

MAINE STATE LEGISLATURE

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DATE: 5-20-03

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REPORT A
NATURAL RESOURCES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1135, L.D. 1549, Bill, "An Act To Fund Municipal Collection of Household Hazardous Waste"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 22 MRSA §1471-W, sub-§3, as repealed and replaced by PL 1997, c. 139, §1, is amended to read:

3. Records; reporting. Any person who distributes general use pesticides to licensed general use pesticide dealers in the State shall keep and maintain records of these sales for annual reporting purposes. An annual report must be submitted to the board by March 1st for the preceding calendar year and must be accompanied by the fee assessed under subsection 6 beginning with the report due March 1, 2006. These annual reports must include the names of all licensed general use pesticide dealers to whom general use pesticides were distributed, the names of the pesticides, the United States Environmental Protection Agency registration number and the quantity sold. These records must be kept for 2 years after the end of the calendar year. For the purposes of this subsection, "distributes" means sells, ships or delivers general use pesticides to a licensed general use pesticide dealer engaged in retail sales. The board may adopt rules to further clarify who is responsible for reporting under this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A 2-A.

Sec. 2. 22 MRSA §1471-W, sub-§6 is enacted to read:

COMMITTEE AMENDMENT

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2 6. Fee. Effective January 1, 2005, a fee of 20¢ is
4 imposed on each container of general use pesticide distributed
6 within this State for retail sale. The fee is imposed at the
8 distributor level. Distributors shall remit the fee to the board
10 with the annual report required under subsection 3. The board
12 shall deposit the revenue derived from the fee in the Maine Solid
14 Waste Management Fund established under Title 38, section 2201.
16 The revenue may be used only for the purposes set forth under
18 Title 36, section 4873, subsection 2.

12 For the purpose of this subsection, "container" means an
14 individual container of pesticide of any size distributed, or to
16 be distributed, to retailers for purchase by a consumer.
18 Containers may include, but are not limited to, bags, boxes,
20 bottles and cans. Pesticide products exempt from licensure
22 requirements under subsection 5 are exempt from the fee imposed
24 by this subsection.

20 Sec. 3. 36 MRSA c. 721 is enacted to read:

22 CHAPTER 721

24 HOUSEHOLD HAZARDOUS WASTE MANAGEMENT FEE

26 §4871. Definitions

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

32 1. Architectural coating. "Architectural coating" means a
34 coating manufactured and recommended for field application to
36 structures and their appurtenances. "Architectural coating" does
38 not include:

36 A. Industrial maintenance coatings as defined under 40 Code
38 of Federal Regulations, 59.401 (2002);

40 B. Special-purpose coatings, including coatings formulated
42 and recommended solely for boats, auto refinishing, bridge
44 maintenance and traffic lane marking; or

44 C. Adhesives, mastics or plasters.

46 2. Coating. "Coating" means a liquid composition applied
48 onto or impregnated into a substrate for protective, decorative
50 or functional purposes. "Coating" includes interior and exterior
house paints, stains, varnishes, lacquers, sealers, primers and
undercoaters.

3. Distributor or wholesaler. "Distributor" or "wholesaler" means a person who engages in the business of selling or distributing architectural coatings for the purpose of resale.

4. Retailer. "Retailer" means a person who engages in the business of selling architectural coatings to consumers.

§4872. Fee on architectural coatings

1. Fee imposed. A fee of 20¢ per gallon is imposed on the retail sale of architectural coatings in this State. This fee is imposed at the retail level. Architectural coatings in containers of less than one-gallon capacity are exempt from this fee.

2. Advertising of payment by retailer. It is unlawful for any retailer to advertise or hold out or state to the public or to any consumer, directly or indirectly, that the fee imposed by this section will be assumed or absorbed by the retailer or that it will not be added or included in the selling price of the coating or that, if added or included, the fee or any part thereof will be refunded.

3. Distributor responsibility. A distributor shall provide to a retailer of architectural coatings doing business in this State a quarterly, semiannual or annual report identifying the number of gallons of architectural coatings sold to the retailer in containers of one gallon or more.

§4873. Administration

1. Deposit of revenue. The fees imposed by this chapter are administered as provided under chapter 7 and Part 3 and must be considered as imposed under Part 3. The revenue derived from the fees imposed by this chapter must be deposited in the Maine Solid Waste Management Fund established under Title 38, section 2201, from which the General Fund must be reimbursed for the administrative costs of the fees as certified by the bureau.

