

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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Legislative Document

No. 1135

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H. P. 938

House of Representatives, March 22, 1977

Referred to Committee on Energy. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Huber of Falmouth.

Cosponsor: Mr. Carter of Winslow.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT to Authorize a Bond Issue in the Amount of \$10,000,000, for Energy Conservation Improvements for State-owned Buildings and Public School Buildings.**

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**Preamble.** Two-thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State to provide funds for energy conservation improvements for state-owned buildings and public school buildings.

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

**Sec. 1. Definitions.** As used in this Act, the following terms shall have the following meanings.

1. **Energy conservation improvements.** Energy conservation improvements are improvements made to a building to increase energy efficiency. These improvements include, but are not limited to, installation of storm windows, insulation and updating of heating, ventilation, electrical and lighting systems.

2. **Energy efficiency survey.** Energy efficiency surveys are comprehensive studies undertaken under the supervision of the Bureau of Public Improvements to determine the type of improvements that can be applied to a building in order to decrease the energy operating cost of that building. Such a survey includes a classification of no cost, low cost and major cost items and also includes a determination of the cost effectiveness of each of the recommended improvements.

**3. Public school buildings.** Public school buildings are public elementary and secondary school buildings which are subject to the provisions of the Revised Statutes, Title 20, sections 3457 and 3460.

**4. State-owned buildings.** State-owned buildings are all state-owned buildings subject to the Revised Statutes, Title 5, chapters 141 to 155.

**Sec. 2. The issue of bonds to provide funds for energy conservation improvements to state-owned buildings and public school buildings.** The Treasurer of State is authorized under the direction of the Governor to issue from time to time several coupon bonds in the name and on behalf of the State to an amount not exceeding \$10,000,000 for the purpose of raising funds to provide for energy conservation improvements to state-owned buildings and public school buildings, as authorized by section 7. These bonds shall be deemed a pledge of the faith and credit of the State. These bonds shall not run for a longer period than 20 years from the date of the original issue thereof. Any issuance of bonds may contain a call feature at the discretion of the Treasurer of State with the approval of the Governor.

**Sec. 3. Records of bonds issued to be kept by State Auditor and Treasurer of State.** The State Auditor shall keep an account of such bonds, showing the number and amount of each, the date when payable and the date of delivery thereof to the Treasurer of State, who shall keep an account of each bond, showing the number thereof, the name of the person to whom sold, the amount received for the same, the date of sale and the date when payable.

**Sec. 4. Sale, how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of such bonds by direction of the Governor; but no such bond shall be loaned, pledged or hypothecated in behalf of the State. The proceeds of sales of such bonds, which shall be held by the Treasurer of State and paid by him upon warrants drawn by the Governor, are appropriated to be used solely for the purposes set forth in this Act. Any unencumbered balances remaining at the completion of the project listed in section 7 shall lapse to the debt service account established for the retirement of these bonds.

**Sec. 5. Interest and debt retirement.** Interest due or accruing upon any bonds issued under this Act and all sums coming due for payment of bonds at maturity shall be paid by the Treasurer of State.

**Sec. 6. Disbursement of bond proceeds.** The proceeds of such bonds shall be expended under the direction and supervision of the Director of Public Improvements.

**Sec. 7. Allocations from bond issue.**

## EDUCATIONAL AND CULTURAL SERVICES, DEPARTMENT OF Public elementary and secondary schools.

Funds shall be disbursed on the basis of 90% state matching funds in accordance with the results of the energy efficiency surveys and with the approval of the Commissioner of Educational and Cultural Services. The remaining 10% of the cost shall be borne by participating local school units and will not be eligible for state reimbursement.

COST: \$5,000,000

**PUBLIC IMPROVEMENTS, BUREAU OF**

Funds for state departments and agencies shall be disbursed on the basis of 100% of the cost of the energy efficiency surveys and of energy conservation improvements.

COST: \$5,000,000

**Sec. 8. Contingent upon ratification of bond issue.** Sections 1 to 7 of this Act shall not become effective unless and until the people of the State shall have ratified the issuance of bonds as set forth in this Act.

**Sec. 9. Statutory referendum procedure; form of question; effective date.** This Act shall be submitted to the legal voters of the State of Maine at a special statewide election to be held on the Tuesday following the first Monday of November following passage of this Act. The city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

“Shall, ‘AN ACT to Authorize a Bond Issue in the Amount of \$10,000,000, for Energy Conservation Improvements for State-owned Buildings and Public School Buildings’ as passed by the First Regular Session of the 108th Legislature be approved?”

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within a corresponding square below the words “Yes” or “No.” The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns, and, if it appears that a majority of the legal voters are in favor of the Act, the Governor shall proclaim that fact without delay, and the Act shall become effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purpose of this referendum.

**STATEMENT OF FACT**

The State of Maine has undergone escalation in energy costs of operating schools and public buildings of approximately 250% in the last 3 years. The State also faces the possibility of shortages of energy in coming years as the supply of fossil fuels continues to diminish. Energy conservation has been proven to be the most cost-effective method of stretching limited energy supplies.

It is imperative, therefore, that the State of Maine undertake vigorous energy conservation efforts. Several areas in which a significant conservation of energy can be realized are the areas of state-owned buildings and public school buildings.

In fiscal year 1976, state-owned buildings and public school buildings incurred energy costs of over \$15,000,000. Preliminary indications have shown that approximately 25% of this total energy usage could be eliminated by making energy conservation improvements to these buildings.

The purpose of this bill is to create a mechanism, consisting of a bond issue to be approved by the voters of the State of Maine, that will authorize an initial bonding limit of \$10,000,000, which will be used to undertake the most cost-effective energy conservation improvements to state-owned buildings and public school buildings.

Because energy conservation improvements will decrease school energy operating costs and because a portion of these savings will accrue directly to the participating school unit, it seems appropriate that the local units be required to make a small commitment. In case of state-owned buildings, all anticipated savings will accrue directly to the State. Thus, it is appropriate that the State bear the entire costs of the improvements.