



Town of Wiscasset

TESTIMONY IN FAVOR OF LD 2027 ON BEHALF OF THE TOWN OF WISCASSET

Greetings, and good afternoon. My name is Dennis Simmons and I am speaking today on behalf of the Town of Wiscasset as their Town Manager

LD 2027 amends the existing statute in Title 36 which grants real estate and personal property tax exemption to facilities and equipment that are primarily for industrial air pollution control. This amendment simply clarifies what we believe the intent of the Legislature was when first enacting the air pollution tax exemption.

Air pollution is the release into the air of harmful substances, such as gases or particulate matter, from industrial and other processes, that have adverse effects on human and environmental health, and our climate. The spent nuclear fuel at the Maine Yankee facility emits radiation. While the radiation emitted from the continued decaying of the spent fuel is harmful, radiation is not air pollution. It is energy. And it exists in many natural forms.

The high-level nuclear waste storage facility located in Wiscasset is under the strict regulatory control of the US Nuclear Regulatory Commission. It is a highly secured facility, guarded 24 hours per day by armed security. Storing all of the spent nuclear fuel that was ever generated at Maine Yankee during its many years of operation requires extensive design features in order to safely manage the radiation that will be continually emitted for the multiple decades that the nuclear waste is expected to remain in town.

The Town has worked with nuclear engineers, nuclear physicists and nuclear regulatory specialists to understand the safety design features that the NRC has required for a dry storage system like that operated by Maine Yankee. What is clear is that managing the radiation and the decay heat is the most important safety feature of safe storage of the spent nuclear fuel; gaseous emissions of radionuclides is not a serious threat in the dry storage system.

Granting Maine Yankee a tax exemption will not do anything to encourage it to more carefully store its spent fuel. Removing the exemption will not cause Maine Yankee to take steps to lessen its responsibilities to safely store its fuel. The NRC will simply not allow it. The exemption

provides no positive impact on the quality of the air in Maine. It is unreasonable to think that the Legislature believed that a nuclear waste storage site should benefit from tax exemption, yet that is how the DEP has construed the statute. Our appeal to the Superior Court is currently pending.

If this exemption is allowed to stand, it will be the second time that the Town has been hit with a major revenue loss from the same property. (The first being when Maine Yankee was decommissioned)

Maine Yankee is reimbursed by the federal government for its reasonable costs, including property taxes, for storing the spent nuclear fuel until the government takes possession and places it in a permanent storage facility. Maine Yankee's argument to the Town on seeking this exemption is that the government is going to more closely scrutinize their expenses and MAY find that Maine Yankee did not take advantage of the air pollution control exemption, thus denying them reimbursement for property taxes. Failure of the government to reimburse Maine Yankee sounds like a problem for Maine Yankee's business model, not for the Town's taxpayers. The exemption is a gift to the federal government for not upholding its obligations to remove the spent fuel and is a burden shared disproportionately by the Wiscasset taxpayers.

Maine Yankee's current certification was effective for the April 1, 2023 valuation date (the '23-24 fiscal year) and has the impact of removing nearly \$94 Million of value from the tax rolls. The revenue that would be generated by this facility (nearly \$1.6 Million) must instead be covered by the rest of the taxpayers of Wiscasset. This is the entire cost of the town's police and EMS departments. Additionally, the town is undertaking a \$1.9 million improvement project to replace a failing stream culvert on the only access road to Maine Yankee. The project is almost double the cost because of the need to build a temporary bridge to maintain 24-hour access to the Maine Yankee facility during construction. If this exemption is allowed to stand, it will have long-term implications for the town's fiscal stability, resulting in higher taxes and cuts to the very services that Maine Yankee relies on. That is why the bill is both retroactive and presented as emergency legislation.

Wiscasset is a service center for its region. This bill does not and will not have a negative fiscal impact on the state or any other municipality in the state. It will however, allow us the means to continue to provide needed services to its residents, businesses and visitors, including tourists, who are one of the main drivers of Maine's economy.

Regardless of the outcome of the Town's court appeal, however, this Committee and this Legislature has the opportunity to clarify that a high-level nuclear waste site, a blight and a burden on our community, should not be operated tax-free.

We urge you to vote in favor of LD 2027. Thank you.