

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 1153

S.P. 353

In Senate, March 17, 2011

### An Act To Regulate the Bonded Indebtedness of the State

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Submitted by the Treasurer of State pursuant to Joint Rule 204.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by Senator THIBODEAU of Waldo.

Cosponsored by Representatives: CHASE of Wells, CURTIS of Madison, DAVIS of Sangerville.

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

2 **Sec. 1. 4 MRSA §1606, sub-§1**, as amended by PL 1997, c. 523, §14, is further  
3 amended to read:

4 **1. Resolution for issuance of securities.** The authority may provide by resolution,  
5 at one time or from time to time, for the issuance and sale by it of securities, in its own  
6 name, for the purpose of paying the cost of any project, projects or part of any project, or  
7 the refinancing of existing indebtedness, approved by the authority. Securities of the  
8 authority may not be authorized and issued except pursuant to a resolution adopted by the  
9 vote of not less than a majority of the members of the authority. The resolution must  
10 describe the general purpose or purposes for which the securities are to be issued and  
11 state the maximum principal amount of the securities proposed to be issued. Securities  
12 may not be issued by the authority without a 2/3 vote of approval in each House of the  
13 Legislature and must be approved by the legal voters of the State at a statewide election  
14 including the amount to be borrowed and the specific purpose for the bond.

15 **Sec. 2. 5 MRSA §152**, as amended by PL 2007, c. 515, §1, is further amended to  
16 read:

17 **§152. Ratification of bond issue; signed statement**

18 In accordance with the Constitution of Maine, Article IX, section 14, the Treasurer of  
19 State shall prepare a signed statement to accompany any question submitted to the  
20 electors for ratification of a bond issue setting forth the total amount of bonds of the State  
21 outstanding and unpaid, the total amount of bonds of the State authorized and unissued  
22 and the total amount of bonds of the State contemplated to be issued if the enactment  
23 submitted to the electors should be ratified. The Treasurer of State shall also set forth in  
24 that statement an estimate of costs involved, including explanation of, based on such  
25 factors as interest rates that may vary, the interest cost contemplated to be paid on the  
26 amount to be issued, the total cost of principal and interest that will be paid at maturity,  
27 the total estimated cost of debt service that will be paid over the life of the bond per  
28 person based on the State's population from the latest Federal Decennial Census and any  
29 other substantive explanatory information relating to the debt of the State as the Treasurer  
30 of State considers appropriate. To meet the requirement that the signed statement of the  
31 Treasurer of State accompany any ballot question for ratification of a bond issue, the  
32 statement may be printed on the ballot or it may be printed as a separate document that is  
33 posted in each voting booth on election day and, in the case of absentee voting, the  
34 statement must be made available to each voter who votes in the presence of the  
35 municipal clerk or provided along with the ballot to each absentee voter who does not  
36 vote in the presence of the municipal clerk.

37 **Sec. 3. 5 MRSA c. 146** is enacted to read:

38 **CHAPTER 146**

39 **VOTER APPROVAL OF INDEBTEDNESS**

1           **§1601. Definitions**

2           As used in this chapter, unless the context otherwise indicates, the following terms  
3           have the following meanings.

4           **1. Authority.** "Authority" means an entity created by the Legislature with the power  
5           to issue bonded indebtedness.

6           **2. Bonded indebtedness.** "Bonded indebtedness" means a note, bond, interim  
7           certificate, debenture or other evidence of indebtedness or revenue obligation security  
8           sold in a public or private offering.

9           **§1602. Bonded indebtedness requires voter approval**

10          **1. Voter approval required.** Bonded indebtedness may not be created or authorized  
11          by the Legislature either directly or through any authority created by the Legislature  
12          without voter approval. Any financial obligation of indebtedness must be submitted to  
13          the legal voters of the State at a statewide election including the amount to be borrowed  
14          and the specific purpose for the bond.

