



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

in Support of L.D. 2160

***An Act to Provide for the 2024 and 2025 Allocations of
the State Ceiling on Private Activity Bonds***

January 23, 2024

**Joint Standing Committee on Innovation, Development,
Economic Advancement, and Business**

Senator Curry, Representative Roberts, and Distinguished Members of the Joint Standing Committee on Innovation, Development, Economic Advancement, and Business:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I live in Brunswick and am here to testify in support of L.D. 184, *An Act to Provide for the 2024 and 2025 Allocations of the State Ceiling on Private Activity Bonds*.

FAME and the other private activity bond issuers would like to thank Senator Curry for sponsoring the bill this year.

As you may recall, this bill is presented annually on behalf of the various state issuers of private activity bonds: the State Treasurer; FAME; the Maine Municipal Bond Bank; and the Maine State Housing Authority.

The rules for use of the bond cap are set forth in the Internal Revenue Code and Maine statute and are quite stringent. No state money is involved, and the state is not “on the hook” for any of the bonds issued. Nor would the bill have any net effect on the state’s general or moral obligation debt.

This bill establishes the allocations of the state ceiling on issuance of tax-exempt bonds for calendar years 2024 and 2025. This allocation allows for the issuance of tax-exempt bonds for purposes determined by Congress and the Maine Legislature to be for the public’s benefit.

In the case of FAME, we are authorized to issue tax-exempt bonds for the benefit of certain for-profit manufacturers, solid waste companies, and 501(c)(3) organizations. FAME also may issue bonds for alternative/private student loans.

The other private bond issuers use their bonding authority to provide lower-cost mortgages and business financing for Maine people and municipalities. The group assembles annually to decide how to allocate the bond cap. We are all in unanimous support of this authorizing legislation.

Attached to my testimony is a colored graph with statistics to help you better understand how the bond caps have been allocated among issuers over the years.

Thank you for your consideration of the bill. I will be happy to answer any questions you have.