

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

---

Legislative Document

No. 115

H.P. 123

House of Representatives, January 21, 2003

**An Act to Authorize a General Fund Bond Issue to Enable Low-income and Moderate-income Families to Conserve Energy in Their Homes**

---

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative BLISS of South Portland.  
Cosponsored by Representatives: BARSTOW of Gorham, CLARK of Millinocket, CUMMINGS of Portland, EDER of Portland, McLAUGHLIN of Cape Elizabeth, THOMPSON of China, Senators: HALL of Lincoln, STRIMLING of Cumberland.

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 as described in  
this Act,

6  
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. 6-A** is enacted to read:

14   **SUBCHAPTER 6-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 subchapter as the "program," is  
22           established under the Maine State Housing Authority, referred to  
in this subchapter as the "authority." The authority shall  
24           operate the program and, in consultation with the Finance  
Authority of Maine, develop guidelines for determining  
26           eligibility, feasibility, terms, conditions and security for the  
loans and grants available under the program.

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

36           **3. Eligibility.** Homeowners and renters may participate in  
the program if they meet the eligibility requirements of this  
38           subsection. A household with an income at or below 100% of the  
poverty level as defined in Title 22, section 5321 is eligible  
40           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  
42           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  
44           grant or loan, energy conservation improvements must be  
identified by a certified home energy audit as having a payback  
46           period of less than 7 years.

2           **Sec. A-2. Effective date.** This Part takes effect upon  
ratification by the voters of the referendum as provided in Part  
B of this Act.

## 6   PART B

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

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

24           **Sec. B-3. Sale; how negotiated; proceeds appropriated.** The  
Treasurer of State may negotiate the sale of the bonds by  
26 direction of the Governor, but no bond may be loaned, pledged or  
hypothecated on behalf of the State. The proceeds of the sale of  
28 the bonds, which must be held by the Treasurer of State and paid  
by the Treasurer of State upon warrants drawn by the State  
30 Controller, are appropriated solely for the purposes set forth in  
this Part. Any unencumbered balances remaining at the completion  
32 of the project in this Part lapse to the debt service account  
established for the retirement of these bonds.

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

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

42           **Sec. B-6. Allocations from General Fund bond issue.** The proceeds  
of the sale of the bonds must be expended to finance acquisition  
44 and installation of energy conservation improvements identified  
46 by certified home energy audits in the primary residences of  
low-income and moderate-income households.

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

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

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

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

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

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

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

## 6 SUMMARY

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