2. Transfer of revenue. Revenues derived from the fees imposed by this chapter and Title 22, section 1471-W, may be transferred from the Maine Solid Waste Management Fund in accordance with the following:

A. At least 90% of the revenues must be made available as state cost share to municipalities by the Executive Department, State Planning Office as authorized under Title 38, section 2133, subsection 2-B;

2 B. Up to 5% of the revenues may be transferred to the
3 Department of Environmental Protection or the Executive
4 Department, State Planning Office to develop and carry out
5 education and outreach activities related to proper
6 management of household hazardous waste; and

7 C. Up to 5% of the revenues may be transferred to the
8 Department of Agriculture, Food and Rural Resources, Board
9 of Pesticides Control to support achievement of the
10 pesticide use minimization goal of Title 22, section 1471-X.

11 **Sec. 4. Legislation.** The Joint Standing Committee on Natural
12 Resources may report out legislation during the Second Regular
13 Session of the 121st Legislature concerning alternate sources of
14 funding for municipal collection of household hazardous waste.

15 **Sec. 5. Transfer of funds.** Notwithstanding any other provision
16 of law, the Finance Authority of Maine shall transfer \$438,820
17 from the Waste Reduction and Recycling Loan Fund, established in
18 the Maine Revised Statutes, Title 10, section 1023-G, to the
19 Maine Solid Waste Management Fund established under Title 38,
20 section 2201 no later than June 30, 2004. The Finance Authority
21 of Maine shall transfer principal and interest repayments
22 received in the Waste Reduction and Recycling Loan Fund to the
23 Maine Solid Waste Management Fund within 60 days of receipt. The
24 funds must be transferred from the Maine Solid Waste Management
25 Fund in accordance with the following:

26 1. At least 90% of the funds must be made available as
27 state cost share to municipalities by the Executive Department,
28 State Planning Office as authorized under Title 38, section 2133,
29 subsection 2-B;

30 2. Up to 5% of the funds may be transferred to the
31 Department of Environmental Protection or the Executive
32 Department, State Planning Office to develop and carry out
33 education and outreach activities related to proper management of
34 household hazardous waste; and

35 3. Up to 5% of the funds may be transferred to the
36 Department of Agriculture, Food and Rural Resources, Board of
37 Pesticides Control to support achievement of the pesticide use
38 minimization goal of Title 22, section 1471-X.

39 **Sec. 6. Application.** Those sections of this Act that amend
40 the Maine Revised Statutes, Title 22, section 1471-W, subsection
41 3 and enact Title 22, section 1471-W, subsection 6 and Title 36,
42 chapter 721 apply to retail purchases of architectural coatings
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and to distribution of general use pesticide products for retail sale occurring in this State on or after January 1, 2005.

Sec. 7. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF**

Maine Revenue Services 0002

Initiative: Provides one-time funds for the administrative costs associated with the household hazardous waste management fee.

General Fund	2003-04	2004-05
All Other	\$0	\$26,000
General Fund Total	\$0	\$26,000

**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF
DEPARTMENT TOTALS**

	2003-04	2004-05
GENERAL FUND	\$0	\$26,000
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$26,000

EXECUTIVE DEPARTMENT

State Planning Office 0082

Initiative: Provides funds to administer a state cost share program. This allocation is intended to provide support for the operational costs incurred by municipalities in the management of household hazardous waste.

Other Special Revenue Funds	2003-04	2004-05
All Other	\$436,768	\$266,830
Other Special Revenue Funds Total	\$436,768	\$266,830

**EXECUTIVE DEPARTMENT
DEPARTMENT TOTALS**

	2003-04	2004-05
OTHER SPECIAL REVENUE FUNDS	\$436,768	\$266,830
DEPARTMENT TOTAL - ALL FUNDS	\$436,768	\$266,830

ENVIRONMENTAL PROTECTION, DEPARTMENT OF

Remediation and Waste Management 0247

Initiative: Provides funds to develop and carry out education and outreach activities related to proper management of household hazardous waste.

Other Special Revenue Funds	2003-04	2004-05
All Other	\$24,265	\$14,824
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Other Special Revenue Funds Total	\$24,265	\$14,824

**ENVIRONMENTAL PROTECTION, DEPARTMENT OF
DEPARTMENT TOTALS**

	2003-04	2004-05
OTHER SPECIAL REVENUE FUNDS	\$24,265	\$14,824
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DEPARTMENT TOTAL - ALL FUNDS	\$24,265	\$14,824

**AGRICULTURE, FOOD AND RURAL RESOURCES,
DEPARTMENT OF**

Board of Pesticide Control 0287

Initiative: Provides funds to support achievement of the pesticide use minimization goal of the Maine Revised Statutes, Title 22, section 1471-X.

