

STATE OF MAINE FISCAL IMPACT STATEMENTS FOR THE NOVEMBER 7, 2023 REFERENDUM ELECTION
PREPARED BY THE OFFICES OF THE SECRETARY OF STATE AND FISCAL AND PROGRAM REVIEW

Question 1: Citizen's Initiative

Do you want to bar some quasi-governmental entities and all consumer-owned electric utilities from taking on more than \$1 billion in debt unless they get statewide voter approval?

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

This citizen initiative prohibits certain entities from borrowing money, incurring debt or issuing bonds, notes or other evidences of indebtedness that cause their individual debt outstanding at any one time to exceed \$1,000,000,000 unless such borrowing is approved by the voters at a general election. As is already required under current law for general obligation bonds issued by the State, the Treasurer of State is required to provide certain principal and interest cost information to the Secretary of State to be printed on the ballot or printed as a separate document and the Secretary of State must also include it in the citizen's guide to the referendum.

The large dollar threshold, along with language that exempts certain major debt-issuing entities from the requirement for voter approval, means that the number of times such a borrowing will need to be voted on is expected to be quite small. The Secretary of State's budget normally includes sufficient funds to accommodate one ballot of average length for a general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$266,000 may be required for the Secretary of State. Whether this initiative will necessitate a second ballot will depend on what else is on the ballot at each particular general election when a borrowing appears. Any additional costs to the Treasurer of State to prepare the required information is expected to be insignificant.

If a proposed future borrowing is approved by the voters, there would be no additional fiscal impact from enactment of this initiative apart from possible ballot costs. If a future borrowing is rejected by the voters, there is the possibility of additional fiscal impact, but it would be contingent on the nature of the specific borrowing rejected and no estimate of fiscal impact can be made at this time on what might not occur because of this initiative.

Question 2: Citizen's Initiative

Do you want to ban foreign governments and entities that they own, control, or influence from making campaign contributions or financing communications for or against candidates or ballot questions?

Fiscal Impact Statement
Prepared by the Office of Fiscal and Program Review

This citizen initiative prohibits expenditures by foreign governments or foreign government-influenced entities to influence the nomination or election of a candidate or the initiation or approval of a referendum. These prohibitions and new requirements for additional annual reporting by the Commission on Governmental Ethics and Election Practices about federal anticorruption efforts are not anticipated to create additional costs for the State or local units of government.

The initiative also creates a new Class C crime for violations of the proposed changes. The average cost of incarcerating one individual for a single year is \$55,203. No assumption is made at this time of the number of individuals who may be incarcerated for violations of such crimes in the future, if any. Any additional workload associated with the minimal number of new cases that might be filed in the court system will not require additional funding. The collection of additional fine and/or fee revenue may increase General Fund and dedicated revenue by minor amounts.

Question 3: Citizen's Initiative

Do you want to create a new power company governed by an elected board to acquire and operate existing for-profit electricity transmission and distribution facilities in Maine?

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This citizen initiative creates the Pine Tree Power Company (PTPC), a privately operated, nonprofit, consumer-owned transmission and distribution utility. It establishes a process for the PTPC to purchase the assets of an investor-owned electric transmission and distribution facility operating in the State. The PTPC will be subject to oversight by the Public Utilities Commission (PUC) as a consumer-owned utility. It is important to clarify that this fiscal impact statement does not attempt to quantify or include the cost to the PTPC to purchase and operate a decertified utility. The purchase is anticipated to be financed through the issuance of bonds and the debt service costs of those bonds and the costs of operation will be funded through utility rates charged to the consumers.

The PUC has indicated that its additional regulatory authority will require 3 Staff Attorney positions and 6 Utility Analyst positions at a projected cost of \$1,294,169 in the first year and \$2,275,349 in subsequent years. Since the PUC is funded by an assessment set to produce sufficient revenue for the expenditures allocated by the Legislature for operating the PUC, the increased expenditures will require a corresponding increase in revenue from assessments on transmission and distribution utilities. These costs may be passed on to electric utility customers through scheduled rate cases in the future.

The initiative also requires that no earlier than January 1, 2025, the PUC shall decertify investor-owned electric transmission and distribution utilities operating in the State that fail to meet criteria established in this initiative. This action, combined with provisions designed to force the utilities subject to decertification to sell assets to the PTPC, may result in litigation. Any litigation costs may be passed on to consumers.