15          **2. Exceptions.** Subsection 1 does not apply to:

16          A. Debts incurred to suppress insurrection, to repel invasion or for the purposes of  
17          war;

18          B. Temporary loans to be paid out of money raised by taxation during the fiscal year  
19          in which the loans are made;

20          C. Refinancing of existing indebtedness if there is conclusive net present value  
21          savings;

22          D. Contractual agreements for noncapital goods and services;

23          E. Local unit bonds;

24          F. Leases under sections 1587 or 1588;

25          G. Debt issued under Title 10, sections 1026-A; 1044; 1053, subsection 6, paragraph  
26          D; or 1064;

27          H. Student loan bonds and notes issued pursuant to Title 20-A, sections 11417 or  
28          11420;

29          I. Housing bonds and notes issued pursuant to Title 30-A, chapter 201;

30          J. Bonds and notes issued pursuant to Title 22, chapter 413; and

31          K. Bonds and notes issued pursuant to Title 30-A, chapter 225 but excluding section  
32          6006-G.

33          **§1603. Competitive sale**

34          All bonded indebtedness authorized by the Legislature or sold by an authority created  
35          by the Legislature must be sold in a competitive sale, unless an alternative mode of sale is

1 approved by a vote of the authority's board and approved by the State Treasurer based on  
2 market conditions.

3 **Sec. 4. 10 MRSA §362**, as amended by PL 1987, c. 413, §3, is further amended to  
4 read:

5 **§362. Legislative purpose**

6 The Legislature finds and declares that the availability of financing through use of  
7 tax-exempt bonds is an effective and necessary tool for economic development, ensuring  
8 an adequate supply of affordable housing, providing for loans for higher education and  
9 promoting and improving the health, safety, welfare and quality of life of the people of  
10 the State. Because the availability of the financing is largely determined by the United  
11 States Internal Revenue Code and because there is a statewide need to assure that the  
12 limited amount of tax-exempt financing available is used in the most efficacious manner  
13 by issuers of bonds in the State to provide the greatest benefits to the State, the  
14 Legislature determines that the legislative purpose of promoting the best use of a limited  
15 resource can be best met by authorizing the ~~Legislature and certain designated issuers of~~  
16 ~~bonds~~ Treasurer of State to allocate available amounts of tax-exempt bond authority  
17 among issuers. This chapter is intended to apply to the federal formulas in effect on the  
18 effective date of this chapter, as well as to any unified volume limitation that may be  
19 enacted subsequently by the United States Congress. Any action by the designated issuers  
20 pursuant to this chapter is expressly delegated to those issuers by the ~~Legislature~~  
21 Treasurer of State for purposes of determining whether such action is authorized by the  
22 United States Code, Title 26.

23 **Sec. 5. 10 MRSA §363**, as amended by PL 2007, c. 273, Pt. B, §5 and affected by  
24 §7 and amended by c. 520, §§1 and 2 and affected by c. 695, Pt. A, §47, is further  
25 amended to read:

26 **§363. Allocation of the state ceiling**

27 **1-A. Procedure.** ~~For~~ By December 1st of each calendar year, the Legislature may  
28 Treasurer of State shall after consulting the various issuers affected establish a procedure  
29 for allocation of the entire amount of the state ceiling for the subsequent calendar year by  
30 allocating an amount of the state ceiling to the specific issuers designated in this section  
31 for further allocation by each specific issuer to itself or to other issuers for specific bond  
32 issues requiring an allocation of the state ceiling or for carryforward for the subsequent  
33 calendar year. This procedure supersedes the federal formula to the full extent that the  
34 United States Code, Title 26, authorizes the Legislature to vary the federal formula.  
35 Allocations may be reviewed by the ~~Legislature~~ Treasurer of State periodically and  
36 unused allocations may be reallocated to other issuers; ~~however, notwithstanding the~~  
37 ~~existence of legislation allocating or reallocating all or any portion of the state ceiling, at~~  
38 ~~any time during the period from September 1st to and including December 31st of any~~  
39 ~~calendar year, and at any other time that the Legislature is not in session, a group~~  
40 ~~consisting of a representative of each of the issuers specifically identified in subsections~~  
41 ~~4, 5, 6, 7, 8 and 8 A; and a representative of the Governor designated each year by the~~  
42 ~~Governor may, by written agreement executed by no fewer than 5 of the 6 voting~~  
43 ~~representatives, allocate amounts not previously allocated and reallocate unused~~

