

MAINE STATE LEGISLATURE

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L.D. 1430

Date: 6/6/19

(Filing No. H-507)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1040, L.D. 1430, Bill, "An Act To Create Tax Equity among Renewable Energy Investments"

Amend the bill by striking out all of sections 3 to 7 and inserting the following:

Sec. 3. 36 MRSA §655, sub-§1, ¶U is enacted to read:

U. Solar and wind energy equipment that generates heat or electricity if all of the energy is:

(1) Used on the site where the property is located; or

(2) Transmitted through the facilities of a transmission and distribution utility, and a utility customer or customers receive a utility bill credit for the energy generated by the equipment pursuant to Title 35-A.

On or before April 1st of the first property tax year for which a taxpayer claims an exemption under this paragraph, the taxpayer claiming the exemption shall file a report with the assessor. The report must identify the property for which the exemption is claimed and must be made on a form prescribed by the State Tax Assessor or substitute form approved by the State Tax Assessor. The State Tax Assessor shall furnish copies of the form to each municipality in the State and make the forms available to taxpayers.

The bureau may audit the records of a municipality to ensure compliance with this paragraph. The bureau may independently review the records of a municipality to determine if exemptions have been properly approved. If the bureau determines that an exemption was improperly approved, the bureau shall ensure, either by setoff against other payments due the municipality or otherwise, that the municipality is not reimbursed for the exemption. A municipality that is aggrieved by a determination of the bureau under this paragraph may appeal pursuant to section 151.

Sec. 4. 36 MRSA §656, sub-§1, ¶K is enacted to read:

K. Solar and wind energy equipment that generates heat or electricity if all of the energy is:

COMMITTEE AMENDMENT

ROFS

- 1 (1) Used on the site where the property is located; or
- 2 (2) Transmitted through the facilities of a transmission and distribution utility,
- 3 and a utility customer or customers receive a utility bill credit for the energy
- 4 generated by the equipment pursuant to Title 35-A.

5 On or before April 1st of the first property tax year for which a taxpayer claims an
 6 exemption under this paragraph, the taxpayer claiming the exemption shall file a
 7 report with the assessor. The report must identify the property for which the
 8 exemption is claimed and must be made on a form prescribed by the State Tax
 9 Assessor or substitute form approved by the State Tax Assessor. The State Tax
 10 Assessor shall furnish copies of the form to each municipality in the State and make
 11 the forms available to taxpayers.

12 The bureau may audit the records of a municipality to ensure compliance with this
 13 paragraph. The bureau may independently review the records of a municipality to
 14 determine if exemptions have been properly approved. If the bureau determines that
 15 an exemption was improperly approved, the bureau shall ensure, either by setoff
 16 against other payments due the municipality or otherwise, that the municipality is not
 17 reimbursed for the exemption. A municipality that is aggrieved by a determination of
 18 the bureau under this paragraph may appeal pursuant to section 151.

19 **Sec. 5. Report regarding valuation of renewable energy facilities.** The
 20 Department of Administrative and Financial Services, Maine Revenue Services, within
 21 existing resources, shall work with a stakeholder group and prepare a report by December
 22 1, 2019 that includes guidance for determining the valuation and assessment of renewable
 23 energy facilities that qualify for a property tax exemption. The department shall make
 24 this report available on its publicly accessible website.

25 **Sec. 6. Appropriations and allocations.** The following appropriations and
 26 allocations are made.

27 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
 28 **Revenue Services, Bureau of 0002**

29 Initiative: Provides funding for one Principal Property Tax Appraiser and related costs to
 30 review, process and audit property tax exemptions for certain renewable energy facilities
 31 in the form of personal property and real property.

32	GENERAL FUND	2019-20	2020-21
33	POSITIONS - LEGISLATIVE COUNT	0.000	1.000
34	Personal Services	\$0	\$102,024
35	All Other	\$0	\$5,858
36			
37	GENERAL FUND TOTAL	\$0	\$107,882

39 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
 40 section number to read consecutively.

SUMMARY

This amendment provides property tax exemptions for certain renewable energy facilities in the form of personal property and real property. Additionally, the amendment directs the Department of Administrative and Financial Services, Maine Revenue Services to provide guidance on its publicly accessible website to assist municipalities with the assessment of renewable energy facilities included in these provisions. The amendment adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

ROFS



129th MAINE LEGISLATURE

LD 1430

LR 1414(02)

An Act To Create Tax Equity among Renewable Energy Investments

Fiscal Note for Bill as Amended by Committee Amendment *A(H-507)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$0	\$107,882	\$512,942	\$554,095
Appropriations/Allocations				
General Fund	\$0	\$107,882	\$512,942	\$554,095

Fiscal Detail and Notes

The bill provides a property tax exemption for certain renewable energy facilities in the form of personal property and real property. It includes a General Fund appropriation of \$107,882 in fiscal year 2020-21 to the Department of Administrative and Financial Services (DAFS) for one Principal Property Tax Appraiser and related costs to review, process and audit property tax exemptions for certain renewable energy facilities in the form of personal property and real property. DAFS would require a General Fund appropriation of \$380,000 in fiscal year 2021-22 to reimburse municipalities for reductions in property tax revenue from providing a property tax exemption for certain renewable energy facilities in the form of personal property and real property. DAFS would also require a one-time General Fund appropriation of \$22,000 in fiscal year 2021-22 to reimburse municipalities for the cost of implementing a property tax exemption for certain renewable energy facilities in the form of personal property and real property.