ATTACHMENT V

July 8, 2016

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Section 196 of House Bill No. 4450, “An Act Making Appropriations for the Fiscal Year 2017 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

Section 196 requires the Department of Energy Resources to reimburse a municipality in which a fossil-fueled electric generating station is reducing its generating activities for any lost property tax payments not received by the municipality. Those payments are made from proceeds of the RGGI Auction Trust Fund, and are prioritized above all other potential uses of that Trust Fund for payment.

Section 196 requires any municipality receiving funds under the section to file a report by December 31, 2016, in which that municipality details “the need for these reimbursements and the impact on the municipality of receiving or not receiving them.” I support this language, and am proposing additional language to ensure that the meaning of the section is clear.

For these reasons, I recommend that Section 196 be amended by adding the following words:-

provided further, that no payment shall be made to a municipality that has failed to comply, by the date specified, with the last clause of the preceding sentence.

Respectfully submitted,