An Act To Authorize a General Fund Bond Issue To Acquire Significant Historic Properties for Resale and Rehabilitation

PART A

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:

Sec. 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 $2,000,000 for the purposes described in section 5 of this Act. 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. 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. 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 Act. Any unencumbered balances remaining at the completion of the project in this Act lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

Sec. 4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

Sec. 5. Disbursement of bond proceeds from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Act must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

MAINE HISTORIC PRESERVATION COMMISSION

Provides funds to capitalize the Historic Preservation Revolving Fund for the purpose of acquiring, rehabilitating, reselling and protecting significant historic properties.
Use of the proceeds of these bonds is subject to the following conditions and requirements:

**Historic Places for Maine’s Future Fund**

Of the bond proceeds, $2,000,000 must be allocated to an Other Special Revenue account within the Maine Historic Preservation Commission. Payment from bond proceeds may be made by the Maine Historic Preservation Commission to qualified Maine non-profit historic preservation organizations and governmental bodies for the purpose of acquisition, rehabilitation, resale and protection of significant endangered historic buildings of local, state or national significance, as determined by the Commission, including all costs associated with such activities. These properties may then be resold subject to perpetual preservation easements or covenants held by the qualified preservation organization to ensure their protection for the purposes of this Part. Part of the acquisition cost for all acquired properties may be a conditions study completed by the qualified organization and approved by the Commission and may include a fee for maintaining a preservation easement. Upon resale, net proceeds, to the extent that they are sufficient, shall be used to reimburse the Historic Places Fund within the Maine Historic Preservation Commission for authorized expenditures up to the amount expended on the project. Returned funding is to be used exclusively for the similar acquisition of additional historic properties, except that no more than ten percent of the fund balance may be used by the Commission to fund administration of the program by cooperating organizations.

To the extent the purposes are consistent with the disbursement provisions in this Part, 100% of the bond proceeds may be considered as state match for any federal funding to be made available to the State.

**Sec. 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 Act.

**Sec. 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. 8. Bonds authorized but not issued.** Any bonds authorized but not issued within 5 years of ratification of this Act 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. 9. Referendum for ratification; submission at election; form of question; effective date.** This Act 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 Act by voting on the following question:

"Do you favor a $2,000,000 bond issue to provide funds to the Maine Historic Preservation Commission to capitalize the Historic Preservation Revolving Fund for the
purpose of acquiring, rehabilitating, reselling and protecting significant historic properties?"

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 Act, the Governor shall proclaim the result without delay and this Act 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 Act necessary to carry out the purposes of this referendum.

**SUMMARY**

The funds provided by this bond issue, in the amount of $2,000,000, will be used to provide funds to the Maine Historic Preservation Commission to capitalize the Historic Preservation Revolving Fund for the purpose of acquiring significant historic properties for resale and rehabilitation.

**PART B**

Sec. I-1. 5 MRSA §13056-F is amended to read:

§ 13056-F. Historic Places for Maine’s Future Fund

1. **Fund established; administration.** The Historic Places for Maine’s Future Fund, referred to in this section as "the historic places fund," is established within the Maine Historic Preservation Commission, referred to in this section as "the commission," in order to provide funds to qualified nonprofit historic preservation organizations and local governments in the State for the purpose of acquisition, rehabilitation, resale and protection of endangered historic properties of local, state or national significance, as determined by the commission, for resale to new owners who agree to preserve, rehabilitate or restore the properties as necessary, subject to perpetual preservation easements or covenants held by the qualified organization. The historic places fund may also be used for the one-time cost for a qualified historic preservation easement holding organization for the purpose of establishing, acquiring and administering a perpetual preservation easement on a property that is not otherwise acquired or sold. The commission may provide funds to the qualified organization for purposes outlined in subsections 4 and 7.

All funds received must be deposited into the historic places fund.

2. **Review process.** The commission shall review proposals for acquisition, rehabilitation,
resale and protection of historic properties by qualified organizations and proposals for acquiring and administering preservation easements with funds from the historic places fund in accordance with this section.

