



Terry Hayes, *Executive Director*
Tel 207-622-9386
Fax 207-623-5359

TO: Senator Nangle, Co-chair
Representative Stover, Co-chair
Members of the State and Local Government Committee

FROM: Terry Hayes, Executive Director
Maine Municipal Bond Bank
Maine Public Utility Financing Bank

RE: Testimony regarding **LD 2248: An Act to Reduce the Reporting Requirements for Special Utility Districts and to Require the Maine Public Utility Financing Bank to File a Report with the Legislature**

DATE: March 12, 2024

Senator Nangle, Representative Stover, Members of the Joint Standing Committee on State and Local Government, I appear before you in support of LD 2248 as it relates to reducing the Reporting Requirements for Special Utility Districts; and in opposition to requiring the Maine Public Utility Financing Bank to File a Report with the 132nd Legislature.

Thank you for your attention to these two issues that stem from this Committee's Program Evaluation Review of the Maine Municipal Bond Bank in January of this year. Both issues require your attention in order to resolve difficulties encountered in current statute.

Part 1) Reduce the Reporting Requirements for Special Utility Districts

Current law requires all special utility districts to file an annual report of outstanding debt with the Maine Municipal Bond Bank (MMBB) on a form provided by the MMBB. (<https://legislature.maine.gov/legis/statutes/30-A/title30-Asec5704.html>). This bill will limit the required filing to impact only those special utility districts REQUESTED BY the MMBB to file a debt report. This language authorizes the MMBB to request a debt report of a special utility district as needed, and it eliminates the requirement that all special utility districts file debt reports annually with the MMBB.

This change will result in reducing administrative costs by eliminating the monthly mailings currently required to attempt to collect ALL reports consistent with the current statute. This includes redirecting staff time to more value-add activities and eliminates the postal costs.

Although this is not the outcome requested, if successful, this change will provide the solution we seek. On behalf of the MMBB staff and the MMBB Board of Commissioners I urge you to proceed as this portion of the bill indicates. Thank you.

Part 2) Require the Public Utility Financing Bank to File a Report with the 132nd Legislature

LD 2248 requires the Public Utility Financing Bank (PUFB) to submit a report summarizing its activities between 1/1/2015 and 12/31/2024 to the Legislature for review by the future legislative committee having jurisdiction over energy and utility matters.

Current law regarding the Public Utility Financing Bank is located here:

<https://legislature.maine.gov/legis/statutes/35-A/title35-Asec2901.html> . This law includes that the MMBB Board members serve as the Board for the Public Utility Financing Bank.

- A) This bill could be amended to include language to suspend reporting requirements unless/until there is business of the PUFB to report. There has been no activity by the PUFB since 2013, yet the law still requires the MMBB to file a report with the Bureau of the Budget by June 1 annually and a report to the Governor by 12/31 annually, including an audit of the previous fiscal year. I support amending the bill to limit these requirements to years when the PUFB has business to report.
- B) Current statute also requires the PUFB to meet annually to elect its Chair and Vice Chair. As long as there is no other business to come before the PUFB Board, the only reason for the meeting is these elections. The existing statute could be amended to include that the Chair and Vice Chair of the MMBB Board will serve as Chair and Vice Chair for the PUFB Board, eliminating the need for the annual meeting (absent any other business for the Board).

Both of these amendments, adopted together, will get us what we seek – to implement our PUFB Board statutory requirements consistently while eliminating annual meetings and reporting requirements when there is no business before the PUFB.

An additional item for your consideration - Current statute does not assign overview of the PUFB to any legislative committee. Having the PUFB author a report for delivery to the committee having jurisdiction over energy and utility matters next year doesn't empower that committee to act in any way on the report's content. Consider sponsoring a committee bill to assign oversight to a specific oversight committee to ensure focused attention on these matters going forward.