

OFFICE OF POLICY AND LEGAL ANALYSIS

Date: February 17, 2021

To: Committee on Innovation, Development, Economic Advancement and Commerce

From: Samuel Senft, Legislative Analyst

LD 20 An Act To Provide for the 2021 and 2022 Allocations of the State Ceiling on Private Activity Bonds (Curry)

SUMMARY

This bill establishes the allocations of the state ceiling on issuance of tax-exempt private activity bonds for calendar years 2021 and 2022 among the state-level issuers of tax-exempt bonds.

TESTIMONY

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| <p>Proponents:</p> <ul style="list-style-type: none">• This bill is brought annually• The rules for use of the bond cap are set forth in the Internal Revenue Code• This bill establishes the allocations of the state ceiling on issuance of tax-exempt bonds for calendar years 2021 and 2022• FAME is authorized to issue tax-exempt bonds for the benefit of certain for-profit manufacturers, solid Waste companies, and 501(c)(3) organizations.• Bill does not involve any general obligation bonding or other responsibility on the part of the state.• This bonds do not cost the state.• Bill allocates use of the federal ceiling on tax-exempt bonds, which may in turn provide lower-cost mortgages, student loans, and business financing for Maine people• MaineHousing issues bonds to finance single family mortgages for first time homebuyers and for affordable multi-family housing.• This bill allocates Maine’s use of private activity bonds. These are federally authorized tax-exempt bonds• |
| <p>Opponents: NONE</p> <ul style="list-style-type: none">• |
| <p>Neither For Nor Against: NONE</p> <ul style="list-style-type: none">• |

INFORMATION REQUESTS:

- None

POTENTIAL ISSUES:

- None

FISCAL IMPACT: The preliminary fiscal impact statement indicated no net effect on general or moral obligation debt

Links

- [LD 20](#)
- [Preliminary fiscal note](#)
- [10 MRSA §363. Allocation of the state ceiling](#)
- [IRS Revenue Procedure 2020-45](#)
- [Private Activity Bonds: An Introduction. Congressional Research Service.](#)