1 allocations from one of the specific issuers designated in this section to another specific  
2 issuer for further allocation or carryforward, with respect to the state ceiling for that  
3 calendar year only. In no event may any issuer have more than one vote. If an issuer is  
4 allocated a portion of the state ceiling in more than one category, the written agreement  
5 must be executed by no fewer than 4 of the 6 voting representatives. Except for records  
6 containing specific and identifiable personal information acquired from applicants for or  
7 recipients of financial assistance, the records of the group of representatives described in  
8 this subsection are public records and the meetings of the group of representatives  
9 described in this subsection are public proceedings within the meaning of Title 1, chapter  
10 13, subchapter 1 by the Treasurer of State.

11 ~~**2-A. Recommendation of Governor and issuers.** At any time action of the~~  
12 ~~Legislature under subsection 1-A is necessary or desirable, the Governor shall~~  
13 ~~recommend to the appropriate committee of the Legislature a proposed allocation or~~  
14 ~~reallocation of all or part of the state ceiling. To assist the Governor in making a~~  
15 ~~recommendation of proposed allocations of the state ceiling on private activity bonds, the~~  
16 ~~group of 7 representatives described in subsection 1-A shall make a recommendation~~  
17 ~~regarding allocation or reallocation of the state ceiling. In order to assist the group in~~  
18 ~~making its recommendation and to assist the Governor and the Legislature, the State~~  
19 ~~Planning Office shall prepare an annual analysis of the State's economic outlook,~~  
20 ~~prevailing interest rate forecasts related to tax-exempt financing by the issuers~~  
21 ~~specifically identified in subsections 4 to 8, the availability to those issuers of alternative~~  
22 ~~financing from sources that do not require an allocation of the state ceiling and the~~  
23 ~~relationship of these factors and various public policy considerations to the allocation or~~  
24 ~~reallocation of the state ceiling. In recommending any allocation or reallocation of the~~  
25 ~~state ceiling to the Legislature, the Governor shall consider the requests and~~  
26 ~~recommendations of those issuers of bonds within the State designated in this section, the~~  
27 ~~recommendations of the group of representatives described in subsection 1-A and the~~  
28 ~~annual analysis of the State Planning Office.~~

29 **4. Allocation to Maine State Housing Authority.** That portion of the state ceiling  
30 allocated under this section to the category of bonds for housing or housing-related  
31 purposes must be allocated to the Maine State Housing Authority, which may further  
32 allocate that portion of the state ceiling to bonds for housing-related projects that require  
33 an allocation in order to qualify as tax-exempt bonds. Any further allocation or  
34 reallocation of any portion of the state ceiling from the Maine State Housing Authority to  
35 another specific issuer designated in this section must be ~~done in accordance with the~~  
36 ~~requirements in subsection 1-A~~ made by the Treasurer of State after consultation with the  
37 Maine State Housing Authority.

38 **5. Allocation to the Treasurer of State.** That portion of the state ceiling allocated  
39 under this section to the category of general obligation bonds of the State must be  
40 allocated to the Treasurer of State, who may further allocate that portion of the state  
41 ceiling to bonds of the State requiring an allocation in order to qualify as tax-exempt  
42 bonds. Any further allocation or reallocation of any portion of the state ceiling from the  
43 Treasurer of State to another specific issuer designated in this section must be ~~done in~~  
44 ~~accordance with the requirements in subsection 1-A~~ made by the Treasurer of State.

