

# **129th MAINE LEGISLATURE**

# FIRST REGULAR SESSION-2019

Legislative Document

S.P. 339

In Senate, March 7, 2019

No. 1119

An Act To Authorize a General Fund Bond Issue To Support Investments in Energy Efficiency and Renewable Energy in Municipalities and School Administrative Units

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

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DAREK M. GRANT Secretary of the Senate

Presented by Senator LUCHINI of Hancock. Cosponsored by Representative HUBBELL of Bar Harbor and Senators: BLACK of Franklin, DAVIS of Piscataquis, DOW of Lincoln, President JACKSON of Aroostook, SANBORN, L. of Cumberland, Representatives: GATTINE of Westbrook, JORGENSEN of Portland, PIERCE of Falmouth. **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,

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

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## 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.

12 Sec. A-2. Records of bonds issued; Treasurer of State. The Treasurer of 13 State shall ensure that an account of each bond is kept showing the number of the bond, 14 the name of the successful bidder to whom sold, the amount received for the bond, the 15 date of sale and the date when payable.

Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of 16 State may negotiate the sale of the bonds by direction of the Governor, but no bond may 17 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 18 19 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 20 forth in this Part. Any unencumbered balances remaining at the completion of the project 21 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of 22 23 general obligation bonds.

24 Sec. A-4. Interest and debt retirement. The Treasurer of State shall pay 25 interest due or accruing on any bonds issued under this Part and all sums coming due for 26 payment of bonds at maturity.

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

### 31 **EFFICIENCY MAINE TRUST**

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Provides funds to purchase solar arrays, high-efficiency ductless heat pumps and
 high-efficiency modern wood heating systems for buildings and property owned by
 municipalities and school administrative units.

36 Total

\$10,000,000

1 Sec. A-6. Contingent upon ratification of bond issue. Sections 1 to 5 do not 2 become effective unless the people of the State ratify the issuance of the bonds as set 3 forth in this Part.

4 Sec. A-7. Appropriation balances at year-end. At the end of each fiscal year, 5 all unencumbered appropriation balances representing state money carry forward. Bond 6 proceeds that have not been expended within 10 years after the date of the sale of the 7 bonds lapse to the Office of the Treasurer of State to be used for the retirement of general 8 obligation bonds.

9 Sec. A-8. Bonds authorized but not issued. Any bonds authorized but not 10 issued within 5 years of ratification of this Part are deauthorized and may not be issued, 11 except that the Legislature may, within 2 years after the expiration of that 5-year period, 12 extend the period for issuing any remaining unissued bonds for an additional amount of 13 time not to exceed 5 years.

14 Sec. A-9. Referendum for ratification; submission at election; form of 15 question; effective date. This Part must be submitted to the legal voters of the State at 16 a statewide election held in the month of November following passage of this Act. The 17 municipal officers of this State shall notify the inhabitants of their respective cities, towns 18 and plantations to meet, in the manner prescribed by law for holding a statewide election, 19 to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$10,000,000 bond issue to purchase solar arrays, highefficiency ductless heat pumps and high-efficiency modern wood heating
systems for buildings and property owned by municipalities and school
administrative units?"

24 The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square 25 below the word "Yes" or "No." The ballots must be received, sorted, counted and 26 declared in open ward, town and plantation meetings and returns made to the Secretary of 27 State in the same manner as votes for members of the Legislature. The Governor shall 28 review the returns. If a majority of the legal votes are cast in favor of this Part, the 29 Governor shall proclaim the result without delay and this Part becomes effective 30 days 30 after the date of the proclamation. 31

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

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PART B

**Sec. B-1. Bond funding.** The Efficiency Maine Trust shall use funds provided pursuant to the General Fund bond issue authorized under Part A to make grants to municipalities, or municipally authorized citizen committees acting on a municipality's behalf, and school administrative units to support investment in energy efficiency and renewable energy infrastructure through the Municipal Energy Efficiency and Renewable Energy Program established under the Maine Revised Statutes, Title 35-A, section 10124.

1 2	<b>Sec. B-2. Contingent effective date.</b> This Part takes effect only if the General Fund bond issue proposed in Part A, section 9 is approved by the voters of this State.
3	PART C
4	Sec. C-1. 35-A MRSA §10124 is enacted to read:
5	§10124. Municipal Energy Efficiency and Renewable Energy Program
6 7 8 9 10 11	<b>1. Established.</b> The Municipal Energy Efficiency and Renewable Energy Program, referred to in this section as "the program," is established as a program of the trust to support municipalities and school administrative units in reducing energy costs, reducing carbon emissions, facilitating the development of renewable energy resources and creating local jobs related to the building of renewable energy facilities and the installation of energy-efficient equipment.
12 13 14	<b>2.</b> Eligibility. Municipalities and municipally authorized citizen committees acting on behalf of a municipality and school administrative units are eligible to participate in the program.
15 16 17 18 19	<b>3.</b> Technical assistance. The trust shall provide participants in the program described under subsection 2 with technical assistance, in coordination with other state agencies, to support the activities of the program. Technical assistance under this subsection must include, but is not limited to, provision of a model as-of-right solar zoning ordinance and support in developing energy efficiency plans.
20 21 22 23 24 25 26 27 28 29	4. Awards. The trust may award nonrefundable grants to participants in the program described under subsection 2 to support the installation of a municipally owned or school administrative unit-owned solar array, high-efficiency ductless heat pump system, high-efficiency modern wood heating system or a combination of these arrays and systems. The trust shall issue a periodic request for proposals seeking project applications when funding is available. The trust shall prioritize proportionate geographic distribution of funds and equitable distribution of funds considering factors such as municipal population size. The trust may also consider whether an applicant has taken steps to improve energy efficiency as demonstrated by factors including, but not limited to, adoption of a solar zoning ordinance or completion of an energy efficiency audit.
30	5. Funding. The program may receive funding from:
31	A. Proceeds of bonds issued for the purposes of this section; and
32 33 34 35 36 37 38	<ul> <li>B. Any other funds allocated by the trust for the purposes of this section.</li> <li>Municipalities participating in the program must match state grant funding at a ratio determined by the trust, taking into consideration proportionate geographic distribution of funds and equitable distribution of funds. Matching funds may come from any municipally authorized source, including federal programs and nonprofit organizations.</li> <li>Sec. C-2. Contingent effective date. This Part takes effect only if the General Fund bond issue proposed in Part A, section 9 is approved by the voters of this State.</li> </ul>
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#### **SUMMARY**

The funds provided by the bond issue in Part A, in the amount of \$10,000,000, will be used to purchase solar arrays, high-efficiency ductless heat pumps and high-efficiency modern wood heating systems for buildings and property owned by municipalities and school administrative units.

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Part B directs the Efficiency Maine Trust to use funds from the bond issue under Part
 A to fund the Municipal Energy Efficiency and Renewable Energy Program.

8 Part C establishes the Municipal Energy Efficiency and Renewable Energy Program within the Efficiency Maine Trust to support municipalities and municipally authorized 9 10 citizen committees and school administrative units across the State in reducing energy costs, reducing carbon emissions, facilitating the development of renewable energy 11 resources and creating local jobs related to the building of renewable energy facilities and 12 13 the installation of energy-efficient equipment. It funds the program with the proceeds of bonds, including bonds issued pursuant to Part A, any other funds allocated by the trust 14 and matching funds from participating municipalities. 15

Parts B and C take effect only if the bond issue under Part A is approved by the voters of the State.