

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1132

H. P. 908

House of Representatives, March 9, 1979

On Motion of Mr. Blodgett of Waldoboro, referred to the Committee on Energy and Natural Resources. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Huber of Falmouth.

Cosponsors: Mr. Davies of Orono, Mr. Michael of Auburn and Mr. Peltier of Houlton.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

**AN ACT to Authorize a Bond Issue in the Amount of \$2,500,000 for Energy Conservation Improvements for Local Government Buildings and Public Care Institutions.**

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

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

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

**1. Energy conservation improvements.** "Energy conservation improvements" means 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" means comprehensive studies undertaken under the supervision of the Office of Energy Resources 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. Local government buildings.** "Local government buildings" means buildings owned by a city, town, county or plantation, not including schools and hospitals which are eligible for financial assistance under the National Energy Conservation Policy Act of 1978, PL 95-619.

**4. Public care institutions.** "Public care institutions" means buildings owned by public or private nonprofit organizations which are licensed or certified by the State as skilled nursing facilities, intermediate care facilities, public health centers, rehabilitation facilities or child care institutions.

As used in the subsection, the following terms shall have the following meanings.

**A. "Skilled nursing facilities or intermediate care facilities"** means skilled nursing facilities or intermediate care facilities included with the definition of health care facility under the provisions of Title 22, section 303.

**B. "Public health center"** means a publicly owned facility for the provision of public health services, including related publicly owned facilities, such as laboratories, clinics and administrative offices operated in connection with such a facility.

**C. "Rehabilitation facility"** means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of:

(1) Medical evaluation and services; and

(2) Psychological, social or vocational evaluation and services, under competent professional supervision, and in the case of which the major portion of the required evaluation and services is furnished within the facility; and either the facility is operated in connection with a hospital, or all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine or surgery in the State.

**D. "Child caring institution"** means an institution, other than a foster home, primarily intended to provide full-time residential care with an average stay of at least 30 days for minor persons.

**Sec. 2. The issue of bonds to provide funds for energy conservation improvements to local government buildings and public care institutions.** The Treasurer of State is authorized under the direction of the Governor to issue from

time to time serial coupon bonds in the name and on behalf of the State to an amount not exceeding \$2,500,000 for the purpose of raising funds to provide for energy conservation improvements to local government buildings and public care institutions, as authorized by section 8. 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 5 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 of countersigning, 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, are 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 projects listed in section 8 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. Disbursements of bond proceeds.** The proceeds of such bonds shall be expended under the direction and supervision of the Director of the Office of Energy Resources. The Office of Energy Resources shall keep records of the energy savings of all projects funded under this Act. This record shall be a public record.

**Sec. 7. Eligibility requirements.** Funds may be used for energy conservation improvements for local government buildings and public care institutions, except that no funds shall be used for energy conservation improvements on buildings completed after April 20, 1977, or on schools or hospitals eligible for assistance under Title III, Part 1 of the National Energy Conservation Policy Act of 1978, PL 95-619.

**Sec. 8. Allocation of funds from bond issue.** Funds shall be disbursed on the basis of 50% state matching funds in accordance with the results of energy efficiency surveys and with the approval of the Director of the Office of Energy Resources. The Office of Energy Resources shall develop and, after public review, shall implement a plan for the distribution of funds available under the

bond issue. The remaining 50% of the cost shall be borne by the participating local government unit or public care institution and will not be eligible for state reimbursement.

**Sec. 9. Retroactive reimbursement.** Energy conservation improvements to local government buildings and public care institutions undertaken after June 1, 1977, may be considered reimbursable under the provision of this Act, as determined by the Director of the Office of Energy Resources, provided that the following criteria are met:

- A. The improvements were undertaken specifically for energy conservation; and
- B. The buildings to which the energy conservation improvements were made would be eligible for energy conservation improvements under this Act, and the improvements were high priority measures as determined by the Director of the Office of Energy Resources.

**Sec. 10. Contingent upon ratification of bond issue.** Sections 1 to 9 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. 11. Statutory referendum procedure; submission at special statewide election; 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 a bond issue be ratified in the Amount of \$2,500,000 for energy conservation improvements for local government buildings and public care institutions?”

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 word “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 votes 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 purposes of this referendum.

## STATEMENT OF FACT

The State faces the certainty 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 continue making vigorous efforts towards energy conservation. Federal support is currently available for making energy conservation improvements to schools and hospitals. The purpose of this bill is to extend these efforts to local government buildings and public care institutions. By this proposed creation of a state bond issue fund, through which 50% of energy efficiency improvement costs can be met, local governments and public care institutions will have a strong financial incentive to undertake such improvements, thereby conserving energy as well as setting a community example. Such a bond issue will complement existing National Energy Conservation Policy Act programs.

It has been estimated that approximately twenty five percent of the energy usage by local government buildings and public care institutions could be eliminated by making energy conservation improvements to these buildings. Payback periods will typically be ten years or less. In addition, studies have shown that more jobs will be created through this retrofit program than will be created by the construction of new energy generation facilities.

Estimates project that there are 769 local government buildings in the State of Maine and approximately 50 public care institutions. Not all local governments and public care institutions will respond to the initial energy audits and the ensuing retrofit funds. Gauging participation estimates and with a limit imposed on retrofit funding relative to the size of buildings, it is estimated that a total of \$2,500,000 will provide sufficient initial coverage.

The retrofit program will follow the energy audits being performed under guidelines of the municipal conservation section of the National Energy Conservation Policy Act. The energy audits will be a prerequisite for receiving any retrofit dollars.