

# MAINE STATE LEGISLATURE

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R. of S.

L.D. 371

(Filing No. S-263)

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STATE OF MAINE  
SENATE  
116TH LEGISLATURE  
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 284, L.D. 371, Bill, "An Act to Amend the Laws Governing the Conversion of Fuel Systems"

Amend the amendment by striking out all of section 1 and inserting in its place the following:

Sec. 1. 30-A MRSA c. 201, sub-c. XII-A is enacted to read:

SUBCHAPTER XII-A

FUEL CONVERSION ASSISTANCE PROGRAM

§4981. Fuel Conversion Assistance Program

The Fuel Conversion Assistance Program is established to assist single-family homeowners and owners of multifamily units rented to tenants of low income in making cost-effective conversions of electric space heating systems to systems employing other fuel sources and conversions of electric water heaters to water heaters using other fuel sources. As used in this subchapter, unless the context otherwise indicates, the term "program" means the Fuel Conversion Assistance Program and the term "authority" means the Maine State Housing Authority.

1. Operation. The authority shall administer the program, which may be operated in conjunction with other programs of the authority. Other programs of the authority may be used to supplement or be used in conjunction with the program to achieve the purpose of this subchapter.

2. Provisions governing use of money. The program must be administered subject to this section. Priority must be given to homeowners and owners of multifamily units rented to tenants of

**SENATE AMENDMENT**

R. of S.

low income who do not have access to adequate capital or credit. For purposes of this subchapter, "homeowner" includes the owner of a mobile home or manufactured housing unit and the owner of a 2-unit, 3-unit or 4-unit dwelling, one unit of which is occupied by the owner.

A. The authority may make loans and grants to assist single-family homeowners and owners of multifamily units rented to tenants of low income in making cost-effective conversions of electric space heating systems to systems employing other fuel sources and conversions of electric water heaters to water heaters using other fuel sources.

B. Grants may be provided to homeowners whose income is 80% or less of the area or statewide median income, whichever is higher.

C. Loans may be made to homeowners whose income is between 80% and 115% of the area or statewide median income, whichever is higher and to owners of multifamily units rented to tenants whose income is 50% or less of the area or statewide median income, whichever is higher. Loans may be made for periods of up to 30 years. If a homeowner does not repay a loan in full within the 30-year period, the authority may extend the repayment period if the authority determines that the homeowner will be able to repay the loan during the extension period. The authority may waive the payment of interest on a loan or a portion of a loan for which the interest payment will be an undue hardship.

**§4982. Fuel Conversion Assistance Fund**

1. **Creation.** There is created and established under the control and jurisdiction of the authority the Fuel Conversion Assistance Fund to carry out the purposes of this subchapter. As used in this subchapter, unless the context indicates otherwise, the term "fund" means the Fuel Conversion Assistance Fund.

2. **Sources of fund.** The fund consists of the following:

A. All money appropriated or allocated to the fund, from whatever source;

B. Subject to any pledge, contract or other obligation, all interest, dividends or other pecuniary gains from investment of money from the fund;

C. Subject to any pledge, contract, fee or other obligation, any money that the authority receives in repayment of loans or advances from the fund; and

2 D. Any other money available to the authority and directed  
3 by the authority to be paid into the fund.

4 3. Use of money in fund. Money in the fund may be used:

6 A. As security for or applied in payment of principal,  
8 interest, fees and other charges due on loans made under the  
9 program;

10 B. As grants and loans to assist qualifying homeowners and  
12 owners of multifamily units under the program;

14 C. To reduce interest rates on loans provided by financial  
16 institutions doing business in the State to homeowners and  
17 owners of multifamily units who meet the eligibility  
18 requirements of the program; and

20 D. Subject to requirements or limitations under federal law  
21 governing the use of money in the fund, up to 15% of amounts  
22 deposited into the fund, together with earnings on amounts  
23 in the fund and repayments of amounts advanced from the  
24 fund, to pay the authority's administrative costs associated  
25 with the establishment and operation of the program.

26 4. Accounts within fund. The authority may divide the fund  
27 into separate accounts as it determines necessary or convenient  
28 for carrying out the purposes of this subchapter.

30 5. Revolving fund. The fund is a nonlapsing revolving  
31 fund. All money in the fund must be continuously applied by the  
32 authority to carry out the purposes of this subchapter.

34 6. Investment of fund. Money in the fund not needed to  
35 meet the obligations of the authority under this subchapter may  
36 be invested by the authority in a manner permitted by law.

38 §4983. Rules

40 The authority shall adopt rules to implement this  
41 subchapter, including rules that establish eligibility criteria  
42 and repayment terms for recipients of loans and eligibility  
43 criteria for recipients of grants.'

46 **STATEMENT OF FACT**

48 This amendment strikes and replaces section 1 of Committee  
49 Amendment "A."

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 284,  
L.D. 371

2 The amendment establishes the Fuel Conversion Assistance  
Program and the Fuel Conversion Assistance Fund to be  
4 administered by the Maine State Housing Authority for the  
purposes of making grants and loans to low-income persons to  
6 undertake conversions of electric space heating systems to  
systems using other fuel sources.

8 The amendment clarifies who the eligible borrowers and  
grantees of the program are. It also clearly defines the program  
10 as well as the fund. The amendment also clarifies the use of  
funds for administrative purposes.

12  
14 (Senator VOSE)  
16 SPONSORED BY:

*Harry S. Vose*

18 COUNTY; Washington  
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Reproduced and Distributed Pursuant to Senate Rule 12.  
(6/2/93) (Filing No. S-263)