

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee, my name is Jeff Romano. I am with Maine Coast Heritage Trust providing joint testimony with Kaitlyn Nuzzo of The Nature Conservancy in support of either LD 223 or LD 936.

Both bills do a good job of streamlining, simplifying, and updating the current Mining Excise Tax statute, language that the legislature enacted in the early 1980s. At the same time, both proposals are consistent with a significant goal of the original law, in that both seek to offset environmental impacts from mining by directing investments in land conservation and land stewardship. Neither bill would make it easier for mines to be established in Maine. Instead, either would simply say if a proposal makes its way through the state's rigorous mining regulations, a significant portion of tax revenues should be used to mitigate environmental impacts.

If the committee prefers LD 936, as was the case last session, we recommend a couple of friendly amendments. Once mining excise tax funds are generated, LD 936 would require the establishment of a Mining Excise Tax Trust Fund Board. This board would be empowered to spend the fund's investment income to "purchase and develop land or other real property interests for park and recreational uses," "purchase wildlife habitats, marine habitats, and unique natural areas," or "restore the quality of marine waters, lakes, rivers, and streams."

Creating a new, specialized board to fund conservation investments made sense when the Mining Excise Tax statute was enacted, six years prior to the establishment of the Land for Maine's Future (LMF) Program. However, rather than expanding the size and costs of government, and creating a new board with new staff and added expenses, it makes more sense in 2025 to amend the current law to delegate to the LMF Board the roles and responsibilities outlined in statute for the Mining Excise Tax Trust Fund Board. LMF excels at making the very conservation investments outlined in the Mining Excise Tax Trust Fund law. With or without this change, only the legislature could approve spending any of the fund's principal with a two-thirds vote from both bodies.

In addition, we recommend the committee more specifically direct the funds, rather than relying on the current general language in statute, referenced above. We recommend that the income generated be directed to LMF's Conservation Land Management Fund (Title 5 §6203-F). The legislature established this new account in 2023. Traditionally, LMF has prioritized the acquisition of new conservation lands. This new fund, on the other hand, is focused on land stewardship and empowers the LMF Board to award grants that:

- A. Make capital improvements to enhance public recreational opportunities on permanently conserved state, municipal and private conservation lands; and
- B. Enhance wildlife habitat protection on permanently conserved state, municipal and private conservation lands.

We recommend that any funds for land acquisition should come out of the fund's principal, subject to the constitutional requirement of two-thirds approval of the legislature.

We have attached language that outlines our recommended amendments to the existing statute, should the committee move forward on LD 936.

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*The Nature Conservancy (TNC) is a nonprofit conservation organization dedicated to conserving the lands and waters on which all life depends. Guided by science, we create innovative, on-the-ground solutions to our world's toughest challenges so that nature and people can thrive together.*

*Maine Coast Heritage Trust seeks to advance the conservation of lands and waters in Maine to ensure ecological wellbeing and foster thriving communities. Over the past five decades, we have conserved more than 185,000 acres, including over 160 places open for traditional outdoor recreation.*

# Proposed Amendment

## CHAPTER 18

### MINING EXCISE TAX TRUST FUND

#### §451. Statement of purpose (REPEALED)

#### §452. Mining Excise Tax Trust Fund

There is created a separate trust fund to be known as the Mining Excise Tax Trust Fund, referred to in this chapter as the "fund," to replace the loss to the State of a nonrenewable natural resource, to protect the State's environment and to protect municipalities from any adverse impact resulting from mining of metallic minerals.

1. **Nonlapsing fund.** The fund may not lapse.
2. **Investment.** The Treasurer of State shall invest the fund in accordance with section 138.
3. **Principal limit.**

#### §453. Board of trustees (REPEALED)

#### §453-A. Board of trustees

The Land for Maine's Future Board, established in Chapter 353, shall serve as the Mining Excise Tax Trust Fund Board of Trustees, ~~as established in section 12004-G, subsection 33-B and~~ referred to in the chapter as the "board," consists of 5 members, at least one whom must be a resident of the unorganized territory.

~~1. **Appointment.** The members of the board are appointed by the Governor and are subject to review by the joint standing committee of the Legislature having jurisdiction over taxation matters and to confirmation by the Legislature, except that the Governor may not appoint any members to the board until such time as funds accrue to the Mining Excise Tax Trust Fund.~~

~~2. **Terms.** Of the initial members one serves a term of one year, one serves a term of 2 years, one serves a term of 3 years, one serves a term of 4 years and one serves a term of 5 years. Upon the expiration of the initial terms, members are appointed to serve 5-year terms. Members may be reappointed. Members serve until their successors are appointed and qualified.~~

~~3. **Vacancies.** A vacancy is filled for the expiration of the term to which the member has been appointed.~~

#### §454. Powers and duties of the board (REPEALED)

#### §454-A. Powers and duties of board

1. **Authorize expenditures.** The board may authorize any expenditure of the fund. ~~An expenditure of funds or transfer of responsibility may be made only with the concurrence of at least 3 members of the board.~~

**2. Employ staff as necessary.** The board may employ staff necessary to carry out the purposes of this chapter.

**3. Reinvestment of funds.** The board may direct the Treasurer of State to reinvest any portion of the income earned by the fund with the principal of the fund. Earned income that is reinvested is not considered principal of the fund under section 455, subsection 1, paragraph B.

**4. Expenditures from excise tax revenues.** The board is responsible for expenditures from excise tax revenues in accordance with Title 36, chapter 371. The board shall reimburse municipalities for any lost property taxes pursuant to this chapter ~~and title 36, chapter 371.~~

~~**5. Biennial report and annual plan.** Upon appointment of the board members pursuant to section 453-A, subsection 1~~ **As part of biennial reporting requirements outlined in section 6206,** the board shall prepare:

~~A. A biennial report to be submitted to the Governor and the Legislature. The report must include an audited financial statement of the fund and a listing of activities undertaken by the board in the preceding biennium. The report must be submitted 30 days prior to the convening of each first regular session of the Legislature; and~~

~~B. An annual general plan of expenditures and activities of the coming year. The general plan must be submitted to the Legislature for approval 30 days prior to the convening of each regular session.~~

#### **§455. Uses of the trust fund**

**1. Funds available.** The board may utilize available funds as follows.

A. The board may use income for the purposes of this section to make grants through the Conservation Land Management Fund in section 6302-F.

B. The board may use the principal to make grants through the Conservation and Recreation Fund in section 6203-E, if approved by the Legislature and the Governor.

**2. Uses.** Funds may be used as follows:

A. To purchase and develop land or other real property interests for park and recreational uses;

B. To purchase wildlife habitats, marine habitats and unique natural areas; or

C. To restore the quality of marine waters, lakes, rivers and streams.