

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 1341

S.P. 487

In Senate, April 16, 2015

**An Act To Authorize a General Fund Bond Issue To Improve
Maine's Housing Stock and Reduce Heating Costs and Oil
Consumption**

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator HILL of York.
Cosponsored by Representative DION of Portland and
Senators: VALENTINO of York, WOODSOME of York.

1 **Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in
2 accordance with the Constitution of Maine, Article IX, Section 14 to authorize the
3 issuance of bonds on behalf of the State of Maine to provide funds as described in this
4 Act,

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

6 **Sec. 1. Authorization of bonds.** The Treasurer of State is authorized, under the
7 direction of the Governor, to issue bonds in the name and on behalf of the State in an
8 amount not exceeding \$30,000,000 for the purposes described in section 5 of this Act.
9 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for
10 a period longer than 10 years from the date of the original issue of the bonds.

11 **Sec. 2. Records of bonds issued; Treasurer of State.** The Treasurer of State
12 shall ensure that an account of each bond is kept showing the number of the bond, the
13 name of the successful bidder to whom sold, the amount received for the bond, the date of
14 sale and the date when payable.

15 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State
16 may negotiate the sale of the bonds by direction of the Governor, but no bond may be
17 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the
18 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State
19 upon warrants drawn by the State Controller, are appropriated solely for the purposes set
20 forth in this Act. Any unencumbered balances remaining at the completion of the project
21 in this Act lapse to the Office of the Treasurer of State to be used for the retirement of
22 general obligation bonds.

23 **Sec. 4. Interest and debt retirement.** The Treasurer of State shall pay interest
24 due or accruing on any bonds issued under this Act and all sums coming due for payment
25 of bonds at maturity.

26 **Sec. 5. Disbursement of bond proceeds from General Fund bond issue.**
27 The proceeds of the sale of the bonds authorized under this Act must be expended as
28 designated in the following schedule under the direction and supervision of the agencies
29 and entities set forth in this section.

30 **EFFICIENCY MAINE TRUST**

31 Provides funds to rehabilitate and modernize the State's multifamily housing and
32 market rate single-family housing stock through improvements in weatherization and
33 energy efficiency of building envelopes and heating equipment. The Efficiency
34 Maine Trust shall provide funding for projects that lower residential heating demand
35 and are fuel-neutral and may include, but are not limited to, energy efficiency
36 improvements to residential buildings and upgrades to efficient heating systems as
37 determined by the Efficiency Maine Trust Board. Funds must be awarded to residents
38 of the State or entities based in the State to leverage private funds on at least a 2-to-1
39 basis and may be spent over a period of no more than 4 years.

1 Total \$23,000,000

2

3 **MAINE STATE HOUSING**
4 **AUTHORITY**

5 Provides funds to rehabilitate and modernize the State's low-income housing stock
6 with up to 4 housing units through improvements in weatherization and energy
7 efficiency of building envelopes and heating equipment. The Maine State Housing
8 Authority may not provide funding for fuel-switching except to achieve an overall
9 reduction of energy demand and increases in efficiency. Funds may be spent over a
10 period of no more than 3 years.

11

12 Total \$7,000,000

13 **Sec. 6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not
14 become effective unless the people of the State ratify the issuance of the bonds as set
15 forth in this Act.

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

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

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

32 "Do you favor a \$30,000,000 bond issue to provide \$23,000,000 in funds
33 to leverage private funds on at least a 2-to-1 basis to modernize the
34 State's market rate housing stock through improvements in
35 weatherization and energy efficiency of building envelopes and heating
36 equipment and to provide \$7,000,000 in funds to rehabilitate and
37 modernize the State's low-income housing stock with up to 4 housing
38 units through improvements in weatherization and energy efficiency of
39 building envelopes and heating equipment?"

