

MAINE STATE LEGISLATURE

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1998

L.D. 258

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DATE: 4-27-01

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MINORITY
BUSINESS AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 223, L.D. 258, Bill, "An Act to Establish Returnable Tobacco Products and to Create the Returnable Tobacco Products Fund"

Amend the bill by inserting after section 1 the following:

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

2001-02 2002-03

HUMAN SERVICES, DEPARTMENT OF

Bureau of Health

Positions	(1,000)	(1,000)
Personal Services	\$44,051	\$62,880
All Other	756,392	756,649

Provides funds for one Environmental Specialist III position and related operating costs associated with implementing and administering the redemption program and overseeing the Returnable Tobacco Products Fund.

COMMITTEE AMENDMENT

2 **DEPARTMENT OF HUMAN SERVICES**
 3 **TOTAL**
 4 \$800,443 \$819,529

5 **Sec. 3. Allocation.** The following funds are allocated from
 6 Other Special Revenue Funds to carry out the purposes of this Act.

7 **2001-02** **2002-03**

10 **HUMAN SERVICES, DEPARTMENT OF**

12 **Returnable Tobacco Products Fund**

14 All Other \$44,852,043 \$67,143,509

16 Provides funds from the
 17 Returnable Tobacco Products
 18 Fund for the 5¢ per cigarette
 19 refund based on an 80% return
 20 rate.'

22 Further amend the bill by inserting at the end before the
 23 summary the following:

26 **FISCAL NOTE**

28 **2001-02** **2002-03**

30 **APPROPRIATIONS/ALLOCATIONS**

32 General Fund \$800,443 \$819,529
 33 Other Funds 44,852,043 67,143,509

34 **REVENUES**

36 General Fund (\$7,771,960) (\$13,254,970)
 38 Other Funds 56,005,371 83,827,598

40 This bill includes General Fund appropriations of \$800,443
 41 and \$819,529 in fiscal years 2001-02 and 2002-03, respectively,
 42 for the Bureau of Health within the Department of Human Services
 43 for one Environmental Specialist III position and related
 44 operating costs associated with implementing and administering
 45 the redemption program for the return of used and discarded
 46 tobacco products and for overseeing the Returnable Tobacco
 47 Products Fund.

48 Dedicated revenue to the Returnable Tobacco Products Fund is
 49 estimated to be \$56,065,054 in fiscal year 2001-02 and

COMMITTEE AMENDMENT "A" to H.P. 223, L.D. 258

2 \$83,929,386 in fiscal year 2002-03. This estimate assumes that
approximately 84 million packs of cigarettes are sold annually in
4 the State, that the deposit is 5¢ per cigarette, and that the
program begins November 1, 2001.

6 The amount of the refunds is expected to be \$44,852,043 in
fiscal year 2001-02 and \$67,143,509 in fiscal year 2002-03, based
8 on a projected return rate of 80%. This bill includes Other
Special Revenue fund allocations for these amounts. This will
10 result in a net balance in the Returnable Tobacco Products Fund
of \$11,213,011 and \$16,785,877 in fiscal years 2001-02 and
12 2002-03, respectively.

14 The imposition of a deposit fee on cigarettes will reduce
the demand for cigarettes and the resulting reduction in sales
16 will decrease General Fund revenue from the cigarette tax by
\$6,661,397 in fiscal year 2001-02 and \$11,360,920 in fiscal year
18 2002-03. The reduction in sales will also decrease sales and use
tax collections by \$1,170,246 in fiscal year 2001-02 and
20 \$1,995,838 in fiscal year 2002-03. The reduction of these tax
collections will decrease the amounts transferred to the Local
22 Government Fund for state-municipal revenue sharing in those
fiscal years by \$59,683 and \$101,788, respectively. The
24 resulting net reductions of General Fund revenue will be
\$1,110,563 in fiscal year 2001-02 and \$1,894,050 in fiscal year
26 2002-03. This estimate assumes a November 1, 2001 effective
date.'

28
30 **SUMMARY**

32 This amendment, which is the minority report, adds an
appropriation section, an allocation section and a fiscal note to
34 the bill.