

To: Taxation Committee, Maine Legislature  
From: Ralph Chapman, Bucksport ME  
Date: March 12, 2024  
Re: testimony against LD 2251 as written

Honorable Senator Grohoski, Representative Perry, and other members of the Committee on Taxation, my name is Ralph Chapman, a resident of Bucksport, and former legislator, educator, and applied physics scientific researcher. For eight years I represented the only House district in Maine that has had commercial metal mining in the past century.

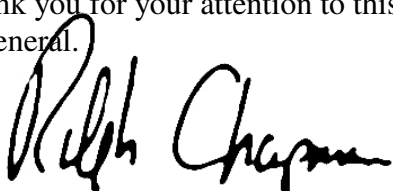
LD 2251 has a significant problem that must be corrected before consideration of recommending its passage. In addition to identifying this problem, I offer some useful (condensed) background information to help you understand the context of the current proposed legislation.

**PROBLEM: Under section 2866. Mining Excise Tax Fund, number 5. Uses for fund. (beginning on line 37 of page 3) statutorily assigning authority to the Governor to propose uses for the fund in the biennial budget is in conflict with Maine constitution's provision (Article IX Section 20) requiring a 2/3 vote of each chamber of the legislature for expenditures from the fund.**

CONTEXT: Over the past decades Maine's Legislature has attempted to provide both the promotion and regulation of the mining industry. In the 1960's they provided the industry the ability to open pit mine in the intertidal zone which continues to contaminate Maine waters on a daily basis and costs Maine taxpayers (at current rates) about three quarters of a million dollars per year (line item in the Transportation Budget). In the 1970's reclamation efforts became required such that my brother-in-law remembers planting trees (ineffective relative to the continuing toxic heavy metal contamination). In 1991 a more comprehensive set of regulations were instituted including a prohibition on ground water contamination. In 2012, a major change was proposed by the mining industry but the associated rules failed to attain legislative approval. In 2017 the legislature approved rules which explicitly allows groundwater contamination, and allows the industry to write their own rules, upon convincing DEP without public input, scientific input, or an appeals process, that their rules would be better for handling mining tailings. When the 2017 legislation was enacted, legislative leaders knew that the mining excise tax law (which was not changed) was inconsistent with the newly enacted definitions. The 129<sup>th</sup> and 130<sup>th</sup> legislatures chose to ignore the inconsistencies and the Governor chose not to appoint Trustees to the statutorily identified Mining Excise Tax Trust Fund Board of Trustees.

OVERVIEW: Metal mining in Maine has never been, and is not now, profitable. Expenses have always exceeded revenues. Money can be made in the non-profitable industry by a combination of not providing a return to investors and shifting major expenses to the public. Job creation estimates by the industry have historically been overstated by more than a factor of ten and have never subtracted displaced jobs in competing industries (agriculture, tourism, fishing). The regulatory framework (punishing non-compliance) cannot effectively regulate the mining industry or any other industry that can cause more damage than they can afford. I remain available to expand upon any of the above comments.

Thank you for your attention to this matter in particular, and for your service to the people of Maine in general.

A handwritten signature in black ink, appearing to read "Ralph Chapman". The signature is fluid and cursive, with the first name "Ralph" being more prominent and the last name "Chapman" following in a similar style.