

## **129th MAINE LEGISLATURE**

## FIRST SPECIAL SESSION-2019

**Legislative Document** 

No. 1847

S.P. 631

In Senate, August 26, 2019

An Act To Authorize a General Fund Bond Issue for the Protection and Enhancement of Water Quality, Support of Environmental Clean-up Efforts and Provision of Loans for the Residential Purchase of High-performance Air Source Heat Pumps

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 BREEN of Cumberland. (GOVERNOR'S BILL)

**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,

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 \$15,000,000 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 may negotiate the sale of the bonds by direction of the Governor, but no bond may be 16 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 17 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State 18 upon warrants drawn by the State Controller, are appropriated solely for the purposes set 19 forth in this Act. Any unencumbered balances remaining at the completion of the project 20 in this Act lapse to the Office of the Treasurer of State to be used for the retirement of 21 general obligation bonds. 22

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

Sec. 5. Disbursement of bond proceeds from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Act must be expended as designated in the following schedule under the direction and supervision of the Department of Environmental Protection and the Efficiency Maine Trust as set forth in this section.

The Efficiency Maine Trust shall use funds provided pursuant to the General Fund bond issue authorized under this Act to establish a revolving loan fund to finance loans for the purchase and installation of high-performance air source heat pumps installed in Maine residences through a program established under and in compliance with the Maine Revised Statutes, Title 35-A, section 10119, subsection 2. The Efficiency Maine Trust shall give consideration to addressing barriers to accessing market-based financing.

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1 2 3	ENVIRONMENTAL PROTECTION, DEPARTMENT OF
4 5	Uncontrolled hazardous substance site program
6 7 8 9	Provides funds for state match on federal superfund sites, uncontrolled hazardous substance site investigation and remediation and response actions at sites contaminated with emerging pollutants, such as perfluoroalkyl and polyfluoroalkyl substances, at dry cleaner sites and at brownfield sites.
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11	Total \$5,000,000
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13	Wastewater treatment facility planning
14	and construction grants
15 16	Provides funds for wastewater treatment facility planning, construction grants and hydrographic modeling, prioritizing areas with high-value shellfish resources.
17	
18	Total \$5,000,000
19	
20	EFFICIENCY MAINE TRUST
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22	Heat pump revolving loan fund
23 24	Provides funds to establish a revolving loan fund for the purchase and installation of high-performance air source heat pumps in Maine residences.
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25 26	Total \$5,000,000
26	Total \$5,000,000
27	Sec. 6. Contingent upon ratification of bond issue. Sections 1 to 5 do not
28	become effective unless the people of the State ratify the issuance of the bonds as set
29	forth in this Act.
30	Sec. 7. Appropriation balances at year-end. At the end of each fiscal year, all
31	unencumbered appropriation balances representing state money carry forward. Bond
32	proceeds that have not been expended within 10 years after the date of the sale of the
33 34	bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.
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1 Sec. 8. Bonds authorized but not issued. Any bonds authorized but not issued 2 within 5 years of ratification of this Act are deauthorized and may not be issued, except 3 that the Legislature may, within 2 years after the expiration of that 5-year period, extend 4 the period for issuing any remaining unissued bonds for an additional amount of time not 5 to exceed 5 years.

6 Sec. 9. Referendum for ratification; submission at election; form of 7 question; effective date. This Act must be submitted to the legal voters of the State at 8 a statewide election held in the month of November following passage of this Act. The 9 municipal officers of this State shall notify the inhabitants of their respective cities, towns 10 and plantations to meet, in the manner prescribed by law for holding a statewide election, 11 to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$15,000,000 bond issue to protect Maine's environment
by protecting and enhancing water quality, supporting environmental
clean-up efforts and providing loans for the purchase of highperformance air source heat pumps for use in Maine residences?"

The legal voters of each city, town and plantation shall vote by ballot on this question 16 and designate their choice by a cross or check mark placed within a corresponding square 17 below the word "Yes" or "No." The ballots must be received, sorted, counted and 18 declared in open ward, town and plantation meetings and returns made to the Secretary of 19 State in the same manner as votes for members of the Legislature. The Governor shall 20 review the returns. If a majority of the legal votes are cast in favor of this Act, the 21 Governor shall proclaim the result without delay and this Act becomes effective 30 days 22 after the date of the proclamation. 23

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

- **SUMMARY**
- This bill authorizes a General Fund bond issue of \$15,000,000 to be used as follows:

To provide \$5,000,000 for state match on federal superfund sites, uncontrolled
 hazardous substance site investigation and remediation and response actions at sites
 contaminated with emerging pollutants, such as perfluoroalkyl and polyfluoroalkyl
 substances, at dry cleaner sites and at brownfield sites;

2. To provide \$5,000,000 for wastewater treatment facility planning, construction
 grants and hydrographic modeling, prioritizing areas with high-value shellfish resources;
 and

- 36 3. To provide \$5,000,000 to establish a revolving loan fund for the purchase and 37 installation of high-performance air source heat pumps in Maine residences.
- FISCAL NOTE REQUIRED
   (See attached)

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## **129th MAINE LEGISLATURE**

LD 1847

LR 2578(01)

An Act To Authorize a General Fund Bond Issue for the Protection and Enhancement of Water Quality, Support of Environmental Clean-up Efforts and Provision of Loans for the Residential Purchase of High-performance Air Source Heat Pumps

> Fiscal Note for Original Bill Sponsor: Sen. Breen of Cumberland Committee: Not Referred Fiscal Note Required: Yes

## **Fiscal Note**

Current biennium cost increase - General Fund

Bond Issues	Term (years)	Principal	Rate (%)	Interest	<b>Total Cost</b>
General Fund - Non-Taxable	10	\$10,000,000	4.25%	\$2,337,500	\$12,337,500
General Fund - Taxable	10	\$5,000,000	4.75%	\$1,306,250	\$6,306,250
Referendum Costs		Month/Year	Election Type	Question	Length
		Nov-19	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 \$172,000 may be required.