

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 1138

H.P. 866

House of Representatives, February 22, 2001

**An Act to Enable Low-income and Moderate-income Families to  
Conserve Energy in Their Homes.**

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Reference to the Committee on Business and Economic Development suggested and ordered printed.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative BERRY of Livermore.  
Cosponsored by Senator: GOLDTHWAIT of Hancock.

2 **Preamble.** Two thirds of both Houses of the Legislature  
deeming it necessary in accordance with the Constitution of  
4 Maine, Article IX, Section 14 to authorize the issuance of bonds  
on behalf of the State of Maine to provide funds for the  
6 conservation grant and loan program.

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

10 **PART A**

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

14 **SUBCHAPTER VI-A**

16 **ENERGY CONSERVATION GRANT AND LOAN PROGRAM**

18 **§4841. Energy conservation grant and loan program**

20 **1. Operator of program.** The energy conservation grant and  
loan program, referred to in this section as the "program," is  
22 established under the Maine State Housing Authority, referred to  
in this section as the "authority." The authority shall operate  
24 the program and, in consultation with the Finance Authority of  
Maine, develop guidelines for determining eligibility,  
26 feasibility, terms, conditions and security for the loans and  
grants available under this program.

28 **2. Grants and loans authorized.** The authority may make  
30 grants or loans to finance acquisition and installation of energy  
conservation improvements, identified by certified home energy  
32 audits, in the primary residences of low-income and  
moderate-income households. A homeowner who receives a loan  
34 under the program and sells the home within 2 years of the  
conservation measures being completed shall repay the loan in  
36 full within one year of the sale of the home.

38 **3. Eligibility.** Homeowners and renters may participate in  
the program if they meet the eligibility requirements of this  
40 subsection. A household with an income at or below 100% of the  
poverty level as defined in Title 22, section 5321 is eligible  
42 for a grant of up to \$2,500. A household with an income at or  
below 80% of the median income of the county or metropolitan  
44 statistical area in which the household is located is eligible  
for a low-interest loan of up to \$5,000. To be covered by a  
46 grant or loan, energy conservation improvements must be  
identified by a certified home energy audit as having a payback  
48 period of less than 7 years.

2           **Sec. A-2. Contingent effective date.** This Part takes effect only  
if the bond issue authorized in Part B is approved by the voters.

4  
6  
**PART B**

8           **Sec. B-1. Authorization of bonds to provide for the energy**  
**conservation grant and loan program.** The Treasurer of State is  
10 authorized, under the direction of the Governor, to issue bonds  
in the name and on behalf of the State in an amount not exceeding  
12 \$8,000,000 to raise funds for the conservation grant and loan  
program as authorized by section 6 of this Part. The bonds are a  
14 pledge of the full faith and credit of the State. The bonds may  
not run for a period longer than 10 years from the date of the  
16 original issue of the bonds. At the discretion of the Treasurer  
of State, with the approval of the Governor, any issuance of  
bonds may contain a call feature.

18  
20           **Sec. B-2. Records of bonds issued to be kept by the Treasurer of**  
**State.** The Treasurer of State shall keep an account of each bond  
22 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.

24  
26           **Sec. B-3. Sale; how negotiated; proceeds appropriated.** The  
Treasurer of State may negotiate the sale of the bonds by  
28 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  
30 by the Treasurer of State upon warrants drawn by the State  
Controller, are appropriated solely for the purposes set forth in  
32 this Part. Any unencumbered balances remaining at the completion  
of the project in section 6 of this Part lapse to the debt  
34 service account established for the retirement of these bonds.

36           **Sec. B-4. Interest and debt retirement.** The Treasurer of State  
shall pay interest due or accruing on any bonds issued under this  
38 Part and all sums coming due for payment of bonds at maturity.

40           **Sec. B-5. Disbursement of bond proceeds.** The proceeds of the  
bonds must be expended as set out in section 6 of this Part under  
42 the direction and supervision of the Maine State Housing  
Authority.

44  
46           **Sec. B-6. Allocations from General Fund bond issue; conservation**  
**grant and loan program.** The proceeds of the sale of the bonds  
48 must be expended to finance acquisition and installation of  
energy conservation

2 improvements identified by certified home energy audits in the  
primary residences of low-income and moderate-income households.

4 **Sec. B-7. Contingent upon ratification of bond issue.** Sections 1  
to 6 of this Part do not become effective unless the people of  
6 the State have ratified the issuance of the bonds as set forth in  
this Part.

8  
10 **Sec. B-8. Appropriation balances at year-end.** At the end of each  
fiscal year, all unencumbered appropriation balances representing  
state money carry forward. Bond proceeds that have not been  
12 expended within 10 years after the date of the sale of the bonds  
lapse to General Fund debt service.

14  
16 **Sec. B-9. Bonds authorized but not issued.** Any bonds authorized  
but not issued, or for which bond anticipation notes are not  
issued within 5 years of ratification of this Part, are  
18 deauthorized and may not be issued; except that the Legislature  
may, within 2 years after the expiration of that 5-year period,  
20 extend the period for issuing any remaining unissued bonds or  
bond anticipation notes for an additional amount of time not to  
22 exceed 5 years.

24 **Sec. B-10. Referendum for ratification; submission at statewide  
election; form of question; effective date.** This Part must be submitted  
26 to the legal voters of the State of Maine at a statewide election  
held on the Tuesday following the first Monday of November  
28 following passage of this Part. The municipal officers of this  
State shall notify the inhabitants of their respective cities,  
30 towns and plantations to meet, in the manner prescribed by law  
for holding a statewide election, to vote on the acceptance or  
32 rejection of this Part by voting on the following question:

34 "Do you favor an \$8,000,000 bond issue for an energy  
conservation grant and loan program to provide low-income  
36 and moderate-income households with financial assistance to  
acquire and install energy conservation measures?"

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

2           The Secretary of State shall prepare and furnish to each  
3           city, town and plantation all ballots, returns and copies of this  
4           Part necessary to carry out the purpose of this referendum.

6

### 8                                   **SUMMARY**

9           This bill establishes an energy conservation grant and loan  
10           program for low-income and moderate-income households to purchase  
11           and install energy conservation measures. The Maine State  
12           Housing Authority will operate the program in consultation with  
13           the Finance Authority of Maine. The program will be funded by an  
14           \$8,000,000 bond issue. The law creating the program takes effect  
15           upon voter approval of the referendum required under Part B of  
16           this bill.