Other Special Revenue Funds	2003-04	2004-05
All Other	\$24,265	\$14,824
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Other Special Revenue Funds Total	\$24,265	\$14,824

**AGRICULTURE, FOOD AND RURAL RESOURCES,
DEPARTMENT OF
DEPARTMENT TOTALS**

	2003-04	2004-05
OTHER SPECIAL REVENUE FUNDS	\$24,265	\$14,824
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DEPARTMENT TOTAL - ALL FUNDS	\$24,265	\$14,824

SECTION TOTALS

	2003-04	2004-05
GENERAL FUND	\$0	\$26,000
OTHER SPECIAL REVENUE FUNDS	\$485,298	\$296,478
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SECTION TOTAL - ALL FUNDS	\$485,298	\$322,478

SUMMARY

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This amendment is the majority report of the Joint Standing Committee on Natural Resources. It replaces the bill. The amendment transfers \$438,820 from the Waste Reduction and Recycling Loan Fund to the Maine Solid Waste Management Fund to provide state cost share support for household hazardous waste collection programs. It also requires that principal and interest payments received in the Waste Reduction and Recycling Loan Fund be deposited in the Maine Solid Waste Management Fund within 60 days of receipt. Also under the amendment, beginning January 1, 2005, revenue is generated by imposing a 20¢ fee on the retail sale of architectural coatings and on general use pesticide distributed for retail sale in the State. The Department of Agriculture, Food and Rural Resources, Board of Pesticides Control will collect the pesticide fee and the Department of Administrative and Financial Services, Bureau of Revenue Services will collect the architectural coatings fee. The Joint Standing Committee on Natural Resources is authorized to report out legislation during the Second Regular Session of the 121st Legislature concerning alternate sources of funding for municipal collection of household hazardous waste. This amendment also adds an appropriation and allocation section to the bill.

FISCAL NOTE REQUIRED
(See attached)

121st Maine Legislature
 Office of Fiscal and Program Review



LD 1549

An Act to Fund Municipal Collection of Household Hazardous Waste

LR 2053(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Natural Resources

Fiscal Note Required: Yes

Majority Report

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	\$0	\$26,000	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$26,000	\$0	\$0
Other Special Revenue Funds	\$485,298	\$296,478	\$546,478	\$546,478
Revenue				
Other Special Revenue Funds	\$485,298	\$296,478	\$546,478	\$546,478

Fiscal Detail and Notes

This legislation requires the Finance Authority of Maine to transfer \$438,820 from the Waste Reduction and Recycling Loan Fund to the Maine Solid Waste Management Fund administered by the State Planning Office and the Department of Environmental Protection by June 30, 2004. The Governor's proposed Part II budget for fiscal years 2003-04 and 2004-05 includes the transfer of \$438,820 to the unappropriated surplus of the General Fund by June 30, 2004. If the Part II budget is enacted as proposed, these funds would not be available for transfer as required by this legislation. This legislation also requires the Finance Authority of Maine to transfer principal and interest repayments received in the Loan Fund to the Maine Solid Waste Management Fund within 60 days of receipt. The Finance Authority of Maine estimates the average annual principal and interest repayments to be approximately \$46,478 per year with the last payment date of the current loans outstanding being November 2017.

This bill imposes a 20 cent fee on the retail sale of architectural coatings sold in containers of one gallon and on each unit of general use pesticide distributed for retail sale in Maine. It is estimated that these fees will generate \$500,000 annually to be deposited in the Maine Solid Waste Management Fund. Since the increase in fees does not become effective until January 1, 2005, the expected revenue is estimated to be approximately \$250,000 in fiscal year 2004-05. This additional revenue is intended to provide state cost share support for the operational costs incurred by

municipalities in the management of household hazardous waste. Revenue derived from the proposed fees may be allocated to the State Planning Office (90%), the Department of Environmental Protection (5%) and the Department of Agriculture, Food and Rural Resources (5%) to carry out the purposes of this bill. The additional costs associated with administering this proposed state cost share program to municipalities can be absorbed by the State Planning Office utilizing existing budgeted resources.

Maine Revenue Services will require a one-time General Fund appropriation of \$26,000 in fiscal year 2004-05 for the administrative costs associated with the Household Hazardous Waste Management Fee.