

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A" to S.P. 386, L.D. 1063, Bill, "An Act to Broaden the Availability of Loans under the Finance Authority of Maine to Improve the Environment"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the availability of loan relief must coincide with the onset of the current construction season; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 10 MRSA §963-A, sub-§10, ¶J, as amended by PL 1989, c. 585, Pt. C, §4, is further amended to read:

J. Any underground oil storage facility replacement project, including equipment installed to meet requirements for gasoline service station vapor control and petroleum liquids transfer vapor recovery;

Sec. 2. 10 MRSA §963-A, sub-§10, ¶K, as amended by PL 1989, c. 585, Pt. C, §5, is further amended to read:

K. Any overboard discharge replacement project; e

2 **Sec. 3. 10 MRSA §963-A, sub-§10, ¶L**, as enacted by PL 1989, c.
3 585, Pt. C, §6, is amended to read:

4 L. Any hazardous waste or solid waste recycling or
5 reduction project; or

6 **Sec. 4. 10 MRSA §963-A, sub-§10, ¶M** is enacted to read:

7 M. Any aboveground oil replacement or upgrade project,
8 including equipment installed to meet requirements for
9 gasoline service station vapor control and petroleum liquids
10 transfer vapor recovery.

11 **Sec. 5. 10 MRSA §1023-D, sub-§3**, as amended by PL 1989, c.
12 543, §3, is further amended to read:

13 **3. Application of fund.** Money in the fund may be applied
14 to carry out any power of the authority under this section or
15 under or in connection with section 1026-F, including, but not
16 limited to, to pledge or transfer and deposit money in the fund
17 as security for and to apply money in the fund in payment of
18 principal, interest and other amounts due on insured loans.
19 Money in the fund may be used for direct loans or grants for all
20 or part of underground oil storage facility replacement projects
21 or underground oil storage tank replacement projects when the
22 authority determines that:

23 A. The underground oil storage facility or tank is leaking
24 or, has been identified by the Department of Environmental
25 Protection as posing an environmental threat, or removal is
26 required by applicable law within 2 years from the date of
27 application to the authority for a loan;

28 B. The applicant, if the applicant is not a unit of local
29 government, demonstrates financial need for the assistance;

30 C. There is a reasonable likelihood that the applicant will
31 be able to repay the loan; and

32 ~~E. The applicant is an eligible enterprise which does not~~
33 ~~own or use directly or indirectly, by 50% or more common~~
34 ~~ownership, more than one location, excluding personal~~
35 ~~residences, at which an underground oil storage facility or~~
36 ~~tank is located, or the applicant is a unit of local~~
37 ~~government, which for the purposes of this section includes~~
38 ~~a public school~~ required to install equipment related to the
39 improvement of air quality pursuant to requirements for
40 gasoline service station vapor control and petroleum liquids
41 transfer vapor recovery.

2 The authority, pursuant to Title 5, chapter 375, subchapter II,
4 shall adopt rules for determining eligibility, feasibility,
6 terms, conditions and security for the loans and grants. In the
8 case of loans, the authority may charge an interest rate which
10 may be as low as 0% and which may be greater, depending on the
12 financial ability of the applicant to pay as determined by the
14 authority, up to a maximum of 2% below the prime rate of interest
16 charged by major Boston banks. The maximum the authority may
18 loan or grant to any one borrower, including related entities as
20 determined by the authority, is \$300,000. Money in the fund not
22 needed currently to meet the obligations of the authority as
provided in this section may be invested in such a manner as
permitted by law.

14 **Sec. 6. 38 MRSA §569, sub-§4-B,** as enacted by PL 1989, c. 865,
16 §16 and affected by §§24 and 25, is amended to read:

18 **4-B. Allocation from Ground Water Oil Clean-up Fund.** From
20 the fees assessed in subsection 4-A, 6¢ per barrel of gasoline,
22 refined petroleum products and their by-products, other than
liquid asphalt, must be transferred by the department upon
receipt as follows.

24 A. Sixty-two and one half percent of the 6¢ per barrel fee
26 must be transferred to the Finance Authority of Maine for
deposit in the Underground Oil Storage Replacement Fund.
28 After \$3,000,000 has been transferred to the Maine State
30 Housing Authority pursuant to paragraph B, 100% of the 6¢
per barrel fee must be transferred to the Finance Authority
of Maine.

32 B. Thirty-seven and one half percent of the 6¢ per barrel
34 fee must be transferred to the Maine State Housing Authority
for deposit in the Housing Opportunities for Maine Fund to
36 be used initially for loans and grants to finance the costs
of removal, disposal, replacement or abandonment of
38 underground oil storage facilities and tanks located on
owner-occupied or residential rental property, which
40 facilities and tanks have been identified by the department
as leaking or posing an environmental threat or as having
42 been abandoned. After \$3,000,000 has been transferred, the
Maine State Housing Authority does not receive a percentage
of the 6¢ per barrel fee.

44 After an aggregate sum of ~~\$5,000,000~~ \$10,000,000 has been
46 transferred to the Finance Authority of Maine and an aggregate
sum of \$3,000,000 has been transferred to the Maine State Housing
48 Authority pursuant to this subsection, the per barrel fee
assessed pursuant to subsection 4-A must be reduced by 6¢ per
50 barrel.

52 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

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FISCAL NOTE

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This bill broadens the underground tank loan program administered by the Finance Authority of Maine to include systems to improve air quality. The costs associated with administering the program can be absorbed within existing resources of the Finance Authority of Maine.

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STATEMENT OF FACT

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This amendment amends the bill to add an emergency preamble and emergency clause and change a cross-reference. In addition, this amendment raises the interest rate the Finance Authority of Maine can charge and places a limit on the amount the authority can loan to one borrower in the laws. The aggregate amount for this loan program is increased. This amendment also adds a fiscal note to the bill.

Reported by Senator Ludwig for the Committee on Energy and Natural Resources. Reproduced and Distributed Pursuant to Senate Rule 12.
(5/23/91) (Filing No. S-218)