



## Wyoming Governor Proposes To Tax Wind

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Wyoming Governor Dave Freudenthal recently proposed new legislation concerning wind energy produced in the state. The Governor's proposals would tax wind energy produced in Wyoming and would also suspend the power of condemnation for one year where it might be used to gain access to private lands to construct wind energy collector lines (those lines that would tie the wind farm to the electric grid). The proposals would also modify state standards and county permitting requirements for the location of wind facilities and provide financial assurances for construction and operation of wind facilities.

Regarding the wind tax proposal, Governor Freudenthal said in a recent statement: "Wind energy developers should pay an excise tax based on the amount of power generated with a large share of the revenue returned to the county of origin." The Governor added that wind energy is a "profit-oriented business that should be treated the same as other energy producers." The Governor proposed a \$3-per-megawatt-hour tax on wind energy.

Taxing wind energy appears to contradict the October 2009 report prepared by the Wind Tax Force that found that taxation – including the comment that Wyoming has some of the highest sales and property taxes in the West – is a key "obstacle" that reduces the competitive position of Wyoming wind. (Sales taxes are applied to equipment installed for the development of the wind resource. Then, property taxes are assessed against each project when it has been completed and is operational.)

The proposal to suspend condemnation power is also recognition that wind developers are merchant ventures whose commercial businesses may not deserve the benefit of the powerful negotiation tactic and potentially superior right over private-property land owners that condemnation may allow.

Earlier this week, the proposed legislation, which reduced the Governor's proposed tax to \$1-per-megawatt-hour, passed the House on first reading. The legislation must still pass two more House votes before consideration by the Senate. At least one Republican, House Speaker Colin Simpson, R-Cody, expressed concern regarding development of wind energy in Wyoming, saying: "This is a great way to diversify our tax base . . . [but, I]et's do what we can to incentivize the industry."



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