



Testimony in Support of LD 1013:

“An Act to Protect Taxpayers by Requiring Referenda on Significant Municipal Debt”

Senator Baldacci, Representative Salisbury, and the distinguished members of the Committee on State and Local Government, my name is Harris Van Pate and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify in support of LD 1013.

This bill provides taxpayers a straightforward, common-sense safeguard by requiring a public referendum before a municipality can issue \$10 million or more in bonded debt. It would ensure that the people footing the bill—local residents—are empowered to have a direct say in major long-term financial commitments made by their town or city government.

At a time when property taxes are rising and municipal budgets continue to expand, Mainers deserve more transparency and accountability in how their money is spent. LD 1013 helps restore public trust by guaranteeing voter input on high-stakes borrowing decisions affecting current residents and future generations of taxpayers.

Debt of this magnitude should not be authorized without broad public consensus. Bonds often fund capital projects that sound appealing in concept but come with decades of financial obligations, including interest payments that can double or triple the original cost. Too often, these decisions are made by a handful of officials at poorly attended town meetings or council sessions. LD 1013 ensures those choices are brought directly to the people, in broad daylight, on a regularly scheduled, high-turnout election day.

Maine Policy Institute has long advocated for stronger taxpayer protections, including referendum requirements for major fiscal decisions at the state and local levels. Similar laws exist in other states where local voters must approve significant debt issuance, helping to constrain overspending, reduce fiscal risk, and promote more disciplined governance.

This bill does not prevent towns from borrowing funds when necessary; it merely requires that voters approve borrowing of \$10 million or more—a reasonable threshold given the size and scope of many municipal budgets. It is a balanced, pro-taxpayer reform that encourages responsible fiscal stewardship and strengthens democratic participation in local government.

For these reasons, we strongly urge the committee to vote Ought to Pass on LD 1013. Thank you for your time and consideration.