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THE MAINE SENATE
131st Legislature

Joint Standing Committee on Taxation

**LD 2027, An Act to Clarify the Property Tax Exemption for Air Pollution Control
Facilities**

February 6, 2024

Senator Grohoski, Representative Perry, and esteemed members of the Joint Standing Committee on Taxation: I am Senator Rick Bennett of Oxford, and I have the honor of serving 14 communities in Western Maine in the State Senate. I am pleased to speak in favor of LD 2027, "An Act to Clarify the Property Tax Exemption for Air Pollution Control Facilities."

As you likely know, Maine Yankee Nuclear Generating Facility was decommissioned and dismantled in 1997. Since then, the company has stored its nuclear waste in an "Independent Spent Fuel Storage Facility" (ISFSI). This will be the case until the federal government decides to move the waste into final storage.

The Maine Yankee storage facility is huge and expensive. It contains 64 giant transport containers encased in 64 17' concrete casks, standing in rows of earthquake-proof concrete pads. The facility is surrounded by a fenced zone of more than 100 acres and is guarded around the clock. The components of this facility have been appraised at nearly \$100 million.

This storage facility is an incredible burden on the Town of Wiscasset. It requires regular road plowing and maintenance and continuous fire and police protection. Additionally, people do not want to live next to such a facility. Why should the people of Wiscasset cover the care and maintenance that this facility needs, especially when the federal government will pay for those costs?

We do not know when the federal government will determine that these dangerous materials are ready for transport. But while it is stored in Wiscasset, the US Department of Energy must reimburse Maine Yankee for all reasonable costs incurred, which includes real estate taxes.

Last year, Maine Yankee applied to the Maine Department of Environmental Protection for a certification that the main components of the facility be exempted from local real estate taxes as a "pollution control facility." Astoundingly, the DEP accepted this classification, which removed more than \$93 million from Wiscasset's tax rolls.

It should be clear that the air pollution control equipment exemption was never intended to cover a facility like Maine Yankee. The language of the current statute was enacted in

1971, soon after the enactment of the Clean Air Act. This law was intended to encourage installation of pollution control equipment in paper mills and other pollution emitters, not to cover nuclear safety issues.

It is important to note that the nuclear waste storage facilities that are maintained in Massachusetts and Connecticut are taxed at their full assessable value. And because the facilities are reimbursed by the federal government for reasonable costs, these taxes on Massachusetts and Connecticut facilities are then reimbursed by the federal government.

Furthermore, no state in the country exempts these facilities from real estate taxation as pollution control facilities. When Connecticut Yankee tried to do so, it was denied.

I urge you to support LD 2027 to clarify that this tax exemption not be overextended to include facilities that store high level nuclear waste. Thank you for your consideration.