

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1772

I.B. 4

House of Representatives, April 25, 2023

**An Act to Require Voter Approval of Certain Borrowing by
Government-controlled Entities and Utilities and to Provide Voters
More Information Regarding That Borrowing**

Transmitted to the Clerk of the 131st Maine Legislature by the Secretary of State on April 21, 2023 and ordered printed.

A handwritten signature in black ink that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

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

2 **Sec. 1. 5 MRSA §158** is enacted to read:

3 **§158. Limitation on borrowing**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Consumer-owned transmission and distribution utility" has the same meaning as
7 in Title 35-A, section 3501, subsection 1.

8 B. "Cooperative" has the same meaning as in Title 35-A, section 4103, subsection 2.

9 C. "Municipal electric district" means a municipal power district formed pursuant to
10 Title 35-A, chapter 39.

11 D. "Quasi-independent state entity" has the same meaning as in section 12021,
12 subsection 5.

13 E. "Reporting entity" has the same meaning as in section 12021, subsection 6.

14 F. "Rural electrification cooperative" has the same meaning as in Title 35-A, section
15 3703, subsection 2.

16 **2. Limitation on debt unless approved by voters.** Notwithstanding any provision of
17 law to the contrary in effect as of the effective date of this section, and except as provided
18 in subsection 4, a quasi-independent state entity, reporting entity, municipal electric
19 district, consumer-owned transmission and distribution utility, cooperative or rural
20 electrification cooperative may not borrow money, incur debt, whether general obligation
21 debt or revenue obligation debt, or issue bonds, notes or other evidences of indebtedness
22 that would cause its total debt outstanding at any time to exceed \$1,000,000,000 unless the
23 action that would cause the total debt outstanding to exceed \$1,000,000,000 is approved by
24 the voters at a general election duly called and held in accordance with the provisions of
25 Title 21-A. Any borrowing, incurrence of debt, or issuance of bonds, notes, other evidences
26 of indebtedness or other obligations subject to this section by a quasi-independent state
27 entity, reporting entity, municipal electric district, consumer-owned transmission and
28 distribution utility, cooperative or rural electrification cooperative after the effective date
29 of this section that is not approved by the voters as required by this subsection is invalid
30 and not legally binding nor enforceable.

31 **3. Statement to accompany referendum question.** The Treasurer of State, with the
32 assistance of the Secretary of State, shall prepare a signed statement to accompany any
33 question submitted to the voters for approval under subsection 2. The statement must
34 include, at a minimum, an estimate of costs involved, including an explanation, based on
35 such factors as interest rates that may vary, of the interest cost contemplated to be paid on
36 the amount to be issued, the total cost of principal and interest that will be paid through
37 maturity and any other substantive explanatory information relating to the debt as the
38 Treasurer of State considers appropriate. The statement must be printed on the ballot or
39 printed as a separate document that is available to voters as provided in Title 21-A, section
40 651. This statement must also be included in the citizen's guide to the referendum election
41 issued by the Secretary of State pursuant to Title 21-A, section 605-A, subsection 2,
42 paragraph E.

1 **4. Exemptions.** This section does not apply to borrowing or issuance of bonds, notes,
2 other evidences of indebtedness or other obligations pursuant to chapter 421; Title 10,
3 chapter 110; Title 20-A, Part 5; Title 22, chapter 413; Title 23, Part 1; or Title 30-A, chapter
4 201 or chapter 225.

5 **5. Effective date.** This section takes effect:

6 A. If the Act containing this section was referred to the people and approved by a
7 majority of the votes given thereon, 90 days after the Governor has made a public
8 proclamation of the result of the vote on the Act; or

9 B. If the Act containing this section was enacted without change by the Legislature at
10 the session at which it was presented, 365 days after such enactment by the Legislature.

11 **SUMMARY**

12 This initiated bill prohibits a quasi-independent state entity, reporting entity, municipal
13 electric district, consumer-owned transmission and distribution utility, cooperative or rural
14 electrification cooperative from borrowing money, incurring debt, whether general
15 obligation debt or revenue obligation debt, or issuing bonds, notes or other evidences of
16 indebtedness that would cause its total debt outstanding at any time to exceed
17 \$1,000,000,000 unless the action that would cause the total debt outstanding to exceed
18 \$1,000,000,000 is approved by the voters at a general election. This initiated bill requires
19 the Treasurer of State, with the assistance of the Secretary of State, to prepare a statement
20 to accompany the question presented to the voters regarding the estimated costs of the
21 increased debt and any other issues the Treasurer of State considers relevant.

22 Exemptions are provided for debt issued by the Maine Public Employees Retirement
23 System, the Finance Authority of Maine, the Maine Health and Higher Education Facilities
24 Authority, the Department of Transportation, the Maine Turnpike Authority, municipalities
25 and counties and the Maine Municipal Bond Bank and for certain education-related
26 programs.