

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

SECOND REGULAR SESSION-2012

Legislative Document

No. 1662

S.P. 561

In Senate, December 21, 2011

An Act To Provide for an Advisory Referendum on the Approval of Tax-exempt Student Loan Revenue Bonds

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 19, 2011. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 218.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by President RAYE of Washington.

Cosponsored by Senators: LANGLEY of Hancock, SNOWE-MELLO of Androscoggin,
Representative: MOULTON of York.

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

2 **Sec. 1. Advisory referendum on the opinion of citizens of the State.** The
3 Secretary of State shall hold an advisory referendum, at a statewide election in the month
4 of November following passage of this Act, to determine the sentiment of the people of
5 the State on the Governor's approval of the Maine Educational Loan Authority's issuance
6 of no more than \$50,000,000 of tax-exempt student loan revenue bonds over the next 3
7 years, to be repaid by the loan recipients.

8 **Sec. 2. Advisory referendum procedure; submission at statewide election.**
9 This advisory referendum must be submitted to the legal voters of the State at a statewide
10 election held on the Tuesday following the first Monday of November following passage
11 of this Act. The municipal officers of this State shall notify the inhabitants of their
12 respective cities, towns and plantations to meet, in the manner prescribed by law for
13 holding a statewide election, to give their opinion on this question by voting on the
14 following:

15 "Do you favor the Governor's approval of the Maine Educational Loan
16 Authority's issuance of no more than \$50,000,000 of tax-exempt student
17 loan revenue bonds over the next 3 years, to be repaid by the loan
18 recipients?"

19 The legal voters of each city, town and plantation shall vote by ballot on this question
20 and designate their choice by a cross or check mark placed within a corresponding square
21 below the word "Yes" or "No." The ballots must be received, sorted, counted and
22 declared in open ward, town and plantation meetings and returns made to the Secretary of
23 State in the same manner as votes for members of the Legislature. The Governor shall
24 review the returns and shall proclaim, without delay, the total number of ballots in favor
25 of and opposed to the subject of the referendum.

26 The Secretary of State shall prepare and furnish to each city, town and plantation all
27 ballots, returns and copies of this Act necessary to carry out the purposes of this advisory
28 referendum.

29 **SUMMARY**

30 Federal law requires that private activity bonds, which are tax-exempt bonds issued
31 by public entities to provide low-cost financing for private projects that serve a public
32 purpose, be approved by the highest elected official of the jurisdiction in which the
33 proceeds of the bonds will be used. The Maine Educational Loan Authority issues
34 private activity bonds to fund supplemental student loans for Maine students and families
35 and services its debts with the revenue streams associated with student loan repayment.
36 This bill directs the Secretary of State to hold an advisory referendum at a statewide
37 election to determine whether the voters of the State favor the Governor's approval of the
38 Maine Educational Loan Authority's issuance of no more than \$50,000,000 of tax-exempt
39 student loan revenue bonds over the next 3 years, to be repaid by the loan recipients.