

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 503

H.P. 390

House of Representatives, February 16, 1993

An Act to Establish a Bond Issue for Energy Conservation Measures.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script, reading "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative HEESCHEN of Wilton.
Cosponsored by Representatives: KONTOS of Windham, MITCHELL of Vassalboro,
MORRISON of Bangor, Senators: HANDY of Androscoggin, McCORMICK of Kennebec.

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 assisting
residential energy consumers in making cost-effective energy
conservation investments.

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

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

SUBCHAPTER XII-A

ENERGY CONSERVATION ASSISTANCE

§4981. Purpose

The purpose of this subchapter is to establish a program to
assist residential energy consumers in making cost-effective
energy conservation investments that result in reduced average
monthly home energy costs for those consumers, including
investments in 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.

§4982. Fuel Conversion and Energy Conservation Assistance Fund

1. Creation of fund. There is established the Fuel
Conversion and Energy Conservation Assistance Fund, referred to
in this subchapter as the "fund," to carry out the purposes of
this subchapter. The fund is nonlapsing and is administered by
the authority.

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 advances from the fund; and

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

2 3. Division and application of fund. The authority may
3 divide the fund into separate accounts as it determines necessary
4 or convenient for carrying out the purposes of this subchapter.
5 Money in the fund is applied as provided in section 4983.

6 **§4983. Use of funds**

8 The authority may use the money in the fund as follows.

10 1. Loans. The authority may make loans to residential
11 consumers of energy to allow those consumers to undertake
12 cost-effective energy investments that result in reduced average
13 monthly home energy costs for those consumers, including
14 investments in conversions of electric space heating systems to
15 systems employing other fuel sources and conversions of electric
16 water heaters to water heaters using other fuel sources.

18 2. Grants. The authority may make grants to low-income
19 residential consumers of energy to allow those consumers to
20 undertake cost-effective energy investments that result in
21 reduced average monthly home energy costs for those consumers,
22 including investments in conversions of electric space heating
23 systems to systems employing other fuel sources and conversions
24 of electric water heaters to water heaters using other fuel
25 sources.

26 3. Investment. Money in the fund not needed to meet the
27 obligations of the authority under this subchapter may be
28 invested by the authority in a manner permitted by law.

30 **§4984. Rules**

32 The authority shall adopt rules to implement this
33 subchapter, including rules that establish eligibility criteria
34 for recipients of loans and repayment terms and eligibility
35 criteria for recipients of grants.

38 **Sec. 2. Authorization of bonds to provide for energy conservation**
39 **loans and grants.** The Treasurer of State is authorized, under the
40 direction of the Governor, to issue bonds in the name and behalf
41 of the State in an amount not exceeding \$15,000,000 to raise
42 funds to provide loans and grants to individuals for energy
43 conservation measures as authorized by section 7. The bonds are
44 a pledge of the full faith and credit of the State. The bonds
45 may not run for a period longer than 20 years from the date of
46 the original issue of the bonds. At the discretion of the
47 Treasurer of State, with the approval of the Governor, any
48 issuance of bonds may contain a call feature.

Sec. 3. Records of bonds issued to be kept by the Treasurer of State.

The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, 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 the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Act. Any unencumbered balances remaining at the completion of the project in section 7 lapse to the debt service account established for the retirement of these bonds.

Sec. 5. Interest and debt retirement.

The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

Sec. 6. Disbursement of bond proceeds.

The proceeds of the bonds must be expended as set out in section 7 under the direction and supervision of the Maine State Housing Authority.

Sec. 7. Allocations from General Fund bond issue.

The proceeds of the sale of bonds must be expended as follows.

1993-94

MAINE STATE HOUSING AUTHORITY

**Fuel Conversion and Energy Conservation
Assistance Fund**

All Other

\$15,000,000

These funds are used to create the Fuel Conversion and Energy Conservation Fund that will provide loans and grants to assist people in making cost-effective energy conservation investments that result in reduced average monthly home energy costs for those persons.

Sec. 8. Contingent upon ratification of bond issue.

Sections 1 to 7 do not become effective unless the people of the State have ratified the issuance of bonds as set forth in this Act.

2 **Sec. 9. Appropriation balances at year end.** At the end of each
4 fiscal year, all unencumbered appropriation balances representing
6 state money carry forward. Bond proceeds that have not been
lapse to General Fund debt service.

8 **Sec. 10. Bonds authorized but not issued.** Any bonds authorized
10 but not issued, or for which bond anticipation notes are not
12 issued within 5 years of ratification of this Act, are
14 deauthorized and may not be issued; except that the Legislature
may, within 2 years after the expiration of that 5-year period,
extend the period for issuing any remaining unissued bonds or
bond anticipation notes for an additional amount of time not to
exceed 5 years.

16 **Sec. 11. Referendum for ratification; submission at statewide**
18 **election; form of question; effective date.** This Act must be submitted
20 to the legal voters of the State of Maine at a statewide election
22 held on the Tuesday following the first Monday of November
24 following passage of this Act. The municipal officers 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:

26 "Do you favor a \$15,000,000 bond issue for providing loans
28 or grants to persons to assist them in making cost-effective
30 energy conservation investments that result in reduced
average monthly home energy costs for those persons?"

32 The legal voters of each city, town and plantation shall
34 vote by ballot on this question and designate their choice by a
cross or check mark placed within a corresponding square below
the word "Yes" or "No." The ballots must be received, sorted,
36 counted and declared in open ward, town and plantation meetings
and returns made to the Secretary of State in the same manner as
38 votes for members of the Legislature. The Governor shall review
the returns and, if a majority of the legal votes are cast in
40 favor of the Act, the Governor shall proclaim the result without
42 delay, and the Act becomes effective 30 days after the date of
the proclamation.

44 The Secretary of State shall prepare and furnish to each
46 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 bill establishes a bond for \$15,000,000 for purposes of establishing the Fuel Conversion and Energy Conservation Assistance Fund. The fund would be used to provide loans to assist residential energy consumers in making cost-effective energy conservation investments that result in reduced average monthly home energy costs for those consumers, including investments in 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.

This Act is contingent upon approval by the voters of the State voting in a statewide referendum.