036 potentially infringes upon the fundamental right to contract freely. By compelling property owners, financial institutions, and sellers of real estate to enter into agreements under terms dictated by the legislation regarding public assistance, it may conflict with the protections afforded under the Fifth and Fourteenth Amendments concerning individual liberty and property rights. Mandating acceptance of specific income sources, regardless of their nature or duration, interferes with standard risk assessment and contractual autonomy.
2. **Conflicts with Existing Contractual Obligations:** The requirements set forth in LD 1036 could create direct conflicts with existing contractual agreements, including those related to state or federal programs that property owners, lenders, or sellers may already be subject to. This could lead to unavoidable legal contradictions and operational challenges.
3. **Mandated Consideration of Assistance as Income:** The bill mandates that various forms of public assistance be treated as income for housing, lending, or real estate transactions. This approach fails to account for the variability, duration, specific conditions, or intended purpose of such assistance, potentially leading to an inaccurate assessment of an individual's long-term financial capacity and stability. Standard underwriting and qualification practices rely on evaluating consistent and durable income sources, a principle this bill seems to override.
4. **Broad Sector Impact and Unintended Consequences:** The potential ramifications of LD 1036 extend significantly beyond the rental housing market, likely impacting the banking, real estate, and potentially the tax industries in unforeseen ways. The complexity of integrating these requirements could disrupt established practices and create significant compliance burdens with far-reaching, unintended consequences.
5. **Potential Burden on Assistance Recipients:** An inadvertent outcome of classifying diverse forms of public aid (such as food assistance, rent subsidies, or waived medical costs) broadly as 'income' could be new complications for recipients, potentially affecting their tax obligations or eligibility for other programs.

Conclusion:

Due to the significant concerns regarding constitutional rights, potential contractual conflicts, the problematic redefinition of income, and the likelihood of broad unintended negative consequences across multiple industries, I strongly urge the Committee to vote **Ought Not To Pass** on LD 1036.

I believe this legislation, while perhaps well-intentioned, carries substantial risks and could create more problems than it solves for the citizens and economy of Maine.

Regards,

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