

MAINE STATE LEGISLATURE

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R. 31 S.

L.D. 1672

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ENERGY & NATURAL RESOURCES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1245, L.D. 1672, Bill, "An Act to Provide Assistance to Homeowners Who Have Faulty Septic Systems"

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

Sec. 1. 30-A MRSA §4926, as enacted by PL 1989, c. 48, §§7 and 31, is amended to read:

§4926. Residential Wastewater Discharge Assistance Fund

1. Creation. The Overboard Residential Wastewater Discharge Assistance Fund, referred to in this subchapter as the "fund," is established under the jurisdiction of the Maine State Housing Authority. For the purposes of this subchapter, "authority" means the Maine State Housing Authority.

2. Sources of fund. The following shall must be paid into the fund:

- A. All money appropriated for inclusion in the fund;
B. Subject to any pledge, contract or other obligation, any money which that the authority receives in repayment of loans or advances from the fund;
C. Subject to any pledge, contract or other obligation, all interest, dividends or other income from investment of the fund; and
D. Any other money, including federal money, deposited in the fund to implement this subchapter.

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2 3. **Application of fund.** The authority may apply money in
4 the fund for purposes authorized by this subchapter. Money in
6 the fund not needed currently for purposes of this subchapter may
be deposited with the authority to the credit of the fund or may
be invested in such a manner as is provided by law.

8 4. **Accounts within fund.** The authority may divide the
10 funds into such separate accounts as the authority determines
necessary or convenient for carrying out this subchapter.

12 5. **Revolving fund.** The fund shall--be is a nonlapsing
14 revolving fund. All money in the fund shall must be continuously
applied by the authority to carry out this subchapter.

16 **Sec. 2. 30-A MRSA §4927**, as amended by PL 1991, c. 238, §1,
is further amended to read:

18 **§4927. Maine Residential Wastewater Discharge Assistance Program**

20 The Maine ~~Overboard~~ Residential Wastewater Discharge
22 Assistance Program shall, referred to in this section as the
"program," is established to provide assistance to homeowners
24 whose homes are serviced by substandard or malfunctioning waste
water wastewater treatment systems, including straight pipe
26 discharges, individual overboard discharge systems, subsurface
waste--water wastewater disposal systems, septic tanks, leach
28 fields and cesspools, which--systems that result in direct
discharges of domestic pollutants ~~to the surface waters of the~~
State.

30 1. **Operation.** The authority shall administer the Maine
32 ~~Overboard~~ Residential Wastewater Discharge Assistance Program,
which may be operated in conjunction with other programs of the
34 authority and in cooperation with the Department of Environmental
Protection. Other programs of the authority may be used to
36 supplement or be used in conjunction with the Maine ~~Overboard~~
Residential Wastewater Discharge Assistance Program to achieve
38 the purpose of this subchapter.

40 A. Money in the fund may be used as security for or be
42 applied in payment of principal, interest, fees and other
charges due on loans made or insured under this program.

44 B. Money in the fund may be used as grants to assist
46 homeowners who qualify for grant assistance under this
program.

48 2. **Provisions governing use of money.** The fund shall must
50 be administered subject to this section. Priority shall must be
52 given to homeowners who are or are likely to be in noncompliance
with the state water classification program, Title 38, chapter 3,
subchapter I, article 4-A and who do not have access to adequate

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2 capital or credit to remove, rehabilitate or replace the waste
water wastewater treatment system. For purposes of this
4 subchapter, ~~homeowner~~ "homeowner" includes the owner of a mobile
home or manufactured housing unit and the owner of rental housing.

6 A. The authority, by rules adopted in accordance with the
Maine Administrative Procedure Act, ~~Title 5, Chapter 375,~~
8 shall establish priorities of assistance to homeowners.
These priorities shall must be based on:

- 10 (1) The assets of the homeowner;
- 12 (2) The availability of credit or assistance or income
- 14 from other sources, including financial institutions,
- 16 investments, trust funds and other similar sources;
- 18 (3) The degree of environmental or public health
- hazard;
- 20 (4) The immediacy of the need for assistance; and
- 22 (5) Any other variables considered important by the
- 24 authority.

