

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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

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

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

Sec. 2. Advisory referendum procedure; submission at statewide election. This advisory referendum must be submitted to the legal voters of the State at a statewide election held on the Tuesday following the first Monday 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 give their opinion on this question by voting on the following:

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

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 and shall proclaim, without delay, the total number of ballots in favor of and opposed to the subject of the referendum.

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 advisory referendum.

SUMMARY

Federal law requires that private activity bonds, which are tax-exempt bonds issued by public entities to provide low-cost financing for private projects that serve a public purpose, be approved by the highest elected official of the jurisdiction in which the proceeds of the bonds will be used. The Maine Educational Loan Authority issues private activity bonds to fund supplemental student loans for Maine students and families and services its debts with the revenue streams associated with student loan repayment. This bill directs the Secretary of State to hold an advisory referendum at a statewide election to determine whether the voters of the State favor the Governor's approval of the Maine Educational Loan Authority's

issuance of no more than \$50,000,000 of tax-exempt student loan revenue bonds over the next 3 years, to be repaid by the loan recipients.