

## 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

**Legislative Document** 

No. 557

S.P. 179

In Senate, February 5, 2019

An Act To Create and Fund the School Revolving Maintenance Fund To Support the Usefulness and Longevity of Public School Buildings

(EMERGENCY)

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator MOORE of Washington. Cosponsored by Representative TUELL of East Machias.

1 2	<b>Emergency preamble. Whereas,</b> acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and
3 4	Whereas, minor school infrastructure maintenance and construction projects are needed for schools throughout the State; and
5 6 7 8	<b>Whereas,</b> it is necessary for the Department of Education to begin the process for adopting rules relating to a loan fund for minor school infrastructure maintenance and construction projects before the expiration of the 90-day period in order that these projects may be undertaken without delay; and
9 10 11 12	Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,
13	Be it enacted by the People of the State of Maine as follows:
14	Sec. 1. 20-A MRSA c. 610 is enacted to read:
15	CHAPTER 610
16	SCHOOL REVOLVING MAINTENANCE FUND
17	§16001. School Revolving Maintenance Fund
18 19	1. Fund established. The School Revolving Maintenance Fund, referred to in this section as "the fund," is established as a nonlapsing fund within the department.
20 21 22 23 24 25	2. Administration. The department shall administer the fund and invest the fund balances. The fund balances must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate and apart from any other funds or money of the State or the department and must be used and administered exclusively for the purposes authorized in this section. The fund consists of:
26 27	A. Sums that may be appropriated by the Legislature or transferred to the fund by the Treasurer of State;
28	B. Principal and interest received from the repayment of loans made from the fund;
29	C. Interest earned from the investment of fund balances; and
30 31	D. Other funds from any public or private source received for use for any of the purposes for which the fund has been established.
32	3. Purposes. The fund may be used:
33 34	A. To make loans to school administrative units for minor school infrastructure maintenance and construction projects;

B. To invest available fund balances and credit the net interest income on those 1 2 balances to the fund: and 3 C. To pay the costs of the department associated with the administration of the fund and projects financed by the fund. 4 **4. Priorities.** Periodically, and at least annually, the department shall prepare a 5 project priority list of those school administrative units whose projects are eligible for 6 loans under this section. In establishing the priority list, the department shall grant 7 special consideration to projects that include urgent health and safety needs. 8 9 5. Eligibility terms. The department shall develop by rule the terms of repayment of loans made pursuant to this section, which may not carry an interest rate higher than 0%. 10 A loan may be made only if a project is on the priority list prepared under subsection 4. 11 The repayment period may vary depending upon the financial condition of a school 12 administrative unit as identified by the department. 13 14 6. Establishment of accounts. The department may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this 15 16 section. 17 7. Rules. The department shall adopt rules necessary to implement this section, including rules on the types of projects that are considered minor school infrastructure 18 maintenance and construction projects and on project funding limits. Rules adopted by 19 the department to implement this section are major substantive rules pursuant to Title 5, 20 chapter 375, subchapter 2-A. 21 Sec. 2. Major substantive rules; School Revolving Maintenance Fund. By 22 June 1, 2019, the Department of Education shall provisionally adopt and submit to the 23 Legislature the rules required under the Maine Revised Statutes, Title 20-A, section 24 25 16001 Sec. 3. Transfer from General Fund unappropriated surplus; School 26 27 **Revolving Maintenance Fund.** Notwithstanding any other provision of law, the State Controller shall transfer \$30,000,000 from the General Fund unappropriated surplus to 28 the School Revolving Maintenance Fund. Other Special Revenue Funds account within 29 the Department of Education no later than September 1, 2019. 30 31 **Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved. 32 SUMMARY 33

This bill establishes the School Revolving Maintenance Fund as a nonlapsing fund administered by the Department of Education to make loans to school administrative units for minor school infrastructure maintenance and construction projects. The bill requires the Department of Education to adopt major substantive rules and transfers \$30,000,000 from the General Fund unappropriated surplus to the School Revolving Maintenance Fund

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