Approved: 01/05/24 mac

131st MAINE LEGISLATURE

LD 1772 **LR 2511(02)**

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

Fiscal Note for Bill as Engrossed with:
No Amendments
Committee: State and Local Government

Fiscal Note

Potential future referendum costs
Potential impact to affected entities if rejected by voters

Fiscal Detail and Notes

This citizen initiative prohibits certain entities from borrowing money, incurring debt or issuing bonds, notes or other evidences of indebtedness that cause their individual debt outstanding at any one time to exceed $1,000,000,000 unless such borrowing is approved by the voters at a general election. As is already required under current law for general obligation bonds issued by the State, the Treasurer of State is required to provide certain principal and interest cost information to the Secretary of State to be printed on the ballot or printed as a separate document and the Secretary of State must also include it in the citizen's guide to the referendum.

The large dollar threshold, along with language that exempts certain major debt-issuing entities from the requirement for voter approval, means that the number of times such a borrowing will need to be voted on is expected to be quite small. The Secretary of State's budget normally includes sufficient funds to accommodate one ballot of average length for a general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of $266,000 may be required for the Secretary of State. Whether this initiative will necessitate a second ballot will depend on what else is on the ballot at each particular general election when a borrowing appears. Any additional costs to the Treasurer of State to prepare the required information is expected to be insignificant.

If a proposed future borrowing is approved by the voters, there would be no additional fiscal impact from enactment of this initiative apart from possible ballot costs. If a future borrowing is rejected by the voters, there is the possibility of additional fiscal impact, but it would be contingent on the nature of the specific borrowing rejected and no estimate of fiscal impact can be made at this time on what might not occur because of this initiative.