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Reporters and editors—Here’s an on-the-record statement from me about a new referendum that was proposed today:

Today we filed an application for a citizen initiative with the Maine Secretary of State’s office to begin the process of collecting signatures to place a referendum on the ballot that would guarantee Maine voters get to weigh in on any new debt of over \$1 billion proposed by a government entity.

Proponents of a government takeover of the state’s electric utilities have consistently understated the cost of seizing these private companies. The referendum we proposed today would make sure that voters—not politicians—would have the final say before the proposed government power company takes on that debt.

There are a lot of reasons why a government takeover of CMP and Versant is a bad idea—but probably the biggest one is how much it’s going to cost us. The people pushing this plan are trying to low-ball the cost, but realistically it would cost over \$13 billion—and that’s debt we would owe to banks and would spend decades paying off through our electric bills.

This is a very simple proposal—it just asks voters if they want to approve a debt of \$1 billion or more before any quasi-government entity, including “a consumer-owned transmission and distribution utility” incurs that debt. In addition, it requires state officials to present voters with an estimate of the true cost of the debt.

The principle is straightforward: You should know how much something is going to cost before you commit to borrowing billions of dollars to buy it. None of us would take out a mortgage to buy a house without knowing how much that house costs. We wouldn’t go to our credit union and get a loan for a new car but have no idea whether the car was going to cost \$20,000 or \$100,000.

Attached is a copy of the proposed referendum. And to save you looking up all those exemptions in section C, they are as follows:

Title 5, Chapter 421:	Maine State Retirement System
Title 10, Chapter 110:	Finance Authority of Maine (FAME)
Title 20-A, Part 5:	Post Secondary Education – including Maine University System
Title 22, Chapter 413:	Maine Health Facilities Authority

Title 23, Part 1: Transportation related including specifically Maine Turnpike Authority and
Department of Transportation
Title 30-A, Chapter 201: Maine Housing Authority
Title 30-A, Chapter 225: Maine Municipal Bond Bank

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An Act to Ensure Responsible Borrowing by the Maine’s Government Controlled Entities and Utilities Through Voter Oversight and Transparency

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

Sec. 1. 5 M.R.S.A. § 158 is enacted to read:

§ 158. Unless otherwise exempt under this terms of this section, no quasi-independent state entity, reporting entity, municipal electric district, consumer-owned transmission and distribution utility, cooperative, or rural electrification cooperative may borrow money, incur debt, whether general obligation debt or revenue obligation debt, and issue its bonds, notes or other evidence of indebtedness therefore which would cause its total debt outstanding at any time to exceed \$1,000,000,000 without first being presented to the voters for approval at a general election duly called and held in accordance with the provisions of Title 21-A.

A. Definitions.

1. “Consumer-owned transmission and distribution utility” has the same meaning as defined at Title 35-A §3501.
2. “Cooperative” has the same meaning as defined at Title 35-A §4103.
3. “Municipal electric district” has the same as used in Title 35-A, Chapter 39.
4. “Quasi-independent state entity” has the same meaning as defined at §12021 (5) of this Title.
5. “Reporting entity” or “entity” has the same meaning as defined at §12021 (6) of this Title.
6. Rural electrification cooperative” has the same meaning as defined at Title 35-A §3703.

- B. Disclosure.** The Treasurer of the 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 this section. The

statement shall include, at a minimum, an estimate of costs involved, including an explanation of, based on such factors as interest rates that may vary, 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 shall 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 shall 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 (2)(E).

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