1           **6. Allocation to the Finance Authority of Maine.** That portion of the state ceiling  
2 allocated to the category of bonds that are limited obligations of the issuer payable solely  
3 from the revenues of the projects financed with the proceeds of the bonds, other than for  
4 housing-related projects or issues included in an issue of the Maine Municipal Bond  
5 Bank, as well as that portion of the state ceiling allocated to bonds authorized to be issued  
6 by the Finance Authority of Maine pursuant to Title 20-A, chapter 417-B, must be  
7 allocated to the Finance Authority of Maine, which may further allocate that portion of  
8 the state ceiling to bonds requiring an allocation in order to qualify as tax-exempt bonds.  
9 Any further allocation or reallocation of any portion of the state ceiling from the Finance  
10 Authority of Maine to another specific issuer designated in this section must be ~~done in~~  
11 accordance with the requirements in subsection 1-A made by the Treasurer of State after  
12 consultation with the Finance Authority of Maine.

13           **7. Allocation to the Maine Municipal Bond Bank.** That portion of the state ceiling  
14 allocated to the category of bonds that are general obligations of issuers within the State,  
15 other than the State; that are included in bond issues of the Maine Municipal Bond Bank;  
16 that are included in bond issues of the Maine Public Utility Financing Bank; or that are  
17 qualified redevelopment bonds as defined in the United States Code, Title 26, must be  
18 allocated to the Maine Municipal Bond Bank, which may further allocate that portion of  
19 the state ceiling to bonds requiring an allocation in order to qualify as tax-exempt bonds.  
20 Any further allocation or reallocation of any portion of the state ceiling from the Maine  
21 Municipal Bond Bank to another specific issuer designated in this section must be ~~done in~~  
22 accordance with the requirements in subsection 1-A made by the Treasurer of State after  
23 consultation with the Maine Municipal Bond Bank.

24           **8. Allocations to the Maine Educational Loan Authority.** That portion of the state  
25 ceiling allocated to the issuance of bonds by the Maine Educational Loan Authority  
26 pursuant to Title 20-A, chapter 417-A must be allocated to the Maine Educational Loan  
27 Authority. Any further allocation or reallocation of any portion of the state ceiling from  
28 the Maine Educational Loan Authority to another issuer designated in this section must  
29 be made by the Treasurer of State after consultation with the Maine Educational Loan  
30 Authority.

31           A. Prior to issuing loans funded through an allocation of the state ceiling for the  
32 issuance of education loans, an issuer or lender must provide to the appropriate  
33 agency within the Department of Professional and Financial Regulation examples of  
34 the disclosures to be made to loan recipients or obligors. The information must be  
35 provided to the Bureau of Financial Institutions if the issuer or lender is a financial  
36 institution or credit union established pursuant to state or federal law or to the Bureau  
37 of Consumer Credit Protection for all other issuers or lenders. This information must  
38 be provided to the appropriate agency within the Department of Professional and  
39 Financial Regulation upon request, or in the course of an examination of the issuer or  
40 lender by the agency, and must include a description of any interest rate or other  
41 discounts offered that clearly identifies all of the terms and conditions of obtaining  
42 any discount, a projection of the approximate number or percentage of loan obligors  
43 who are likely to benefit from the discounts and any other disclosures pursuant to  
44 guidelines established by the Bureau of Financial Institutions and the Bureau of  
45 Consumer Credit Protection for the issuance of education loans that would benefit

1 from an allocation of the state ceiling. The Bureau of Financial Institutions and the  
2 Bureau of Consumer Credit Protection shall jointly adopt, to the extent allowed by  
3 law, rules to carry out the provisions of this paragraph by establishing uniform  
4 disclosure requirements and sanctions for noncompliance. Rules adopted pursuant to  
5 this paragraph are routine technical rules, as defined in Title 5, chapter 375,  
6 subchapter 2-A. All information provided to the appropriate agencies within the  
7 Department of Professional and Financial Regulation must include the source of the  
8 information and the basis for any projections.

