



130th MAINE LEGISLATURE

FIRST SPECIAL SESSION-2021

Legislative Document

No. 1637

S.P. 521

In Senate, May 5, 2021

**An Act To Authorize a General Fund Bond Issue To Provide Funds
for Maine To Meet the State's Carbon Reduction Goals by
Supporting the Use of Biofuels**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Received by the Secretary of the Senate on May 3, 2021. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by President JACKSON of Aroostook.

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 issuance
 3 of bonds on behalf of the State of Maine to provide funds as described in this Act,

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

5 **PART A**

6 **Sec. A-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 \$40,000,000 for the purposes described in section 5 of this Part. The
 9 bonds are a pledge of the full faith and credit of the State. The bonds may not run for a
 10 period longer than 10 years from the date of the original issue of the bonds.

11 **Sec. A-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 name
 13 of the successful bidder to whom sold, the amount received for the bond, the date of sale
 14 and the date when payable.

15 **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 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 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 general obligation bonds.

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

26 **Sec. A-5. Disbursement of bond proceeds from General Fund bond issue.**
 27 The proceeds of the sale of the bonds authorized under this Part 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 **MAINE TECHNOLOGY INSTITUTE**

31 Provides funds for infrastructure investment supporting development,
 32 commercialization and broad distribution of low carbon intensity biofuels that support
 33 the forestry and natural resource industries in this State as well as furthering the State's
 34 goals for low carbon emissions, initially focusing on commercial and home heating oil
 35 substitutes, including but not limited to investment in property, facilities and equipment
 36 in the development of wood waste to liquid biofuel biorefineries, including project
 37 financing enhancements, price supports and financing reserves, in particular for
 38 biofuels producers that have been recipients of previous Maine Technology Institute
 39 funding awards and grants and for biofuels producers that would provide a clear
 40 pathway for the commercialization of projects originated in or developed through the
 41 University of Maine.

42 Total \$20,000,000

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DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Provides funds for investment in upgrades, conversions and retrofittings of existing infrastructure, including commercial and residential heating oil systems, supply-chain and transportation equipment and storage facilities, to enable wider use and distribution of cellulosic biofuels. The Department of Economic and Community Development shall establish a program and administer funds through wholesalers and distributors to promote the residential use of cellulosic biofuels.

Total \$13,000,000

UNIVERSITY OF MAINE SYSTEM

Provides funds for investment in technology, research and development and education promoting the use of low carbon intensity biofuels that support the forestry and natural resource industries in this State as well as furthering the State's goals for low carbon emissions, including for:

1. Development and implementation of internships and continuing education programs provided by secondary schools and postsecondary schools for residents of this State, focusing on environmental benefits and development of technical skills associated with the biorefining industry, such as production, systems maintenance and conversion; and

2. Supporting a clear commercialization pathway for technologies developed by or through the University of Maine System, including biofuel production and research and development at the University of Maine Forest Bioproducts Research Institute, including facilitating continuous production and additional development and application of cellulosic biofuel technology.

Total \$7,000,000

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

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

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

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

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"Do you favor a \$40,000,000 bond issue to provide funds for investment in infrastructure supporting Maine's forestry and natural resource industries through commercial development of environmentally sustainable and low-carbon fuels?"

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 below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay and this Part becomes effective 30 days after the date of the proclamation.

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.

PART B

Sec. B-1. 5 MRSA §1825-B, sub-§15 is enacted to read:

15. Exception for certain biofuels. Notwithstanding this section or any provision of law to the contrary, the State, any department or agency of the State or the University of Maine System may purchase biofuels to promote the use of biofuels by residents of this State by using sole-source purchase orders or purchases that are not competitively bid.

Sec. B-2. Contingent effective date. This Part takes effect only if the General Fund bond issue proposed in Part A is approved by the voters of this State.

SUMMARY

The funds provided by this bond issue, in the amount of \$40,000,000, must be used for investment in infrastructure supporting Maine's forestry and natural resource industries through commercial development of environmentally sustainable and low carbon intensity fuels manufactured from wood and other cellulosic waste within this State.