

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 979

S.P. 325

In Senate, February 4, 1999

**An Act to Use Funds From the Sale of Utility Company Properties to
Help Offset Ice Storm 1998 Expenses.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CAREY of Kennebec.

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

4 Sec. 1. 36 MRSA §5202-C is enacted to read:

6 §5202-C. Tax from utility divestitures; reimbursement account

8 Income taxes collected pursuant to this chapter from an
10 electric utility corporation as a result of income received from
12 the sale of assets divested pursuant to Title 35-A, section 3204
14 must be set aside, at the request of the utility, by the
16 Treasurer of State in a temporary account identified with the
18 name of the utility. Upon payment of any corporate income tax on
20 income received on the sale of those assets, the utility may
22 apply to the Public Utilities Commission for payment from the
24 account for reimbursement of any unrecovered and uncompensated
26 expenses incurred by the utility to remedy damages caused by the
28 severe ice storm of the winter of 1997-1998. Within 4 months of
30 an application by a utility pursuant to this section, the Public
32 Utilities Commission shall issue an order identifying the amount
34 of any reimbursement that the utility may receive from the
36 account. If the commission determines that the utility is not
38 entitled to a reimbursement or to less than the amount set aside
in the account, the commission shall make this clear in its
order. Upon receipt of the order from the Public Utilities
Commission, the Treasurer of State shall issue to the utility the
amount of any reimbursement identified in the order and shall
release to the General Fund any amount remaining in the account.
Funds issued from an account to a utility pursuant to this
section are not income for purposes of this chapter.

32 SUMMARY

34 This bill permits electric utilities to seek reimbursement
36 for expenses incurred in remedying damages caused by the ice
38 storm of 1998. The funds made available for the reimbursement
are corporate income taxes paid by the utility on profits from
the sale of generation assets that are required by law to be
divested.