

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 928

H. P. 783

House of Representatives, February 19, 1981

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Huber of Falmouth.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Grant a Tax Exemption for Energy Generating Systems.

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

Sec. 1. 36 MRSA § 655, sub-§ 1, ¶P, sub-¶ (3), as enacted by PL 1977, c. 456, is amended to read:

(3) All watercraft not subject to an excise tax; and

Sec. 2. 36 MRSA § 655, sub-§ 1, ¶Q is enacted to read:

Q. Energy generating systems as defined in section 656, subsection 1, paragraph I.

Sec. 3. 36 MRSA § 656, sub-§ 1, ¶I is enacted to read:

I. All energy generating systems and any parts or accessories thereof, as defined in this subsection, constructed after January 1, 1981, and all additions and improvements made after January 1, 1981 to any energy generating system in existence on January 1, 1981 or constructed thereafter.

As used in this paragraph, "energy generating systems" mean an energy generating system which uses biomass, peat, solar, waste, water, wind, wood or coal as fuel sources, but which does not use nuclear sources or oil as fuel sources, and include all facilities, equipment, machinery, applicances, installations and structures installed, acquired or placed in operation in conjunction with that system.

Sec. 4. 36 MRSA § 1760, sub-§ 42 is enacted to read:

**42. Energy generating systems. Sales of all energy generating systems and any parts or accessories thereof, and any materials for the construction, repair or maintenance of this system.**

**As used in this subsection, "energy generating systems" mean an energy generating system which uses biomass, peat, solar, waste, water, wind, wood or coal as fuel sources, but which does not use nuclear sources or oil as fuel sources, and include all facilities, equipment, machinery, appliances, installations and structures installed acquired or placed in operation in conjunction with this system.**

#### STATEMENT OF FACT

The combination of high construction costs and high taxes creates an unnecessary roadblock to the development of energy generating systems. In today's world of dwindling resources, the State should encourage a wide array of energy generating facilities, including those smaller in scale. The encouragement of energy generating systems will ultimately result in savings for all Maine citizens, as well as a reduction in the state's dependence upon expensive foreign oil.

Just last session, the Legislative took the first step in encouraging the development of alternate energy systems by expanding the kinds of projects eligible for financing under the Municipal Securities Act and by the Maine Guarantee Authority to include "energy generating systems." This bill takes the next step by granting such systems constructed after January 1, 1981 an exemption from real and personal property taxes.

Whereas, the tax exemptions will apply to only those systems constructed or added after January 1, 1981, there will be no loss of existing revenues.