



132nd MAINE LEGISLATURE

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Legislative Document

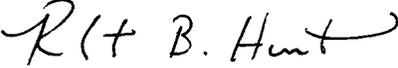
No. 1670

H.P. 1105

House of Representatives, April 17, 2025

**An Act to Establish the Maine Public Employees Retirement System
Home Repair and Energy Upgrade Loan Program and Fund**

Reference to the Committee on Labor suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative KESSLER of South Portland.
Cosponsored by Senator GROHOSKI of Hancock and
Representative: FOSTER of Dexter, Senator: BENNETT of Oxford.

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

2 **Sec. 1. 5 MRSA §17063** is enacted to read:

3 **§17063. Maine Public Employees Retirement System Home Repair and Energy**
4 **Upgrade Loan Program**

5 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
6 following terms have the following meanings.

7 A. "Energy improvement" means a residential energy efficiency improvement, an
8 installation of a solar collector on a residence, a purchase of an electric vehicle for
9 personal use or an installation of an electric vehicle charging station.

10 B. "Fund" means the Maine Public Employees Retirement System Home Repair and
11 Energy Upgrade Loan Fund established in subsection 5.

12 C. "Home repair" means a measure to install, repair or replace a vital housing system
13 or building component, including a well, well water filtration system, radon mitigation
14 system, electrical system, ventilation system, window, door, roof, chimney, siding or
15 structural component or an accessibility improvement for a person with a disability.

16 D. "Participant" means a member or a terminated member with a retirement allowance
17 granted under this chapter.

18 E. "Program" means the Maine Public Employees Retirement System Home Repair
19 and Energy Upgrade Loan Program established in subsection 2.

20 F. "Residential energy efficiency improvement" means a measure to enhance the
21 energy efficiency of a residence, including a heating system, a cooling system, a
22 heating and cooling system control upgrade, lighting, an appliance insulation or air
23 sealing.

24 G. "Solar collector" has the same meaning as in Title 33, section 1421, subsection 4.

25 **2. Maine Public Employees Retirement System Home Repair and Energy**
26 **Upgrade Loan Program established.** The Maine Public Employees Retirement System
27 Home Repair and Energy Upgrade Loan Program, administered by the retirement system,
28 is established. The program provides low-interest loans to participants to finance home
29 repairs and energy improvements. The program provides loans through disbursement from
30 the fund.

31 **3. Loan parameters.** A loan provided by the program to a participant:

32 A. Is capped at \$25,000 for that participant;

33 B. Carries an interest rate not to exceed 2% per annum;

34 C. May not exceed 100% of the participant's cumulative retirement system
35 contributions; and

36 D. Has a maximum term of 10 years.

37 **4. Loan repayment and default mitigation.** A participant shall repay a loan provided
38 by the program through payroll deductions if the loan recipient is a member and through
39 pension deductions if the loan recipient is a terminated member with a retirement allowance
40 granted under this chapter. If the participant is terminated as an employee or defaults on a

1 loan provided through the program, the outstanding loan balance may be deducted from
2 the participant's retirement system benefits.

3 **5. Maine Public Employees Retirement System Home Repair and Energy**
4 **Upgrade Loan Fund.** The Maine Public Employees Retirement System Home Repair and
5 Energy Upgrade Loan Fund, administered by the retirement system, is established. The
6 fund is a revolving, nonlapsing, interest-bearing fund to support the program. The fund
7 consists of funds from allocation of retirement system portfolio funds, appropriations, other
8 allocations and grants, donations and contributions from other public or private sources.
9 Interest earned by investments of funds in the fund is credited to the fund. Funds in the
10 fund may only be used for making a loan through the program.

11 **6. Reporting.** By January 1st of each year, the retirement system shall report to the
12 Legislature the prior calendar year's program performance, including loan disbursements,
13 repayment rates, default rates and job creation as a result of program activities.

14 **7. Rules.** The retirement system shall adopt rules to carry out the provisions of this
15 section. Rules adopted pursuant to this subsection are routine technical rules under chapter
16 375, subchapter 2-A.

17 **Sec. 2. Maine Public Employees Retirement System Home Repair and**
18 **Energy Upgrade Loan Fund capitalization.** The Maine Public Employees
19 Retirement System shall capitalize the Maine Public Employees Retirement System Home
20 Repair and Energy Upgrade Loan Fund under the Maine Revised Statutes, Title 5, section
21 17063, subsection 5 by allocating annually for 10 years \$25 million from the retirement
22 system's portfolio sourced by reallocating retirement system portfolio funds currently
23 invested in fossil fuel holdings, with the initial yearly allocation of \$25 million allocated to
24 the fund upon the effective date of this Act. For purposes of this section, "fossil fuel
25 holding" means an investment in a company that engages in the exploration, production,
26 use, transportation, sale or manufacture of a fossil fuel or a fossil fuel by-product.

27 **SUMMARY**

28 This bill creates the Maine Public Employees Retirement System Home Repair and
29 Energy Upgrade Program to provide low-interest loans to retirement system members and
30 retired retirement system pension holders for residential energy efficiency improvements
31 and home repairs. The Maine Public Employees Retirement System Home Repair and
32 Energy Upgrade Loan Program is supported by the Maine Public Employees Retirement
33 System Home Repair and Energy Upgrade Loan Fund, which is funded by allocations from
34 Maine Public Employees Retirement System investment holdings in fossil fuel companies.