9 ~~B-1. All education loans made under the federal Higher Education Act of 1965, 20  
10 United States Code, Chapter 28 that are purchased or originated with proceeds of tax-  
11 exempt bonds using a portion of the state ceiling on private activity bonds must be  
12 guaranteed by the state agency designated as administrator of federal guaranteed  
13 student loan programs pursuant to Title 20-A, chapter 417, subchapter 1, provided  
14 that this requirement does not apply to serial loans of a borrower that are guaranteed  
15 by a different guarantee agency and acquired or financed with tax-exempt bond  
16 proceeds prior to the effective date of this paragraph. The state agency designated as  
17 administrator of federal guaranteed student loan programs pursuant to Title 20-A,  
18 chapter 417, subchapter 1 shall use its best efforts to provide competitive rates for the  
19 guarantee function.~~

20 **8-A. Allocations to issuer of bonds for purchase of education loans.** That portion  
21 of the state ceiling allocated to the categories of bonds providing funds for the purposes  
22 of an entity designated pursuant to Title 20-A, section 11407, must be allocated to the  
23 entity designated pursuant to Title 20-A, section 11407.

24 A. Prior to issuing loans funded through an allocation of the state ceiling for the  
25 issuance of education loans, an issuer or lender must provide to the appropriate  
26 agency within the Department of Professional and Financial Regulation examples of  
27 the disclosures to be made to loan recipients or obligors. The information must be  
28 provided to the Bureau of Financial Institutions, Department of Professional and  
29 Financial Regulation if the issuer or lender is a financial institution or credit union  
30 established pursuant to state or federal law or to the Bureau of Consumer Credit  
31 Protection, Department of Professional and Financial Regulation for all other issuers  
32 or lenders. This information must be provided to the appropriate agency within the  
33 Department of Professional and Financial Regulation upon request, or in the course  
34 of an examination of the issuer or lender by the agency, and must include a  
35 description of any interest rate or other discounts offered that clearly identifies all of  
36 the terms and conditions of obtaining any discount, a projection of the approximate  
37 number or percentage of loan obligors who are likely to benefit from the discounts  
38 and any other disclosures pursuant to guidelines established by the Bureau of  
39 Financial Institutions and the Bureau of Consumer Credit Protection for the issuance  
40 of education loans that would benefit from an allocation of the state ceiling. The  
41 Bureau of Financial Institutions and the Bureau of Consumer Credit Protection shall  
42 jointly adopt, to the extent allowed by law, rules to carry out the provisions of this  
43 paragraph by establishing uniform disclosure requirements and sanctions for  
44 noncompliance. Rules adopted pursuant to this paragraph are routine technical rules,  
45 as defined in Title 5, chapter 375, subchapter 2-A. All information provided to the



1 appropriate agencies within the Department of Professional and Financial Regulation  
2 must include the source of the information and the basis for any projections.

3 **9. Use of carryforward.** In the event that any issuer has made a carryforward  
4 election under the United States Code, Title 26, Section 146(f), as amended, the issuer  
5 shall use, to the extent possible and consistent with the purpose for which the  
6 carryforward was elected, the carryforward for issues subject to the state ceiling prior to  
7 allocating any portion of the state ceiling for the applicable calendar year to the issue. ~~To~~  
8 ~~the extent permitted by federal law, a group consisting of a representative of each of the~~  
9 ~~issuers specifically identified in subsections 4 to 7; a representative of a corporation~~  
10 ~~created pursuant to former Title 20, section 2237 and Title 20-A, section 11407; and a~~  
11 ~~representative of the Governor designated each year by the Governor may reallocate, by~~  
12 ~~written agreement executed by no fewer than 4 of the 5 voting representatives,~~  
13 ~~carryforward amounts from one of the specific issuers designated in this section to~~  
14 ~~another specific issuer.~~

15 **10. Allocation for benefit of State.** All of the allocation of the state ceiling must be  
16 used for a purpose that benefits individuals, communities or businesses in this State. For  
17 purposes of this subsection, a bond issuance is presumed to benefit individuals,  
18 communities or businesses in this State if it benefits business operations located in this  
19 State, residents of this State, students attending institutions of higher education in this  
20 State, residents of this State attending institutions of higher education outside this State,  
21 municipalities in this State or programs predominantly for the provision of benefits for  
22 residents of this State. A student eligible to receive the benefit of a portion of the state  
23 ceiling remains eligible for student loans notwithstanding any changes in residency or  
24 institution attended.

