

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1398

H.P. 1041

House of Representatives, March 5, 2001

An Act to Create a Sprawl Offset Tax.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative LEMOINE of Old Orchard Beach.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 30-A MRSA §4215, sub-§5 is enacted to read:

5. Residential subsurface waste water disposal system. A permit may not be issued under this section for the installation of a subsurface waste water disposal system subject to the sprawl offset tax imposed by Title 36, chapter 721 unless the person applying for the permit pays the tax required by that chapter.

Sec. 2. 36 MRSA c.721 is enacted to read:

CHAPTER 721

SPRAWL OFFSET TAX

§4881. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Residential property. "Residential property" means a building or portion of a building that is intended to be occupied as a temporary or permanent residence by one or more individuals or families. It does not include portions of buildings where sleeping facilities are not located.

2. Subsurface waste water disposal system. "Subsurface waste water disposal system" has the same meaning as in Title 30-A, section 4201.

§4882. Tax

1. Tax imposed. A tax is imposed on the installation of any new subsurface waste water disposal system installed in the State after January 1, 2002. The tax does not apply to the installation of systems that replace existing systems.

2. Amount of tax. The tax imposed under subsection 1 is computed as follows:

A. Seven hundred fifty dollars per toilet installed or to be installed on residential property; and

B. One thousand dollars per toilet or urinal installed or to be installed on property that is not residential property.

3. Exemption. Subsurface waste water disposal systems installed within a growth area designated by a municipality under Title 30-A, chapter 187, subchapter 2, article 2 are exempt from the tax imposed by this section.

2 **§4883. Administration**

4 **1. Collection of the tax.** The tax imposed in section 4882
6 must be collected by the plumbing inspector before issuing a
8 permit under Title 30-A, section 4215 and turned over to the
10 municipal tax collector. The municipality collecting the tax may
12 retain 10% of the revenue collected as reimbursement for the cost
14 of collection. On or before the 10th day of each month, the
 municipal tax collector shall pay over to the State Tax Assessor
 90% of the tax collected during the previous month. If the tax
 is not paid over by the 10th day of the month, the State Tax
 Assessor may impose interest pursuant to section 186.

16 **2. Distribution of revenues.** The State Tax Assessor shall
18 pay all net receipts to the Treasurer of State, who shall credit
20 1/2 of the revenue to the Municipal Investment Trust Fund
 established in Title 30-A, section 6006-D and 1/2 to the Housing
 Opportunities for Maine Fund created in Title 30-A, section 4853
 to be used for increasing the availability of affordable housing.

22 **SUMMARY**

24 This bill establishes a new tax to counter the effects of
26 development sprawl. The bill creates a tax on the installation
28 of new subsurface wastewater disposal systems in locations that
30 are not included within a growth area designated by a
32 municipality as part of a comprehensive planning process. The
34 tax is equal to \$750 per toilet installed in residential
36 facilities and \$1,000 per toilet installed in other facilities.
38 The tax must be paid to the municipal plumbing inspector before a
 permit may be issued. The municipality retains 10% of the
 revenue to cover its collection costs. The remaining 90% of
 revenue is sent to the State and the net amount deposited 1/2 in
 the Municipal Investment Trust Fund to assist municipalities with
 public infrastructure improvements and downtown development and
 1/2 in the Housing Opportunities for Maine Fund to support
 affordable housing.