26 B. Grants, not to exceed \$5,000 per homeowner household,
may be provided to a homeowner if:

- 28 (1) The grant is essential to providing housing to the
- homeowner; and
- 30 (2) The income of the homeowner is insufficient to
- 32 repay any loan or portion of a loan.

34 C. Loans from the fund shall may not exceed \$10,000 per
homeowner household at rates of interest not to exceed 8%
36 per year.

38 D. Loans from the fund may be made for periods of up to 30
years. If a homeowner cannot can not repay a loan in full
40 within the 30-year period, the authority may extend the
42 repayment period if the authority determines that the loan
44 can be repaid during the extension period. The authority
may waive the payment of interest on any loan or portion of
a loan for which the interest payment will be an undue
hardship on a household.

46 E. Money in the fund may be used to reduce interest rates
48 on loans provided by financial institutions located in this
State to homeowners who meet the eligibility requirements of
50 this program.

52 F. The program shall must be directed primarily at

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households without access to adequate capital or credit and
which that meet the eligibility requirements of this program.

G. The program shall must be directed secondarily at
eliminating overboard discharges into shellfish growing
areas designated by the Department of Marine Resources.

3. **Loan insurance.** The authority may insure payments due
under a loan or lease and may pledge money in the fund as
security for such that loan or lease, which may be in addition to
or in lieu of insurance provided under other provisions of this
chapter. Loans or leases shall do not constitute any debt or
liability on the part of the authority or the State, except to
the extent specifically provided by contract executed by the
authority.

4. **Use of loans and grants.** Loans and grants provided in
this subchapter may be used for refinancing mortgages, or for the
payment of interest or a portion of the interest on loans.

5. **Procedures.** The authority may adopt rules in accordance
with the Maine Administrative Procedure Act, ~~Title 5, Chapter~~
375, to implement the program.

6. **Grants and loans unavailable; compliance.** Following a
period of 30 days from the date of application for assistance
under this section, the unavailability of financial assistance
under this section does not relieve an owner of a substandard or
malfunctioning wastewater treatment system of that person's
obligation to comply with the state water classification program,
Title 38, chapter 3, subchapter I, article 4-A or any other
provision of law.

Sec. 3. 30-A MRSA §4928, as enacted by PL 1989, c. 48, §§7
and 31, is amended to read:

§4928. Bonds; issuance; separability of provisions

The authority may issue bonds from time to time to carry out
the purposes of this subchapter. These bonds shall must be
secured in such manner as the authority may by resolution
provide. The bonds shall ~~be~~ are known as ~~overboard~~ residential
wastewater discharge assistance bonds. The authority to issue
the bonds under this subchapter constitutes a complete,
additional and alternative method for the issuance of bonds from
that authority provided in any other subchapter in this chapter.
No limitation or restriction as to the use of proceeds or the
total authorized amount of obligations outstanding stated in this
subchapter may apply to bonds issued under any other subchapter
of this chapter, nor may restrictions or limitations recited in
other subchapters apply to bonds issued under this subchapter.
Sections 4901 to 4907 do not apply to bonds issued under this

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subchapter. All other provisions of this chapter apply to bonds issued under this subchapter.

The authority shall may not have, in the aggregate principal amount outstanding, ~~everbeard~~ residential wastewater discharge assistance bonds in excess of \$10,000,000. In computing the total amount of bonds of the authority ~~which~~ that may at any time be outstanding, the amount of the outstanding bonds refunded or to be refunded from the proceeds of the sale of new bonds or by exchange of new bonds shall must be excluded.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

This bill expands an existing, but unfunded and unimplemented, program of the Maine State Housing Authority. Additional General Fund appropriations or other resources will be required to provide the necessary funding to implement the program. The bill also lacks a provision to fund the administrative costs that will be incurred by the authority.'

STATEMENT OF FACT

This amendment replaces the bill but makes no substantive changes. The amendment adds a fiscal note to the bill and also conforms existing law to current drafting standards.