

§6006-F. School Revolving Renovation Fund

1. Fund established. The School Revolving Renovation Fund, referred to in this section as the "fund," is established in the custody of the bank.

[PL 1997, c. 787, §13 (NEW).]

2. Administration. The bank shall administer and invest the fund. The fund must be established and held separate and apart from any other funds or money of the State or the bank and must be used and administered exclusively for the purposes authorized in this section. The fund consists of:

A. Sums that may be appropriated by the Legislature or transferred to the fund by the Treasurer of State; [PL 1997, c. 787, §13 (NEW).]

B. Principal and interest received from the repayment of loans made from the fund; [PL 1997, c. 787, §13 (NEW).]

C. Capitalization grants and awards made to the State or an instrumentality of the State by the United States for any of the purposes for which the fund has been established. These amounts may be paid directly into the fund without appropriation by the State and the bank is designated as the recipient for the State of any such funds; [PL 1997, c. 787, §13 (NEW).]

D. Interest earned from the investment of fund balances; [PL 1997, c. 787, §13 (NEW).]

E. The proceeds of any bonds or notes issued by the State or the bank sold for the purpose of deposit in the fund; [PL 1997, c. 787, §13 (NEW).]

F. Funds from school construction audit recoveries; and [PL 1997, c. 787, §13 (NEW).]

G. Other funds and gifts in kind or cash from any public or private source received for use for any of the purposes for which the fund has been established and that the bank and the Department of Education may solicit from any 3rd parties such as foundations or corporations, including the use of tax credits as available to support activities authorized for the fund. [PL 1997, c. 787, §13 (NEW).]

[PL 1997, c. 787, §13 (NEW).]

3. Purposes. The fund may be used:

A. To make loans to school administrative units for school repair and renovation.

(1) The following repair and renovation needs receive Priority 1 status:

(a) Repair or replacement of a roof on a school building;

(b) Bringing a school building into compliance with the federal Americans with Disabilities Act, 42 United States Code, Section 12101 et seq.;

(c) Improving air quality in a school building;

(d) Removing or abating hazardous materials in a school building, including, but not limited to, water lead abatement or mitigation pursuant to Title 22, section 2604-B; and

(f) Undertaking other health, safety and compliance repairs, including installations or improvements necessary to increase school facility security.

(2) Repairs and improvements related to a school building structure, windows and doors and water or septic systems, other than water lead abatement or mitigation pursuant to Title 22, section 2604-B, receive Priority 2 status.

(3) Repairs and improvements related to energy and water conservation receive Priority 3 status.

(4) Upgrades of learning spaces in school buildings, including renovations to retrofit learning spaces for public preschool programs, receive Priority 4 status.

(5) The Commissioner of Education may approve other necessary repairs; [PL 2019, c. 343, Pt. ZZZZ, §1 (AMD).]

B. To make loans to a school administrative unit to finance expenditures incurred after June 1, 1998 for repairs or renovations authorized under paragraph A; [PL 2011, c. 153, §2 (AMD).]

C. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by a school administrative unit for the purpose of financing any repair authorized under paragraph A; [PL 2011, c. 153, §3 (AMD).]

D. To guarantee or insure, directly or indirectly, funds established by a school administrative unit for the purpose of financing any repair authorized under paragraph A; [PL 1997, c. 787, §13 (NEW).]

E. To deposit with a lending institution or with a trustee bank available fund balances to offset loan balances for school administrative districts undertaking projects authorized by paragraph A; [PL 2011, c. 153, §4 (AMD).]

F. To invest available fund balances and credit the net interest income on those balances to the fund; [PL 1997, c. 787, §13 (NEW).]

G. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund, or if the proceeds of the sale of the obligations are used for the purposes authorized in paragraph A, or as a source of revenue to subsidize the school administrative unit loan payment obligations; [PL 2011, c. 153, §5 (AMD).]

H. To pay the costs of the bank and the Department of Education associated with the administration of the fund and projects financed by the fund, except that no more than the lesser of 2% of the aggregate of the highest fund balances in any fiscal year and 4% of the combined value of any capitalization grants provided by the United States for deposit in the fund may be used for these purposes. The Commissioner of Education is authorized to receive revenue from the fund administered by the bank. Funds provided to the Department of Education from the fund must be deposited in a nonlapsing dedicated account to be used to carry out the purposes of this section; and [PL 2005, c. 683, Pt. A, §54 (RPR).]

I. [PL 2005, c. 683, Pt. A, §55 (RP).]

J. To reimburse school administrative units for costs incurred for Priority 1 status health and safety projects described in paragraph A, subparagraph (1) and approved by the Commissioner of Education. The amount of the reimbursement must be determined in accordance with the school administrative unit's state share percentage as provided in subsection 6. [PL 2011, c. 153, §6 (AMD).]

[PL 2019, c. 343, Pt. ZZZZ, §1 (AMD).]

4. Priorities. Periodically, and at least annually, the Department of Education shall prepare and certify to the bank a project priority list of those school administrative units whose projects are eligible for loans under this section. In establishing the priority list, the department shall grant special consideration to projects that include urgent health and safety needs. The department shall submit with the list the factors considered when determining the priorities. [PL 1997, c. 787, §13 (NEW).]

5. Eligibility terms. The bank and the Department of Education shall develop by rule the terms of repayment of loans. A loan made pursuant to this section may not carry an interest rate higher than 0%. A loan may be made only if a project is certified by the Department of Education as eligible for

financing under this section and is on the priority list prepared under subsection 4. The repayment period may vary depending upon the financial condition of a school administrative unit as identified by the Department of Education.

[PL 1997, c. 787, §13 (NEW).]

6. Forgiveness of principal payments. The fund must provide direct grants by forgiving the principal payments of a loan for an eligible school administrative unit. The amount of the forgiveness of principal payments must be determined by the school administrative unit's state share percentage as determined in Title 20-A, section 15672, subsection 31, not to exceed 70% and not less than 30%.

A. [PL 2011, c. 153, §7 (RP).]

B. [PL 2011, c. 153, §7 (RP).]

C. [PL 2011, c. 153, §7 (RP).]

[PL 2011, c. 153, §7 (AMD).]

7. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion or portions of the fund as security for bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.

[PL 1997, c. 787, §13 (NEW).]

8. Rules. The Department of Education and the bank shall adopt rules necessary to implement this section. Rules adopted by the Department of Education and the bank to implement this section are major substantive rules pursuant to Title 5, chapter 375, subchapter II-A.

[PL 1997, c. 787, §13 (NEW).]

SECTION HISTORY

PL 1997, c. 787, §13 (NEW). PL 1999, c. 81, §16 (AMD). PL 2001, c. 439, §00002 (AMD). PL 2005, c. 2, §D65 (AMD). PL 2005, c. 2, §§D72,74 (AFF). PL 2005, c. 12, §WW18 (AFF). PL 2005, c. 272, §§1,2 (AMD). PL 2005, c. 386, §§L2,3 (AMD). PL 2005, c. 683, §§A53-55 (AMD). PL 2011, c. 153, §§1-7 (AMD). PL 2017, c. 389, §1 (AMD). PL 2019, c. 158, §2 (AMD). PL 2019, c. 343, Pt. ZZZZ, §1 (AMD).

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