

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1468

S.P. 542

In Senate, April 30, 2013

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

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator JACKSON of Aroostook.
Cosponsored by Representative HOBBS of Saco and
Senators: BOYLE of Cumberland, SAVIELLO of Franklin, Representatives: CROCKETT of
Bethel, DILL of Old Town, FREDETTE of Newport, HARVELL of Farmington, McCABE of
Skowhegan, WILLETTE of Mapleton.

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

2 **Sec. 1. 12 MRSA §1848, sub-§1**, as enacted by PL 1997, c. 678, §13 and
3 amended by PL 2011, c. 657, Pt. W, §7, is further amended to read:

4 **1. Sale of resources.** The division may sell severed timber and other products,
5 including, but not limited to, wood and timber necessary for use in the operation of a
6 mine, severed grass and other wild foods, maple sap and syrup, crops, timber sustainably
7 harvested and sold to fund certain bond payments as required by law and sand and gravel
8 for use in the construction of public roads or for any other purpose the director considers
9 consistent with the purposes of this subchapter.

10 **Sec. 2. 12 MRSA §1849, sub-§1**, as amended by PL 2011, c. 655, Pt. KK, §11
11 and affected by §34 and amended by c. 657, Pt. W, §7, is further amended to read:

12 **1. Revenue sources.** Except as provided in paragraph A or to fund certain bond
13 payments as required by law, the division must receive all money, securities and other
14 things of value accruing to the State: from the sale of timber and grass and other rights
15 and things of value from the public reserved lands under the care, custody, control or
16 management of the division; in payment for timber, grass and other things of value cut or
17 taken by trespassers; from forfeiture of a bond or a deposit when a contractor does not
18 fulfill the terms of the contract or comply with state regulations; or as a result of a
19 compromise or settlement of any claim.

20 A. The first \$20,000 in the aggregate of any money accruing from the alienation of
21 rights to mine upon public reserved land, or other income arising out of mining
22 operations, that is actually received during any fiscal year, and every portion thereof
23 accruing from these mining operations, must be paid to the Bureau of Geology,
24 Natural Areas and Coastal Resources.

25 **Sec. 3. 35-A MRSA §10123** is enacted to read:

26 **§10123. High-efficiency Biomass Pellet Boiler Rebate Program**

27 **1. High-efficiency Biomass Pellet Boiler Rebate Program established.** The High-
28 efficiency Biomass Pellet Boiler Rebate Program, referred to in this section as "the
29 program" and administered by the trust, is established.

30 **2. Program eligibility.** On or after the effective date of this section, an owner or
31 occupant of a building who installs a high-efficiency, bulk-fuel-fed, wood pellet central
32 heating system or boiler that has a fuel storage capacity of 3 tons or greater either as an
33 initial heating source or to replace an outdoor wood boiler that does not meet air quality
34 standards as established by the federal Environmental Protection Agency is eligible to
35 participate in the program. The trust shall develop an application form and process to
36 determine program eligibility. For the purposes of this subsection, "high-efficiency"
37 means having an efficiency rating of 80% or higher.

38 **3. Program benefits.** A program participant may receive one rebate per building for
39 a central heating system or boiler under subsection 2 in the amount of 30% of the cost of

1 the central heating system or boiler or \$6,000, whichever is less. The trust shall disburse
2 rebates under this subsection from the Home Heating Conversion Fund under subsection
3 4.

4 **4. Home Heating Conversion Fund.** The Home Heating Conversion Fund, referred
5 to in this subsection as "the fund" and administered by the trust, is established. The
6 purpose of the fund is to carry out the program. The trust may receive and deposit in the
7 fund funds from any revenue bonds issued for the purposes of this subsection and any
8 appropriations or allocations, gifts, grants or donations to the fund. The trust may invest
9 proceeds of the fund in an interest-bearing account. Any interest earned on funds in the
10 fund must be credited to the fund, and funds not spent in any fiscal year do not lapse but
11 carry over to the next fiscal year. Expenses for administration of the fund are paid for
12 from the fund and all other expenditures from the fund are made as follows:

13 A. Up to 10% of the proceeds in the fund may be used for expenses incurred in
14 administering the program;

15 B. Five percent of the proceeds in the fund must be used to replace outdoor wood
16 boilers that do not meet air quality standards as determined by the Department of
17 Environmental Protection;

18 C. Up to \$25,000 must be used to conduct a one-year review and a 5-year review of
19 the program. The reviews must be conducted by an appropriate 3rd party; and

20 D. The balance in the fund remaining after the expenditures under paragraphs A, B
21 and C must be used to fund the program.

22 Fund proceeds that have not been expended by August 1, 2023 must be used for the
23 retirement of any revenue bonds issued to fund the fund with any remaining balance
24 lapsing to the Office of the Treasurer of State for the retirement of general obligation
25 bonds.

26 **Sec. 4. Efficiency Maine Trust to issue revenue bonds.** In accordance with
27 the Maine Revised Statutes, Title 35-A, section 10105, subsection 2, the Efficiency
28 Maine Trust may issue up to \$20,000,000 in revenue bonds to fund the Home Heating
29 Conversion Fund under Title 35-A, section 10123, subsection 4. Bonds issued pursuant
30 to this section, including any notes or other evidences of indebtedness or obligations
31 designated as bonds issued pursuant to this section, may not be deemed to be a debt of the
32 State or a pledge of the full faith and credit of the State and must be paid exclusively from
33 funds provided from the sale of sustainably harvested timber from public reserved lands
34 pursuant to Title 12, chapter 220, subchapter 4. All bonds issued pursuant to this section
35 must have a statement on their face that the State is not obligated to pay the bonds or the
36 interest on the bonds and that the full faith and credit of the State is not pledged to the
37 payment of the principal of or interest or premium on the bonds.

38 **Sec. 5. Commissioner of Agriculture, Conservation and Forestry to**
39 **sustainably harvest timber from public reserved lands.** Pursuant to the Maine
40 Revised Statutes, Title 12, section 1848, subsection 1, the Commissioner of Agriculture,
41 Conservation and Forestry shall sustainably harvest timber from public reserved lands the
42 sale of which results in adequate revenue to fulfill the obligations under revenue bonds
43 issued by the Efficiency Maine Trust to fund the Home Heating Conversion Fund, under

1 Title 35-A, section 10123, subsection 4, pursuant to this Act and shall pay any revenue
2 bond obligations when due.

3

SUMMARY

4 This bill establishes the High-efficiency Biomass Pellet Boiler Rebate Program,
5 administered by the Efficiency Maine Trust, to give rebates to owners or occupants of
6 buildings who install high-efficiency wood pellet boilers or heating systems in the
7 buildings. The rebates are paid from the Home Heating Conversion Fund, administered
8 by the Efficiency Maine Trust, which also provides funds to replace outdoor wood boilers
9 that do not meet air quality standards as determined by the Department of Environmental
10 Protection. The Home Heating Conversion Fund is funded by \$20,000,000 in revenue
11 bonds issued by the Efficiency Maine Trust and paid for by the sale of sustainably
12 harvested timber from public reserved lands.