The 7 elected members of a 13-person governing board may participate in the Maine Clean Elections program. The Commission on Governmental Ethics and Election Practices estimates that up to 11 candidates may choose to use the program in the first election cycle after the PTPC is established for a cost to the Commission of \$335,450 from April through June in the first fiscal year and \$273,750 from July through October in the second fiscal year. Qualifying contributions from candidates are anticipated to generate additional revenue of \$13,900 in the first year and \$9,900 in the second fiscal year. Subsequent election cycles are estimated to require payments to candidates of \$110,764 or \$166,145, depending on whether 2 or 3 board members are being elected.

Additional costs to any state agencies and departments that provide assistance and counsel to the board, and to the Office of the Attorney General to make recommendations regarding a code of ethics for members of the board, can be absorbed within existing budgeted resources and will not require additional funding.

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Question 3 Fiscal Impact Statement (continued from page 1)

Since the PTPC will be exempt from income taxes, the State will see a decrease in General Fund revenue from the corporate income taxes that are currently being paid by the investor-owned utilities currently operating in the State. Confidentiality of tax records prevents disclosure of the amounts of tax paid by the existing utilities that will be decertified if this initiative is approved. However, some of this income tax revenue loss could be offset to the extent that the non-governmental entity contracted by the PTPC for certain operations has taxable income. The PTPC will still be subject to property taxes, so municipal property tax revenues are not expected to be significantly impacted unless there is a change in the location of facilities.

Question 4: Citizen's Initiative

Do you want to require vehicle manufacturers to standardize on-board diagnostic systems and provide remote access to those systems and mechanical data to owners and independent repair facilities?

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This citizen initiative proposes to require manufacturers of certain motor vehicles to standardize the vehicle on-board diagnostic systems and to make those systems accessible to motor vehicle owners and independent repair facilities.

Enforcement of this initiative may require the Office of the Attorney General (AG) to take court action. Assuming that this requires one half-time Assistant Attorney General position in the Office of the Attorney General, the ongoing annual costs to pursue and address violations will be approximately \$65,000 annually. In the event the initiative itself becomes the subject of litigation, there may be additional costs to the AG to defend the new law in court. Any additional costs to the AG to establish a notice for prospective motor vehicle owners regarding motor vehicle telematics systems are not expected to be significant.

This initiative may increase the number of civil suits filed in the court system. The additional workload associated with the minimal number of new cases does not require additional funding for the Judicial Department. The collection of additional filing fees will increase General Fund and dedicated revenue by minor amounts.

Question 5: Constitutional Amendment

Do you favor amending the Constitution of Maine to change the time period for judicial review of the validity of written petitions from within 100 days from the date of filing to within 100 business days from the date of filing of a written petition in the office of the Secretary of State, with an exception for petitions filed within 30 calendar days before or after a general election?

Fiscal Impact Statement
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The Constitution of Maine provides that a judicial review of a determination of the validity of a written petition occur within 100 calendar days from the date of filing of a written petition with the Secretary of State. This resolution proposes to amend the Constitution to provide that the time period for judicial review is 100 business days from the date of filing, unless the petition is filed within 30 calendar days before or after a general election, in which case the judicial review must be completed within 100 business days after the 30th calendar day following that general election. This proposed amendment to the Constitution of Maine is not expected to have an impact on the costs to State Government of judicial review.

Question 6: Constitutional Amendment

Do you favor amending the Constitution of Maine to require that all of the provisions of the Constitution be included in the official printed copies of the Constitution prepared by the Secretary of State?

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Amending the Constitution of Maine to require that all of the provisions of the Constitution be included in the official printed copies prepared by the Secretary of State will create minor costs that can be absorbed by the Secretary of State within existing budgeted resources.

Question 7: Constitutional Amendment

Do you favor amending the Constitution of Maine to remove a provision requiring a circulator of a citizen's initiative or people's veto petition to be a resident of Maine and a registered voter in Maine, requirements that have been ruled unconstitutional in federal court?

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This resolution proposes to amend the Constitution of Maine to remove a provision requiring a circulator of a citizen's initiative or people's veto petition to be a resident of the State of Maine and registered to vote in Maine. Removing this provision will not create additional costs for the State.

Question 8: Constitutional Amendment

Do you favor amending the Constitution of Maine to remove a provision prohibiting a person under guardianship for reasons of mental illness from voting for Governor, Senators and Representatives, which the United States District Court for the District of Maine found violates the United States Constitution and federal law?

Fiscal Impact Statement
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Amending the Constitution of Maine to allow persons under guardianship for reasons of mental illness to be electors for Governor, Senators and Representatives will not create additional costs for the State.