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

FROM: John Simko, Chair
Maine Municipal Bond Bank

RE: **Testimony in support of 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 write 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. I regret that business commitments prohibit me from appearing in person to discuss this bill.

I have divided my comments to cover each issue separately.

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.

I encourage you to support this provision of the bill. If a public entity applies for financing through the Maine Municipal Bond Bank, we will require their most recent audits, which includes the outstanding debt for the applicant. There is no practical need for a statement of indebtedness for any public entity for which we are not considering an extension of credit.

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 12/32/2024 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. Current statute does not assign overview of the PUFB to any legislative committee.

As the Chair of the PUFB Board I support repeal of the entire statute. Yet, I can understand the SLG Committee's hesitation to do this. There are other options.

- A) This bill could be amended to include language to suspend reporting requirements until there is business by 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 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.

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 being conducted by the PUFB.

Again, I thank you for this opportunity.