



# 125th MAINE LEGISLATURE

LD 830

LR 161(01)

An Act To Establish a Debt Limit for the State

**Preliminary Fiscal Impact Statement for Original Bill**

**Sponsor: Rep. Chase of Wells**

**Committee: Appropriations and Financial Affairs**

**Fiscal Note Required: Yes**

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## Preliminary Fiscal Impact Statement

Potential future biennium savings - General Fund

Potential future biennium savings - Highway Fund

### Fiscal Detail and Notes

Establishing a debt limit for general obligation bonds and Maine Governmental Facilities Authority (MGFA) bonds originally issued for a term in excess of 5 years of 5% of General Fund revenues for the previous fiscal year may limit the bonds issued by these entities and may limit debt service payments in future fiscal years. Debt service for general obligation bonds is paid from the General Fund and the Highway Fund. Debt service for MGFA bonds is paid from the General Fund. Because the precise time when the debt limit will be exceeded cannot be predicted, no estimate of savings for any given fiscal year is provided.