

MAINE STATE LEGISLATURE

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L.D. 1708

Date: 6-30-2021

(Filing No. H-738)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1269, L.D. 1708, "An Act To Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence"

Amend the amendment on page 4 by striking out all of the 3rd indented paragraph (page 4, lines 13 to 17 in amendment) and inserting the following:

'Amend the bill in section 10 in c. 40 by striking out all of §4005 and inserting the following:

§4005. Property and income tax status

1. Property tax. Notwithstanding Title 36, chapter 105, subchapter 4, the company is subject to property taxation pursuant to the laws of the State of Maine and must pay property tax in the same manner as an investor-owned transmission and distribution utility. Rates charged by the company must include sufficient amounts to pay property taxes due under this subsection.

2. Income tax. Notwithstanding any provision of law to the contrary, income of the company is exempt from all taxation or assessment by the State or any political subdivision of the State. All bonds, notes and other evidences of indebtedness issued by the company in accordance with chapter 9 are legal obligations of the company, and the company is a quasi-municipal corporation within the meaning and for the purposes of Title 30-A, section 5701. All bonds, notes and other evidences of indebtedness issued by the company are legal investments for savings banks in this State and are exempt from state income tax.

3. Tax increment financing agreements. If an investor-owned transmission and distribution utility acquired by the company is subject to a tax increment financing agreement under Title 30-A, chapter 206, the company acquires the same rights and responsibilities as applied to the investor-owned transmission and distribution utility under the agreement.'

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

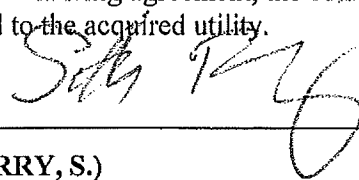
HOUSE AMENDMENT

SUMMARY

This amendment removes the status of the Pine Tree Power Company as a public municipal corporation exempt from property tax and instead provides that the company is subject to property tax pursuant to the laws of the State of Maine and must pay property tax in the same manner as an investor-owned transmission and distribution utility. The company is required to charge rates in sufficient amounts to pay any property taxes due.

If the company acquires an investor-owned transmission and distribution utility that is subject to a tax increment financing agreement, the company acquires the same rights and responsibilities as applied to the acquired utility.

SPONSORED BY: _____



(Representative BERRY, S.)

TOWN: Bowdoinham



130th MAINE LEGISLATURE

LD 1708

LR 43(07)

An Act To Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence

Fiscal Note for House Amendment "B" to Committee Amendment "A" (H - 738)
Sponsor: Rep. Berry of Bowdoinham
Fiscal Note Required: Yes

Fiscal Note

Potential increase in property tax payments to municipalities

Fiscal Detail and Notes

Under the committee amendment, the Pine Tree Power Company (PTPC) is exempt from paying property taxes, but required to make payments in lieu of taxes. This amendment removes the status of the PTPC as a public municipal corporation exempt from property tax provisions and must now pay property taxes, but is no longer required to make payments in lieu of taxes. As payments in lieu of taxes are typically less than "normal" property tax, this may mean some increase in revenue to the municipality or municipalities the PTPC will have a presence in. The PTPC will continue to be exempt from state income tax under this amendment.