

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1427

H.P. 1003

House of Representatives, April 7, 2009

An Act To Compensate Maine Residents for the Impacts of High-voltage Transmission Lines

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MARTIN of Eagle Lake.
Cosponsored by Senator SHERMAN of Aroostook and
Representatives: CONNOR of Kennebunk, HINCK of Portland, MILLER of Somerville,
ROTUNDO of Lewiston, Senators: BOWMAN of York, GERZOFKY of Cumberland,
NUTTING of Androscoggin.

1 permanently or temporarily, within this State shall, on or before the 20th day of April in
2 that year, return to the State Tax Assessor a complete list of such property on a form to be
3 furnished by the State Tax Assessor.

4 **4. Assessment and procedure.** The State Tax Assessor shall assess the tax
5 specified in subsection 2 on high-voltage electric transmission property owned or leased
6 by any person. The tax on high-voltage electric transmission property must be assessed
7 and paid in accordance with this subsection.

8 A. The State Tax Assessor shall make the assessment by May 30th of each year.

9 B. The tax assessment must be paid no later than the August 15th following the date
10 of assessment.

11 **5. Collection.** Taxes assessed under this section by the State Tax Assessor must be
12 enforced as generally provided by this Title.

13 **6. Local property taxation.** High-voltage electric transmission property subject to
14 taxation under this section continues to be subject to ordinary local property taxation.
15 The tax imposed by this section is in addition to ordinary local property taxation.

16 **7. Contributions; Maine Transmission Mitigation Fund.** The State Tax Assessor
17 shall determine annually the total amount of tax revenue collected under this section. The
18 State Tax Assessor shall deduct the cost of administering this section from those revenues
19 and report the remainder to the Treasurer of State, who shall credit that amount to the
20 Maine Transmission Mitigation Trust Fund established in Title 35-A, section 3603.

21 **Sec. A-2. Application.** This Part applies to high-voltage electric transmission
22 property in use on or after April 1, 2009.

23 PART B

24 **Sec. B-1. 35-A MRSA c. 36** is enacted to read:

25 CHAPTER 36

26 MITIGATION OF IMPACT OF TRANSMISSION LINES

27 §3601. Definitions

28 As used in this chapter, unless the context otherwise indicates, the following terms
29 have the following meanings.

30 **1. Customer.** "Customer" means a customer of the State's transmission and
31 distribution utilities.

32 **2. Transmission line tax.** "Transmission line tax" means the tax imposed on high-
33 voltage electric transmission property pursuant to Title 36, section 459.

34 **3. Trust.** "Trust" means the Maine Transmission Mitigation Trust established in
35 section 3602.

1 4. Trust fund. "Trust fund" means the Maine Transmission Mitigation Trust Fund
2 established in section 3603.

3 5. Trustee. "Trustee" means a trustee of the trust.

4 **§3602. Maine Transmission Mitigation Trust established**

5 1. Trust established; purpose. The Maine Transmission Mitigation Trust is
6 established, effective July 1, 2009. The trust may receive and shall deposit in the trust
7 fund and expend in accordance with this section revenue resulting from the transmission
8 line tax.

9 2. Trustees. The commission shall appoint 3 trustees to the trust.

10 A. A trustee serves a 3-year term. If a trustee is unable to complete the term, the
11 commission shall appoint a replacement for the remainder of that trustee's unexpired
12 term. A trustee may serve a maximum of 2 consecutive terms.

13 B. A trustee has a fiduciary duty to the customers in the administration of the trust
14 fund. Upon accepting appointment as a trustee, each trustee must acknowledge the
15 fiduciary duty to use the money in the trust fund only for the purposes set forth in this
16 chapter.

17 C. Each trustee shall ensure that the goals and objectives of the trust are achieved.

18 3. Protection of trust. The trustees may take legal action in the name of the trust to
19 oppose efforts to reduce, impair, postpone or terminate the amount of revenues arising
20 from the transmission line tax.

21 4. Rulemaking. The trustees shall adopt rules for establishing and administering the
22 trust, the trust fund and its programs. These rules must include provisions for the
23 expenditure of funds, including, but not limited to, the development of program budgets,
24 criteria for selection of municipal projects placing electric utility infrastructure
25 underground and the process for project selection and approval. Rules adopted pursuant
26 to this subsection are major substantive rules pursuant to Title 5, chapter 375, subchapter
27 2-A.

28 **§3603. Maine Transmission Mitigation Trust Fund established**

29 1. Trust fund established; purpose. The Maine Transmission Mitigation Trust
30 Fund is established effective July 1, 2009 to support the goal of mitigating the impact of
31 transmission lines on this State. The trust fund is established as a nonlapsing fund
32 administered by the trust for the purposes established in this chapter. The trust fund may
33 not be used for any other purpose, and money in the trust fund is considered to be held in
34 trust for the purposes, of benefiting customers.

35 2. Revenue source; investment. Any revenue received from the transmission line
36 tax is the property of the trust and must be deposited in the trust fund. Money in the trust
37 fund not needed to meet the purposes of this chapter must be deposited with the Treasurer
38 of State to the credit of the trust fund and may be invested by the Treasurer of State as
39 provided by law. Interest on these investments must be credited to the trust fund. The

1 State may not assess any indirect charges on any revenue received from the transmission
2 line tax pursuant to this section.

3 **3. Administration of trust fund; expenditures.** The trust fund must be
4 administered in accordance with this subsection.

5 A. On January 1st of each year, the trustees shall distribute 20% of the trust fund, up
6 to \$10,000,000, to municipalities that have submitted winning bids seeking funding
7 for projects to place electric utility infrastructure underground. Any remaining
8 money in the trust fund must be distributed to each customer in proportion to that
9 customer's purchases of electricity transmitted over the State's transmission and
10 distribution utilities during the immediately prior calendar year.

11 B. A maximum of 5% of trust fund receipts in any one year may be used for the total
12 administrative costs of the trust.

13 **4. Trust fund inviolability.** The State pledges to, contracts with and agrees with the
14 trustees and the customers that, for the proceeds of the transmission line tax neither the
15 State nor any of its agencies, including the commission, may limit, alter, amend, reduce
16 or impair the trust, its funds or any rights under the trust or ownership of the trust or
17 security interest in the trust. The State acknowledges that such owners, holders and
18 trustees may and will rely on this pledge, contract and agreement and that any such
19 limitation, alteration, amendment, reduction or impairment without adequate provision
20 will irreparably harm those owners, holders and trustees.

21 **Emergency clause.** In view of the emergency cited in the preamble, this
22 legislation takes effect July 1, 2009.

23 SUMMARY

24 This bill imposes a state excise tax on certain high-voltage electric transmission
25 property at the rate of 10 mills multiplied by the just value of that property. This bill also
26 creates the Maine Transmission Mitigation Trust, which manages the Maine
27 Transmission Mitigation Trust Fund, also created in this bill. The revenue from the
28 excise tax is deposited in the Maine Transmission Mitigation Trust Fund. Annual
29 distributions from the fund of 20% of the trust fund, up to \$10,000,000 annually, are
30 made to municipalities that submit winning bids for electricity infrastructure projects
31 placing transmission lines underground. The remainder of the Maine Transmission
32 Mitigation Trust Fund must be paid to Maine electricity ratepayers in proportion to each
33 customer's purchases of electricity transmitted over the State's transmission and
34 distribution utilities.