3. **Applicant requirements for acquisition and resale.** An applicant for funding under this section must be a qualified nonprofit historic preservation organization or governmental body. For purposes of this section, "qualified nonprofit historic preservation organization" or "qualified organization" means a nonprofit historic preservation organization or governmental body whose purposes include preservation of historic property. A qualified organization must also demonstrate previous historic preservation, rehabilitation or acquisition activity; availability of staff with demonstrated professional training and experience in administration of historic preservation programs; and familiarity with preservation standards and with acquisition, rehabilitation resale and protection of historic property.

The qualified organization must also demonstrate the capacity to undertake the project with a reasonable prospect of bringing it to a successful conclusion. In assessing an applicant's ability to meet the requirements of this subsection, the commission may consider all relevant factors, including but not limited to the applicant's organizational purpose; organizational history; previous historic preservation, rehabilitation or acquisition activity; scope of economic or revitalization vision; and evidence of success in previous efforts.

4. **Historic places fund expenditures for acquisition and resale.** Payment from the historic places fund is made by the commission to qualified nonprofit historic preservation organizations for the purpose of preservation of significant endangered historic properties through acquisition, rehabilitation, resale and protection provided that the historic property is intended to be offered for resale. Payments may include all costs associated with such an acquisition and carrying costs, as well as stabilization, rehabilitation and completion of a conditions study by the qualified organization for approval by the commission and may also include a fee for establishing a preservation easement or covenant to be held by the qualified organization. The qualified organization may seek to secure the qualified property by an option-to-purchase to be executed at closing or by outright purchase. Following any stabilization or rehabilitation and in keeping with the requirements of such activities, the qualified organization shall seek to resell the property at fair market value to a new private, nonprofit or public owner that agrees to preserve, rehabilitate or restore the property as provided in a perpetual easement or covenant. Upon resale, net proceeds, to the extent that they are sufficient, shall be used to reimburse the historic places fund for authorized expenditures up to the amount expended on the project. Any additional net proceeds may be used by the qualified organization to engage in similar future projects. Funds returned to the historic places fund are to be used exclusively for the acquisition or protection of additional historic properties as outlined in this section, except that no more than 10% of the fund balance may be used by the commission to fund administration of the program by qualified organizations.

5. **Evaluation criteria for acquisition and resale.** The commission shall evaluate proposals under this section. The commission shall seek to fund those proposals that best meet its historic preservation priorities for the State and region and that support its economic and community development and enhancement priorities and shall evaluate properties in such proposals relative to:

A. The level of historic or architectural significance;
B. The value with respect to historic preservation and rehabilitation;
C. The degree to which the property is endangered;
C. The economic significance to the immediate vicinity and to the State;

D. The availability at or below fair market value;

E. The potential marketability and identification of interested buyers;

F. The feasibility of rehabilitation or restoration and reuse; and

G. The degree of community support and public purposes served.

6. **Applicant requirements for preservation easements.** An applicant for funding under this section must be a qualified historic preservation easement holding entity, have a commitment to protect the historic preservation purposes of the donation, and have the resources to enforce the restrictions. A historic preservation group organized or operated primarily or substantially for the preservation of historic structures, or a governmental body, with the availability of staff with demonstrated professional training and experience in administration of historic preservation projects will be considered to have the commitment required by the preceding sentence. The commission will determine if the organization meets the historic preservation purposes and resources tests.

7. **Historic places fund expenditures for preservation easements.** Payment from the historic places fund may also be made by the commission to qualified nonprofit historic preservation easement holding organizations for the purpose of preservation of significant endangered historic properties and may be used for the one-time cost for a qualified historic preservation easement-holding organization to acquire and administer a perpetual preservation easement on a property that is not otherwise acquired or sold.

8. **Evaluation criteria for preservation easements.** The commission shall evaluate proposals under this section. The commission shall seek to fund those proposals that best meet its historic preservation priorities for the state and shall evaluate properties in such proposals relative to:

A. The level of historic or architectural significance;
B. The value with respect to historic preservation and rehabilitation;
C. The feasibility of the continued preservation of the property; and
D. The degree of community support and public purposes served; and
E. The degree to which the easement will protect the historic property.

9. **Rules.** The commission may adopt rules to implement this section. Rules adopted to implement this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
Sec. I-2. Contingent effective date. This Part takes effect only if the General Fund bond issue is approved by the voters of this State.