25 **11. Annual review.** By March 15th of each year, each issuer identified in  
26 subsections 4 to 8 shall deliver a report to the ~~Governor, the group of representatives~~  
27 ~~described in subsection 1-A~~ Treasurer of State. By March 31st of each year, the Treasurer  
28 of State shall provide a report to the Governor and the joint standing committee  
29 committees of the Legislature having jurisdiction over ~~business appropriations and~~  
30 financial affairs and labor, commerce, research and economic development matters. Each  
31 report must include, without limitation, a review of what bonds have been issued in the  
32 most recent year, how the state ceiling was allocated or carried forward, a demonstration  
33 of the benefits to the State of the allocation of the state ceiling to such issuer for the most  
34 recent year and a demonstration that allocation of the state ceiling is necessary to fulfill  
35 an unmet need for financing by the private sector. In addition, each report must be  
36 accompanied by the most recent annual audited financial statements of the issuer and, if  
37 any tax-exempt bonds were issued during the most recent year, by a letter from an  
38 independent accountant addressing the savings attributable to the use of tax-exempt  
39 financing and how that savings was passed on to the entities or individuals benefiting  
40 from the bond proceeds. The joint standing committees of the Legislature may submit  
41 legislation related to the report.

42 **Sec. 6. 23 MRSA §1612,** as enacted by PL 2007, c. 329, Pt. P, §1, is amended by  
43 adding after the first paragraph a new paragraph to read:

1            GARVEE bonds must be approved by the legal voters of the State at a statewide  
2            election including the amount to be borrowed and the specific purpose for the bond.

3            **Sec. 7. 23 MRSA §1965, sub-§1, ¶M**, as enacted by PL 1981, c. 595, §3, is  
4            amended to read:

5            M. Borrow money, make, issue and sell at public or private sale negotiable notes,  
6            bonds and other evidences of indebtedness or obligations of the authority for the  
7            purposes set forth in this chapter and secure the payment of that obligation or any part  
8            thereof by pledge of all or any part of the operating revenues of the turnpike. All  
9            bonded indebtedness must be approved by the legal voters of the State at a statewide  
10           election including the amount to be borrowed and the specific purpose for the bond;

11           **Sec. 8. 23 MRSA §1965, sub-§2, ¶A**, as amended by PL 1999, c. 177, §1, is  
12           further amended to read:

13           A. Members of the authority are appointed by the Governor, subject to review by  
14           the joint standing committee of the Legislature having jurisdiction over transportation  
15           and subject to confirmation by the Legislature. The Commissioner of Transportation  
16           ~~is a member and the State Treasurer are members~~ ex officio. The Commissioner of  
17           Transportation may designate a deputy, director, assistant or other officer or  
18           employee of the department to represent the Commissioner of Transportation at  
19           meetings of the authority with full power to act and vote on behalf of the  
20           Commissioner of Transportation. The Deputy State Treasurer may represent the  
21           State Treasurer at meetings of the authority with full power to act and vote on behalf  
22           of the State Treasurer. Upon the expiration of the term of office of any member, the  
23           Governor shall appoint a new member who serves in office for a term of 7 years and  
24           until a successor is duly appointed and qualified, and any member of the authority is  
25           eligible for reappointment. In the event of a vacancy in the membership of the  
26           authority caused by the death, incapacity, resignation or removal of a member, the  
27           Governor shall appoint a member to fill that vacancy only for the unexpired term of  
28           office of the member whose death, incapacity, resignation or removal created the  
29           vacancy, but the newly appointed member may be reappointed at the end of the  
30           unexpired term in accordance with this subsection. In all events, a member may not  
31           be appointed to the authority who is not a resident of the State at the time of the  
32           appointment and qualification, or who has not been a qualified voter in the State for a  
33           period of at least one year next preceding the appointment.

