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No. 1567

H.P. 1164

House of Representatives, April 27, 2021

An Act To Equitably Fund Maine's Climate Change Mitigation Efforts

Received by the Clerk of the House on April 23, 2021. Referred to the Committee on Environment and Natural Resources pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative KESSLER of South Portland.

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

2 **Sec. 1. 38 MRSA §551, 2nd ¶**, as amended by PL 2015, c. 319, §16, is further
3 amended to read:

4 ~~Money in the fund collected pursuant to subsection 4 that is not needed currently to~~
5 ~~meet the obligations of the department in the exercise of its responsibilities under this~~
6 ~~subchapter must be deposited with the Treasurer of State to the credit of the fund; Maine~~
7 ~~Climate Change Equitable Mitigation Fund established by section 577-B and may be~~
8 ~~invested in such manner as is provided for by statute section 577-B. Interest received on~~
9 ~~that investment must be credited to the fund.~~

10 **Sec. 2. 38 MRSA §551, sub-§4, ¶A-1**, as enacted by PL 2015, c. 319, §16, is
11 amended to read:

12 A-1. A fee is assessed of:

- 13 (1) Three cents per barrel of unrefined crude oil and liquid asphalt;
14 (2) Seven cents per barrel of #6 fuel oil;
15 (3) Twenty-two cents per barrel of #2 fuel oil, kerosene, jet fuel, diesel fuel and
16 other refined products and their by-products not otherwise specified in this
17 subsection, excluding liquid asphalt; and
18 (4) Forty-one cents per barrel of gasoline.

19 This paragraph ~~does not apply~~ applies to waste oil transported into the State in any
20 motor vehicle that has a valid license issued by the department for the transportation
21 of waste oil pursuant to section 1319-O, subsection 1, paragraph C ~~and is subject to~~
22 ~~fees established under section 1319-I.~~

23 **Sec. 3. 38 MRSA §551, sub-§4, ¶E**, as amended by PL 2015, c. 319, §16, is
24 repealed.

25 **Sec. 4. 38 MRSA §551, sub-§4-B**, as enacted by PL 2015, c. 319, §16, is repealed.

26 **Sec. 5. 38 MRSA §577-B** is enacted to read:

27 **§577-B. Maine Climate Change Equitable Mitigation Fund**

28 The Maine Climate Change Equitable Mitigation Fund, referred to in this section as
29 "the fund," is established to be used by the department as a nonlapsing, revolving fund for
30 carrying out the purposes of the climate action plan. The balance in the fund is limited to
31 money collected pursuant to section 551 in excess of the lesser of \$18,500,000 and the
32 amount the department determines is necessary to carry out the purposes of section 551.
33 Money in the fund may be used for any expenditures of the State related to mitigation of
34 climate change and any obligations of the State pursuant to the climate action plan. Money
35 in the fund not needed currently to meet the obligations of the department in the exercise
36 of its responsibilities under this chapter must be deposited with the Treasurer of State to
37 the credit of the fund and may be invested in the manner provided for by statute. Interest
38 received on that investment must be credited to the fund.

39 **1. Disbursements from fund.** Money in the fund may be disbursed as follows:

1 A. Up to \$250,000 per fiscal year for administrative expenses, personal services and
2 equipment costs of the department related to the administration and enforcement of this
3 section;

4 B. Up to 20% of the fund annually for grants to a municipality or county to assess and
5 mitigate climate change risks within the municipality or county, in accordance with
6 rules adopted by the department. Grant recipients may coordinate with one another
7 and combine grants received under this paragraph. A municipality or county that
8 receives a grant under this paragraph for 3 consecutive years is ineligible to receive a
9 grant for the next 3 consecutive years;

10 C. Up to 20% of the fund annually for distribution to community action agencies as
11 defined in Title 22, section 5321, subsection 2 for loans and grants to supplement
12 existing rebate programs for low-income families and individuals administered by the
13 Efficiency Maine Trust established by Title 35-A, section 10103 and for payment of
14 reasonable administrative costs actually incurred by a community action agency to
15 provide those services. Before disbursing funds under this paragraph, the department
16 shall adopt a written policy in accordance with the Maine Administrative Procedure
17 Act establishing guidelines for payment under this paragraph of the reasonable
18 administrative costs actually incurred by a community action agency. A community
19 action agency shall administer a loan or grant received in accordance with program
20 operating standards, including the Maine State Housing Authority's formula for the
21 allocation of funds received under the federal weatherization assistance program, and
22 in coordination with the trust;

23 D. Up to 20% of the fund annually transferred to the Department of Transportation for
24 use in programs and on projects to improve transportation infrastructure to increase
25 vehicle efficiency within the State, to promote the use of low-emission vehicles and
26 public transportation or to reduce climate change risks to the State's transportation
27 infrastructure. The commissioner shall biennially propose expenditures on programs
28 and projects under this paragraph and shall provide the public with notice of and an
29 opportunity to comment on the proposal prior to the transfer of money to the
30 Department of Transportation; and

31 E. Up to 40% of the fund annually to the Efficiency Maine Trust established by Title
32 35-A, section 10103 for use in programs to reduce greenhouse gas emissions in
33 accordance with a memorandum of understanding to be negotiated between the
34 department and the trust and renegotiated every 3 years. Money disbursed to the trust
35 under this paragraph must first be used to offer grants to replace lighting fixtures in
36 public elementary and secondary schools in the State with high-efficiency lighting,
37 including LEDs, and to promote the installation of efficient electric heat pumps as
38 defined by Title 35-A, section 3105.

39 **2. Rulemaking.** The department may adopt rules as necessary to implement this
40 section. Rules adopted pursuant to this subsection are routine technical rules as defined in
41 Title 5, chapter 375, subchapter 2-A.

42 **SUMMARY**

43 This bill establishes the Maine Climate Change Equitable Mitigation Fund, a
44 nonlapsing, revolving fund administered by the Department of Environmental Protection

1 to carry out the purposes of the climate action plan adopted pursuant to the Maine Revised
2 Statutes, Title 38, section 577. The fund is funded through fees collected pursuant to Title
3 38, section 551 on crude oil and certain petroleum products, including home heating oils
4 and gasoline transferred within the State. The use of the money in the fund is subject to
5 various restrictions, and money in the fund may be disbursed only for the cost of fund
6 administration, grants awarded to municipalities or counties for climate change
7 assessments and risk mitigation, loans or grants awarded to community action agencies to
8 supplement existing Efficiency Maine Trust programs for low-income individuals and
9 families and associated administrative expenses, transfers to the Department of
10 Transportation for climate-related programs and projects and transfers to the Efficiency
11 Maine Trust for programs to reduce greenhouse gas emissions. The bill permits the
12 Department of Environmental Protection to adopt routine technical rules for the
13 administration of the fund.