

MAINE STATE LEGISLATURE

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DATE: June 18, 2001

(Filing No. S-354)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reported by: **REPORT A**

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**STATE OF MAINE
SENATE
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 506, L.D. 1593, Bill, "An Act to Authorize a General Fund Bond Issue in the Amount of \$20,000,000 to Address the Affordable Housing Crisis in the State"

Amend the bill by striking out the title and substituting the following:

'An Act to Authorize a General Fund Bond Issue in the Amount of \$15,000,000 to Address the Affordable Housing Crisis in the State'

Further amend the bill by inserting before section 1 the following:

PART A

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

SUBCHAPTER XII-A

ENERGY CONSERVATION

§4981. Energy Conservation Revolving Loan Fund

1. Fund established. The Energy Conservation Revolving Loan Fund, referred to in this section as the "fund," is established as a nonlapsing fund administered by the Maine State Housing Authority, referred to in this section as the "authority." The fund consists of loan repayments of principal and interest made by eligible applicants to the fund and other

money available to the fund including eligible investment earnings from fund assets. The fund must be held separate from all other money, funds and accounts, and all eligible investment earnings from fund assets must be credited to the fund.

2. Fund purposes. The authority shall administer the fund to provide direct loans or grants for all or part of certain energy conservation projects on an annual basis. The authority shall identify energy conservation improvements that offer low-income households the highest paybacks.

3. Application process. The authority with assistance from the Finance Authority of Maine shall adopt rules establishing an application process for energy conservation improvement grants and low-interest energy conservation loans.

4. Rules. The authority shall adopt rules necessary to administer the fund. Rules adopted pursuant to this section are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

5. Report. The authority shall submit to the joint standing committee of the Legislature having jurisdiction over business and economic development matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs an update on the fund by January 1, 2003 and every year thereafter.

Sec. A-2. Application; contingent on bond issue. This Part takes effect only if a \$5,000,000 general revenue bond issue for low-interest loans or grants for energy conservation improvements for low-income citizens is approved by the voters of this State.

Sec. A-3. Effective date. This Part takes effect upon approval of the referendum in Part B of this Act.

PART B

Further amend the bill in section 1 in the 4th line (page 1, line 12 in L.D.) by striking out the following: "\$20,000,000" and inserting in its place the following: '\$15,000,000'

Further amend the bill by striking out all of section 6 and inserting in its place the following:

Sec. 6. Allocations from General Fund bond issue; affordable housing. The proceeds of the sale of the bonds must be expended as designated in the following schedule.

MAINE STATE HOUSING AUTHORITY

\$10,000,000

2 To address the affordable housing crisis
4 across the State by renovating or replacing
6 affordable apartments and homes, by
8 providing housing for people who are
10 homeless, by reducing the costs of acquiring
12 land for the development of new affordable
housing, by providing predevelopment costs
to nonprofit housing organizations and by
providing housing for mental health services
consumers.

14 MAINE STATE HOUSING AUTHORITY

\$2,000,000

16 To provide housing for victims of domestic
18 violence.

20 MAINE STATE HOUSING AUTHORITY

\$3,000,000

22 To provide low-interest loans or grants for
24 energy conservation improvements for
low-income citizens.'

26 Further amend the bill in section 10 by striking out all of
the question (page 2, lines 38 and 39 in L.D.) and inserting in
its place the following:

28 ' "Do you favor a \$15,000,000 bond issue to provide:

30 1. The sum of \$10,000,000 to address the affordable housing
32 crisis across the State;

34 2. The sum of \$2,000,000 to provide housing for victims of
36 domestic violence; and

38 3. The sum of \$3,000,000 to provide low-interest loans or
40 grants for energy conservation improvements for low-income
citizens?" '

42 Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
consecutively.

44 Further amend the bill by inserting at the end before the
46 summary the following:

48

FISCAL NOTE

The estimated cost of sending this bond issue out to referendum will vary according to the total number of referenda enacted during the First Regular Session of the 120th Legislature to be submitted to the voters in November. The estimated cost to the Secretary of State if one to 6 referenda are enacted is \$121,392. Each additional referendum costs an additional \$8,000.

If approved by the voters, the total cost of this bond issue is estimated to be \$19,611,750 with principal payments of \$15,000,000 and interest payments of approximately \$4,611,750.

The additional costs associated with administering the funds received via this bond issue can be absorbed by the Maine State Housing Authority utilizing existing budgeted resources.'

SUMMARY

This amendment is the majority report. It creates the Energy Conservation Revolving Loan Fund. It decreases the bond issue amount from \$20,000,000 to \$15,000,000. The funds provided by this bond issue, in the amount of \$15,000,000, will be used by the Maine State Housing Authority:

1. To address the affordable housing crisis across the State;
2. To provide housing for victims of domestic violence; and
3. To provide low-interest loans or grants for energy conservation improvements for low-income citizens.