



132nd MAINE LEGISLATURE

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Legislative Document

No. 826

S.P. 349

In Senate, March 4, 2025

An Act to Authorize a General Fund Bond Issue to Establish the School Energy Savings Revolving Loan Fund

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

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator PIERCE of Cumberland.
Cosponsored by Representative MURPHY of Scarborough and
Senator: RAFFERTY of York, Representatives: CLOUTIER of Lewiston, GATTINE of
Westbrook, KUHN of Falmouth, MITCHELL of Cumberland, SARGENT of York.

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,

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

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.

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

Sec. A-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 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 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 forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

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

DEPARTMENT OF EDUCATION

Provides funds to capitalize the School Energy Savings Revolving Loan Fund, which will support energy and energy efficiency projects in schools in this State.

Total	\$10,000,000
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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:

"Do you favor a \$10,000,000 bond issue to support energy and energy efficiency projects in Maine schools?"

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. 20-A MRSA §15908-C is enacted to read:

§15908-C. School Energy Savings Revolving Loan Fund

1. Fund established. The School Energy Savings Revolving Loan Fund, referred to in this section as "the fund," is established as a nonlapsing, interest-earning revolving fund administered by the department.

2. Sources of fund. Sources of the fund may include:

A. Money appropriated or allocated by the State for inclusion in the fund;

B. Money that the department receives in repayment of loans from the fund;

C. Interest, dividends and pecuniary gains from investment of money in the fund:

D. Money from any bond issues approved by the voters of the State for the purposes of the fund; and

E. Money otherwise made available to the department for the purposes of the fund.

3. Application of fund. Money in the fund may be loaned at low interest in amounts from \$50,000 to \$1,000,000 to school administrative units to implement energy and energy efficiency projects in school facilities, including, but not limited to, energy efficiency equipment upgrades; building envelope and insulation improvement projects; and heat

recovery, clean energy generation and heating, cooling and ventilation system upgrades and replacement projects that improve efficiency, air quality and emissions. Equipment and facility upgrades must have a useful life of at least 10 years, and loan payments may be made for up to 20 years. The department shall work to ensure that loan funds are used to support project components eligible for federal tax credits, other state and federal energy programs and funding and rebate programs through the Efficiency Maine Trust. The department may consult with the Governor's Energy Office and the Efficiency Maine Trust in furtherance of these goals.

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

This bill provides for a bond issue, in the amount of \$10,000,000, to capitalize the School Energy Savings Revolving Loan Fund, which the bill establishes to support energy and energy efficiency projects in Maine schools to be administered by the Department of Education.