

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §158 is enacted to read:

§158. Limitation on borrowing

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Consumer-owned transmission and distribution utility" has the same meaning as in Title 35-A, section 3501, subsection 1.

B. "Cooperative" has the same meaning as in Title 35-A, section 4103, subsection 2.

C. "Municipal electric district" means a municipal power district formed pursuant to Title 35-A, chapter 39.

D. "Quasi-independent state entity" has the same meaning as in section 12021, subsection 5.

E. "Reporting entity" has the same meaning as in section 12021, subsection 6.

F. "Rural electrification cooperative" has the same meaning as in Title 35-A, section 3703, subsection 2.

2. Limitation on debt unless approved by voters. Notwithstanding any provision of law to the contrary in effect as of the effective date of this section, and except as provided in subsection 4, a quasi-independent state entity, reporting entity, municipal electric district, consumer-owned transmission and distribution utility, cooperative or rural electrification cooperative may not borrow money, incur debt, whether general obligation debt or revenue obligation debt, or issue bonds, notes or other evidences of indebtedness that would cause its total debt outstanding at any time to exceed \$1,000,000,000 unless the action that would cause the total debt outstanding to exceed \$1,000,000,000 is approved by the voters at a general election duly called and held in accordance with the provisions of Title 21-A. Any borrowing, incurrence of debt, or issuance of bonds, notes, other evidences of indebtedness or other obligations subject to this section by a quasi-independent state entity, reporting entity, municipal electric district, consumer-owned transmission and distribution utility, cooperative or rural electrification cooperative after the effective date of this section that is not approved by the voters as required by this subsection is invalid and not legally binding nor enforceable.

3. Statement to accompany referendum question. The Treasurer of State, with the assistance of the Secretary of State, shall prepare a signed statement to accompany any question submitted to the voters for approval under subsection 2. The statement must include, at a minimum, an estimate of costs involved, including an explanation, based on such factors as interest rates that may vary, of the interest cost contemplated to be paid on the amount to be issued, the total cost of principal and interest that will be paid through maturity and any other substantive explanatory information relating to the debt as the Treasurer of State considers appropriate. The statement must be printed on the ballot or printed as a separate document that is available to voters as provided in Title 21-A, section 651. This statement must also be included in the citizen's guide to the referendum election issued by the Secretary of State pursuant to Title 21-A, section 605-A, subsection 2, paragraph E.

4. Exemptions. This section does not apply to borrowing or issuance of bonds, notes, other evidences of indebtedness or other obligations pursuant to chapter 421; Title 10, chapter 110; Title 20-A, Part 5; Title 22, chapter 413; Title 23, Part 1; or Title 30-A, chapter 201 or chapter 225.

5. Effective date. This section takes effect:

A. If the Act containing this section was referred to the people and approved by a majority of the votes given thereon, 90 days after the Governor has made a public proclamation of the result of the vote on the Act; or

B. If the Act containing this section was enacted without change by the Legislature at the session at which it was presented, 365 days after such enactment by the Legislature.

SUMMARY

This initiated bill prohibits a quasi-independent state entity, reporting entity, municipal electric district, consumer-owned transmission and distribution utility, cooperative or rural electrification cooperative from borrowing money, incurring debt, whether general obligation debt or revenue obligation debt, or issuing bonds, notes or other evidences of indebtedness that would cause its total debt outstanding at any time to exceed \$1,000,000,000 unless the action that would cause the total debt outstanding to exceed \$1,000,000,000 is approved by the voters at a general election. This initiated bill requires the Treasurer of State, with the assistance of the Secretary of State, to prepare a statement to accompany the question presented to the voters regarding the estimated costs of the increased debt and any other issues the Treasurer of State considers relevant.

Exemptions are provided for debt issued by the Maine Public Employees Retirement System, the Finance Authority of Maine, the Maine Health and Higher Education Facilities Authority, the Department of Transportation, the Maine Turnpike Authority, municipalities and counties and the Maine Municipal Bond Bank and for certain education-related programs.