

MAINE STATE LEGISLATURE

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JMG
ROES

L.D. 1468

Date: 6/17/2013

(Filing No. S-301)

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STATE OF MAINE
SENATE
126TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to S.P. 542, L.D. 1468, Bill, "An Act To Establish the High-efficiency Biomass Pellet Boiler Rebate Program and the Home Heating Conversion Fund"

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

'An Act To Authorize a General Fund Bond Issue To Establish the High-efficiency Biomass Boiler Rebate Program and the Home Heating Conversion Fund'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

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 as described in this Act,

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

PART A

Sec. A-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$10,000,000 for the purposes described in section 5 of this Part. The bonds are a 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 original issue of the bonds.

Sec. A-2. Records of bonds issued; Treasurer of State. The Treasurer of State shall ensure that an account of each bond is kept 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. A-3. 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

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1 forth in this Part. Any unencumbered balances remaining at the completion of the project
2 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of
3 general obligation bonds.

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

7 **Sec. A-5. Disbursement of bond proceeds from General Fund bond issue.**
8 The proceeds of the sale of the bonds authorized under this Part must be expended as
9 designated in the following schedule under the direction and supervision of the agencies
10 and entities set forth in this section.

11 **EFFICIENCY MAINE TRUST**

12 Provides funds to the Efficiency Maine Trust to be used to provide rebates through
13 the Home Heating Conversion Fund for an owner or occupant of a building who
14 installs a high-efficiency, biomass central heating system or boiler.

15 Total \$10,000,000

16 **Sec. A-6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not
17 become effective unless the people of the State ratify the issuance of the bonds as set
18 forth in this Part.

19 **Sec. A-7. Appropriation balances at year-end.** At the end of each fiscal year,
20 all unencumbered appropriation balances representing state money carry forward. Bond
21 proceeds that have not been expended within 10 years after the date of the sale of the
22 bonds lapse to the Office of the Treasurer of State to be used for the retirement of general
23 obligation bonds.

24 **Sec. A-8. Bonds authorized but not issued.** Any bonds authorized but not
25 issued within 5 years of ratification of this Part are deauthorized and may not be issued,
26 except that the Legislature may, within 2 years after the expiration of that 5-year period,
27 extend the period for issuing any remaining unissued bonds for an additional amount of
28 time not to exceed 5 years.

29 **Sec. A-9. Referendum for ratification; submission at election; form of**
30 **question; effective date.** This Part must be submitted to the legal voters of the State at
31 a statewide election held in the month of November following passage of this Act. The
32 municipal officers of this State shall notify the inhabitants of their respective cities, towns
33 and plantations to meet, in the manner prescribed by law for holding a statewide election,
34 to vote on the acceptance or rejection of this Part by voting on the following question:

35 "Do you favor a \$10,000,000 bond issue to provide funds to the
36 Efficiency Maine Trust to be used to provide rebates for installation of
37 high-efficiency, biomass central heating systems or boilers?"

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

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

PART B

12
13 **Sec. B-1. 35-A MRSA §10123** is enacted to read:

14 **§10123. High-efficiency Biomass Boiler Rebate Program**

15 **1. High-efficiency Biomass Boiler Rebate Program established.** The High-
16 efficiency Biomass Boiler Rebate Program, referred to in this section as "the program"
17 and administered by the trust, is established.

18 **2. Program eligibility.** On or after the effective date of this section, an owner or
19 occupant of a building who installs a high-efficiency, biomass central heating system or
20 boiler is eligible to participate in the program. The trust shall develop an application form
21 and process to determine program eligibility. For the purposes of this subsection, "high-
22 efficiency" means having an efficiency rating of 80% or higher.

23 **3. Program benefits.** A program participant may receive one rebate per building for
24 a central heating system or boiler under subsection 2 in the amount of 30% of the cost of
25 the central heating system or boiler or \$6,000, whichever is less. The trust shall disburse
26 rebates under this subsection from the Home Heating Conversion Fund under subsection
27 4.

28 **4. Home Heating Conversion Fund.** The Home Heating Conversion Fund, referred
29 to in this subsection as "the fund" and administered by the trust, is established. The
30 purpose of the fund is to carry out the program. The trust may receive and deposit in the
31 fund funds from any General Fund obligation bonds issued for the purposes of this
32 subsection and any appropriations or allocations, gifts, grants or donations to the fund.
33 The trust may invest proceeds of the fund in an interest-bearing account. Any interest
34 earned on funds in the fund must be credited to the fund, and funds not spent in any fiscal
35 year do not lapse but carry over to the next fiscal year. Expenses for administration of the
36 fund are paid for from the fund and up to 10% of the proceeds in the fund may be used
37 for expenses incurred in administering the program.

38 Fund proceeds that have not been expended by August 1, 2023 must be used for the
39 retirement of any General Fund obligation bonds issued to fund the fund with any
40 remaining balance lapsing to the Office of the Treasurer of State for the retirement of
41 general obligation bonds.

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Sec. B-2. Contingent effective date. This Part takes effect only if the General Fund bond issue proposed in Part A is approved by the voters of the State.'

SUMMARY

This amendment replaces the bill. This amendment authorizes a General Fund bond issue to fund the High-efficiency Biomass Boiler Rebate Program. The funds provided by this bond issue, in the amount of \$10,000,000, will be used to provide rebates through the Home Heating Conversion Fund for an owner or occupant of a building who installs a high-efficiency, biomass central heating system or boiler.

FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY: _____

(Senator JACKSON, T.)

COUNTY: Aroostook



126th MAINE LEGISLATURE

LD 1468

LR 1219(04)

An Act To Establish the High-efficiency Biomass Pellet Boiler Rebate Program and the Home Heating Conversion Fund

Fiscal Note for Senate Amendment "A" to Original Bill

Sponsor: Sen. Jackson of Aroostook

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund

Bond Issues	Term (years)	Principal	Rate (%)	Interest	Total Cost
General Fund - Taxable	10	\$10,000,000	4.5%	\$2,475,000	\$12,475,000

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-13	General	Bond Issue	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.

Fiscal Detail and Notes

This amendment replaces the bill with a \$10,000,000 General Fund general obligation bond to provide funding for the new High-efficiency Biomass Pellet Boiler Rebate Program to be administered by the Efficiency Maine Trust.