

# MAINE STATE LEGISLATURE

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# 131st MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2023

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Legislative Document

No. 1553

S.P. 617

In Senate, April 10, 2023

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**An Act to Mitigate So-called Forever Chemicals in Decommissioned  
Schools by Establishing a Fund for Mitigation Projects**

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Reference to the Committee on State and Local Government 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 BRAKEY of Androscoggin.

Cosponsored by Senator: BENNETT of Oxford, Representatives: LEE of Auburn, LIBBY of Auburn, SHAW of Auburn.

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

2 **Sec. 1. 30-A MRSA §6006-I** is enacted to read:

3 **§6006-I. Decommissioned Schools Contamination Mitigation Fund**

4 **1. Fund established.** The Decommissioned Schools Contamination Mitigation Fund,  
5 referred to in this section as "the fund," is established in the custody of the bank.

6 **2. Administration.** The bank shall administer and invest the fund. The fund must be  
7 established and held separate and apart from any other funds or money of the State or the  
8 bank and must be used and administered exclusively for the purposes authorized in this  
9 section. The fund consists of:

10 A. Sums that may be appropriated by the Legislature or transferred to the fund by the  
11 Treasurer of State;

12 B. Principal and interest received from the repayment of loans made from the fund;

13 C. Capitalization grants and awards made to the State or an instrumentality of the State  
14 by the United States for any of the purposes for which the fund has been established.  
15 These amounts may be paid directly into the fund without appropriation by the State  
16 and the bank is designated as the recipient for the State of any such funds;

17 D. Interest earned from the investment of fund balances;

18 E. The proceeds of any bonds or notes issued by the State or the bank sold for the  
19 purpose of deposit in the fund;

20 F. Funds from school construction audit recoveries; and

21 G. Other funds and gifts in kind or cash from any public or private source received for  
22 use for any of the purposes for which the fund has been established and that the bank  
23 and the Department of Education may solicit from any 3rd parties such as foundations  
24 or corporations, including the use of tax credits as available to support activities  
25 authorized for the fund pursuant to subsection 3.

26 **3. Purposes.** The fund may be used:

27 A. To make loans to school administrative units for mitigating the contamination of  
28 decommissioned school buildings and land by polychlorinated biphenyl compounds  
29 and contaminants listed in the federal Toxic Substances Control Act, 15 United States  
30 Code, Chapter 53;

31 B. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued  
32 or to be issued by a school administrative unit for the purpose of financing mitigation  
33 projects authorized under paragraph A;

34 C. To guarantee or insure, directly or indirectly, funds established by a school  
35 administrative unit for the purpose of financing mitigation projects authorized under  
36 paragraph A;

37 D. To deposit with a lending institution or with a trustee bank available fund balances  
38 to offset loan balances for school administrative units undertaking mitigation projects  
39 authorized by paragraph A;

1 E. To invest available fund balances and credit the net interest income on those  
2 balances to the fund;

3 F. To invest as a source of revenue or security for the payment of principal and interest  
4 on general or special obligations of the bank if the proceeds of the sale of the  
5 obligations have been deposited in the fund, or if the proceeds of the sale of the  
6 obligations are used for mitigation projects authorized in paragraph A, or as a source  
7 of revenue to subsidize the school administrative unit loan payment obligations; and

8 G. To pay the costs of the bank and the Department of Education associated with the  
9 administration of the fund and projects financed by the fund, except that no more than  
10 the lesser of 2% of the aggregate of the highest fund balances in any fiscal year and 4%  
11 of the combined value of any capitalization grants provided by the United States for  
12 deposit in the fund may be used for these purposes. The Commissioner of Education is  
13 authorized to receive revenue from the fund administered by the bank. Funds provided  
14 to the Department of Education from the fund must be deposited in a nonlapsing  
15 dedicated account to be used to carry out the purposes of this section.

16 **4. Priorities.** Periodically, and at least annually, the Department of Education shall  
17 prepare and certify to the bank a mitigation project priority list of those school  
18 administrative units whose mitigation projects are eligible for loans under this section. In  
19 establishing the priority list, the department shall grant special consideration to mitigation  
20 projects that include urgent health and safety needs. The department shall submit with the  
21 list the factors considered when determining the priorities.

22 **5. Eligibility terms.** The bank and the Department of Education shall develop by rule  
23 the terms of repayment of loans. A loan made pursuant to this section may not carry an  
24 interest rate higher than 0%. A loan may be made only if a mitigation project is certified  
25 by the Department of Education as eligible for financing under this section and is on the  
26 priority list prepared under subsection 4. The repayment period may vary depending upon  
27 the financial condition of a school administrative unit as identified by the Department of  
28 Education.

29 **6. Forgiveness of principal payments.** The fund must provide direct grants by  
30 forgiving the principal payments of a loan for an eligible school administrative unit. The  
31 amount of the forgiveness of principal payments must be determined by the school  
32 administrative unit's state share percentage as determined in Title 20-A, section 15672,  
33 subsection 31, not to exceed 70% and not less than 30%.

34 **7. Establishment of accounts.** The bank may establish accounts and subaccounts  
35 within the fund as it determines desirable to effectuate the purposes of this section,  
36 including, but not limited to, accounts to segregate a portion or portions of the fund as  
37 security for bonds issued by the bank for deposit in the fund and to be invested for the  
38 benefit of specified mitigation projects receiving financial assistance from the fund.

39 **8. Rules.** The Department of Education and the bank shall adopt rules necessary to  
40 implement this section. Rules adopted by the Department of Education and the bank to  
41 implement this section are major substantive rules pursuant to Title 5, chapter 375,  
42 subchapter 2-A.

**SUMMARY**

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This bill creates the Decommissioned Schools Contamination Mitigation Fund under the custody of the Maine Municipal Bond Bank for the purpose of providing financing to school administrative units for mitigating the contamination of decommissioned school buildings and land by polychlorinated biphenyl compounds and contaminants listed in the federal Toxic Substances Control Act, 15 United States Code, Chapter 53.