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Public Law
124th Legislature
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Chapter 124
H.P. 296 - L.D. 389

**An Act To Facilitate the State's Existing
Commitment to the Production of Liquid Biofuels**

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

Sec. 1. 10 MRSA §997-A, as amended by PL 2007, c. 395, §§5 and 6, is repealed.

Sec. 2. 10 MRSA §1023-K, as amended by PL 2003, c. 537, §§25 and 26 and affected by §53, is further amended to read:

§ 1023-K. Clean Fuel Vehicle Fund

1. Established; fund administration. The Clean Fuel Vehicle Fund, referred to in this section as the "fund," is established under the jurisdiction of the authority to support production, distribution and consumption of clean fuels and biofuels. In administering the fund, the authority shall consult and provide opportunity for input from the Governor's Office of Energy Independence and Security within the Executive Department.

1-A. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Clean fuel" has the same meaning as in section 963-A.

B. "Sustainable biofuel" means fuel that:

(1) Satisfies the definition of "biofuel" in Title 36, section 5219-X; and

(2) Is produced in a manner that relies on sustainable natural resource and use practices and, on a life-cycle basis, results in net reductions in greenhouse gas emissions.

2. Sources of money. The following money must be paid into the fund:

A. All money appropriated for inclusion in the fund;

- B. Subject to any pledge, contract or other obligation, all interest, dividends or other pecuniary gains from investment of money from the fund;
- C. Subject to any pledge, contract or other obligation, any money that the authority receives in repayment of advances from the fund;
- D. Any sums designated for deposit into the fund from any source, public or private, including, but not limited to, grants, air pollution penalties and , bond issues and voluntary contributions; and
- E. Any other money available to the authority and directed by the authority to be paid into the fund.

3. ~~Application of fund.~~ ~~The fund may be applied to carry out any power of the authority under or in connection with section 1026-A, subsection 1, paragraph A, subparagraph (1), division (c), including, but not limited to, the pledge or transfer and deposit of money in the fund as security for and the application of the fund to pay principal, interest and other amounts due on insured loans. The fund may be used for direct loans to finance all or part of any clean fuel vehicle project when the authority determines that:~~

- ~~A. The applicant demonstrates a reasonable likelihood that the applicant will be able to repay the loan;~~
- ~~B. The applicant demonstrates a reasonable likelihood that the applicant will not be able to obtain the funds necessary to undertake all or any part of the project from any other source, including a loan insured under section 1026-A, subsection 1, paragraph A, subparagraph (1), division (c);~~
- ~~C. The project is technologically feasible; and~~
- ~~D. The project will contribute to a reduction of or more efficient use of fossil fuels.~~

~~The authority shall adopt rules for determining eligibility, project feasibility, terms, conditions and security for loans under this section. Rules adopted pursuant to this section are routine technical rules under Title 5, chapter 375, subchapter 2-A. Money in the fund not currently needed to meet the obligations of the authority as provided in this section may be invested in such a manner as permitted by law.~~

3-B. Application of fund. The fund may be used in accordance with this subsection.

A. The fund may be applied to carry out any power of the authority under or in connection with section 1026-A, subsection 1, paragraph A, subparagraph (1), division (c), including, but not limited to, the pledge or transfer and deposit of money in the fund as security for and the application of the fund to pay principal, interest and other amounts due on insured loans.

B. The fund may be used for direct loans to finance all or part of any clean fuel or sustainable biofuel vehicle project when the authority determines that:

(1) The applicant demonstrates a reasonable likelihood that the applicant will be able to repay the loan;

(2) The project is technologically feasible; and

(3) The project will contribute to a reduction of or more efficient use of fossil fuels.

C. The fund may be used for grants to support clean fuel and sustainable biofuel production, distribution and consumption. The authority, in consultation with the Governor's Office of Energy Independence and Security within the Executive Department, shall establish a formula and method for the awarding of grants under this paragraph.

D. The fund may be used for reasonable development and administration costs for an online contribution process, in accordance with subsection 6.

E. The fund may be used for reasonable initial and ongoing administrative costs of the authority to implement this section.

The authority, in consultation with the Governor's Office of Energy Independence and Security within the Executive Department, shall adopt rules for determining eligibility, project feasibility, terms, conditions and security for loans under this section. Rules adopted pursuant to this subsection are routine technical rules under Title 5, chapter 375, subchapter 2-A.

4. Accounts within fund. The authority may divide the fund into separate accounts as it determines necessary or convenient for carrying out this section, including, but not limited to, accounts reserved for direct loan funds, accounts reserved for grants and accounts segmented to support production, distribution and supply of clean fuels and sustainable biofuels.

5. Revolving fund. The fund is a nonlapsing, revolving fund. The fund must be continuously applied by the authority to carry out this section and section 1026-A, subsection 1, paragraph A, subparagraph (1), division (c).

6. Online voluntary contribution. The Secretary of State, in consultation with the authority, may develop and administer a cost-effective method for a person to make a voluntary contribution to the fund through an online process. If such a method is developed, reasonable development and administration costs for the online contribution process must be deducted from contributions to the fund.

Sec. 3. 10 MRSA §1026-A, sub-§1, ¶A, as amended by PL 2003, c. 537, §30 and affected by §53, is further amended to read:

A. Loan insurance may not exceed:

(1) One hundred percent of the principal amount of the loan made to any borrower including related entities for any of the following types of loans or projects:

(a) Loans to veterans and wartime veterans, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

(b) Underground and aboveground oil storage facility projects and projects to install equipment related to the improvement of air quality pursuant to requirements for gasoline service station vapor control and petroleum liquids transfer vapor recovery, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

(c) Clean fuel vehicle projects and sustainable biofuel vehicle projects, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

(d) Waste oil disposal site clean-up projects, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$1,000,000; or

(e) The Plymouth waste oil remedial study, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$1,000,000; and

(2) Ninety percent of the principal amount of the loan made to any borrower, including related entities for any other manufacturing enterprise, industrial enterprise, recreational enterprise, fishing enterprise, agricultural enterprise, natural resource enterprise or any other eligible business enterprise;

Effective September 12, 2009