34           **Sec. 9. 23 MRSA §1965, sub-§2, ¶A-1**, as enacted by PL 1999, c. 177, §2, is  
35           amended to read:

36           A-1. The authority consists of the Commissioner of Transportation and the State  
37           Treasurer, who ~~is an~~ are ex officio ~~member~~ members, and:

38           (1) Four members appointed by the Governor pursuant to paragraph A. Three  
39           members of the authority constitute a quorum and 3 votes are required for the  
40           authority to act on any matter, although a lesser number may adjourn a meeting;

41           (2) On and after August 1, 2000, 5 members appointed by the Governor  
42           pursuant to paragraph A. Three members of the authority constitute a quorum

1 and 3 votes are required for the authority to act on any matter, although a lesser  
2 number may adjourn a meeting; and

3 (3) On and after August 1, 2002, 6 members appointed by the Governor  
4 pursuant to paragraph A. After August 1, 2002, 4 members of the authority  
5 constitute a quorum and 4 votes are required for the authority to act on any  
6 matter, although a lesser number may adjourn a meeting.

7 **Sec. 10. 23 MRSA §1968, sub-§1**, as amended by PL 2007, c. 270, §3, is further  
8 amended to read:

9 **1. Turnpike revenue bonds.** In addition to bonds outstanding pursuant to any other  
10 provision of this chapter, the authority may provide by resolution from time to time for  
11 the issuance of turnpike revenue bonds, including notes or other evidences of  
12 indebtedness or obligations defined to be bonds under this chapter, but not exceeding  
13 \$486,000,000 in the principal amount at any one time outstanding exclusive of  
14 refundings, for any purpose described in section 1969, subsection 1. All bonded  
15 indebtedness must be approved by the legal voters of the State at a statewide election  
16 including the amount to be borrowed and the specific purpose for the bond.

17 **Sec. 11. 30-A MRSA §6006-G, sub-§3**, as enacted by PL 2007, c. 470, Pt. D,  
18 §1, is amended to read:

19 **3. Bond terms; authorized levels.** Bonds issued pursuant to this section may not  
20 have terms of more than 15 years. Commencing with the budget presented for the fiscal  
21 year beginning July 1, 2009, each new authorization of TransCap revenue bonding must  
22 be presented for review and approval by the Legislature as part of the Highway Fund  
23 budget and must be approved by the legal voters of the State at a statewide election  
24 including the amount to be borrowed and the specific purpose for the bond.

## 25 SUMMARY

26 This bill requires that bonded indebtedness created or authorized by the Legislature  
27 either directly or through any authority created by the Legislature must be approved by  
28 the voters, unless exempted from the requirement.

29 The bill requires that all bonds authorized by the Legislature or sold by an authority  
30 created by the Legislature must be sold in a competitive sale, unless an alternative mode  
31 of sale is approved by the authority board and approved by the State Treasurer based on  
32 market conditions.

33 The bill requires that the total cost of principal and interest that will be paid at  
34 maturity per person based on the State's population from the latest Federal Decennial  
35 Census be added to the State Treasurer's statement that accompanies bonds on the ballot.

36 The bill authorizes the State Treasurer to allocate and reallocate available amounts of  
37 private activity tax-exempt bond authority authorized by 26 United States Code among  
38 issuers and then report to the Governor and the joint standing committees of the  
39 Legislature having jurisdiction over appropriations and financial affairs and labor,

1 commerce, research and economic development matters, which have the authority to  
2 submit legislation based on the report.

3 This bill adds the State Treasurer as an ex officio member of the Maine Turnpike  
4 Authority.