



131st MAINE LEGISLATURE

LD 1895

LR 741(02)

An Act Regarding the Procurement of Energy from Offshore Wind Resources

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$166,198	\$161,572	\$289,662	\$305,116
Appropriations/Allocations				
General Fund	\$166,198	\$161,572	\$289,662	\$305,116
Other Special Revenue Funds	\$1,585	\$183,164	\$191,449	\$200,149
Revenue				
Other Special Revenue Funds	\$0	\$181,579	\$189,864	\$198,564

Fiscal Detail and Notes

This bill establishes the Maine Offshore Wind Renewable Energy and Economic Development (OWRE) Program within the Governor's Energy Office (GEO) to be administered in collaboration with the Public Utilities Commission (PUC). The Department of Marine Resources (DMR) and the Department of Inland Fisheries and Wildlife (IFW) are added to the already established Offshore Wind Research Consortium within the GEO.

The GEO will coordinate with the PUC to establish fees that bidders must submit to the PUC with proposals for floating wind projects. Upon the request of the GEO, these fees may be transferred from the PUC to fund the GEO's costs of administering the OWRE program. The bill includes ongoing General Fund appropriations to the Department of Inland Fisheries and Wildlife of \$75,402 in fiscal year 2023-24 and \$103,763 in fiscal year 2024-25 for one Senior Resource Biologist position and associated All Other costs. The bill includes Other Special Revenue Funds allocations to the PUC of \$181,579 beginning in fiscal year 2024-25 for one Staff Attorney position and associated All Other costs. The Department of Marine Resources will require ongoing General Fund appropriations of \$120,583 beginning in fiscal year 2025-26 for one Resource Management Coordinator position and associated All Other costs.

The bill includes ongoing General Fund appropriations of \$55,156 and allocations of \$585 to the Department of Agriculture, Conservation and Forestry(ACF) beginning in fiscal year 2023-24 for one part-time Senior Planner position and associated costs.

The bill establishes the Fishing Community Protection and Low-Income Ratepayer Fund within the Office of the Treasurer with a base Other Special Revenue Funds allocation of \$500 beginning in fiscal year 2023-24.

The bill establishes the Fishing Community Protection Tax Incentive program and requires the Department of Economic and Community Development to administer program application procedures and certificates of approval. The bill includes a one-time General Fund appropriation of \$35,640 in fiscal year 2023-24 to the Business Development program within the department to update the salesforce platform to include a new tax incentive program.

The Fishing Community Protection Tax Incentive program will provide nonrefundable tax credits for qualified investment in offshore wind power projects. The language in the bill does not provide sufficient clarity to develop exact estimates of the impact of the program on tax revenues or the costs to the Department of Administrative and Financial Services, Bureau of Revenue Services to administer the tax credits. Administrative costs to both the income tax and sales tax divisions of the Bureau of Revenue Services are expected to be substantial. The first revenue decrease would occur in fiscal year 2026-27, reflecting a portion of tax year 2026 credits, and is anticipated to be in the range of \$5 million to \$10 million. There would also be a corresponding decrease in Local Government Fund revenue of 5% of the decrease in sales and income tax revenue.

Additional costs to the Department of Transportation associated with coordinating and collaborating with the GEO on the new program can be absorbed within existing budgeted resources.