



**Testimony by William Norbert  
Governmental Affairs and Communications Manager**

**Neither For Nor Against L.D. 1775**

***An Act to Authorize the Issuance of a Revenue Bond to Upgrade  
County Jails to Meet the Corrections Needs of Maine's Counties***

**May 14, 2025**

**Joint Standing Committee on Appropriations and Financial Affairs**

Senator Rotundo, Representative Gattine, and Distinguished Members of the Joint Standing Committee on Appropriations and Financial Affairs:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I am presenting this testimony Neither For Nor Against L.D. 1775, *An Act to Authorize the Issuance of a Revenue Bond to Upgrade County Jails to Meet the Corrections Needs of Maine's Counties*.

FAME's mission is to enrich business and educational outcomes through relevant, timely financial support to Maine's people. Our vision is a Maine where all people have access to improved economic outcomes through business growth and education attainment

This bill would authorize FAME to issue revenue bonds in the amount of \$87 million to provide funding to certain county jails. These jails would include those that detain adult residents for up to seventy-two hours to help them upgrade their facilities to accommodate residents who have a substance use disorder and to provide treatment and recovery services for those residents. The bonds also would provide supplemental funding for jails that may have potential funding shortfalls. The bonds would be issued for ten years and would be repaid using equal amounts from revenue from the contract for wholesale spirits operations and the funds received from the opioid settlement through the Maine Office of the Attorney General.

We take no position on the substance of the bill, especially concerning the availability and/or desirability of making use of the two described funding sources, and simply wish to be a resource for the committee should it decide to move forward. Although we possess statutory authority to do so, FAME has limited experience issuing revenue bonds. The last revenue bonds we issued were related to the successful Waste Motor Oil Disposal Site Remediation Program. The most important factor in being able

to successfully issue such bonds is a guaranteed and sufficient revenue stream to repay the bonds over time. We are unaware of the amounts available currently through the two funds referenced in the bill: the whole spirits contract operations contract and the Attorney General's opioid settlement. We likely would incur some costs in administering this complex undertaking, including the possible retaining of an outside consultant.

The Waste Motor Oil Disposal Site Remediation Program, 10 MRSA §1020-A, established in 2007 by the Maine Legislature, authorized FAME to issue revenue obligation bonds supported by the state's moral obligation to fund the response costs of eligible potentially responsible parties at contaminated sites in Casco, Ellsworth, Plymouth, and Presque Isle. The bond payments were made with revenues collected from premiums on certain types of motor vehicle oil. The premiums were used by FAME to pay debt service on a \$14.5 million Finance Authority of Maine Waste Motor Oil Revenue Bonds 2009 Series A (Federally Taxable) issued in September 2009. In addition, FAME was authorized to pay from the fund its reasonable costs incurred in administering the program. The premiums were finally terminated in October 2019 when the bonds issued by FAME were fully redeemed/paid.

With respect to distribution and use of the bond proceeds, we would, as contemplated by the bill, need to consult with the Department of Corrections. We would need to rely on their expertise as we know little about the jails described in Section 4 of the bill.

Thank you for your consideration and I would be happy to answer any questions you might have.