## MAINE STATE LEGISLATURE

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## 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

**Legislative Document** 

No. 169

H.P. 127

House of Representatives, January 27, 2015

An Act To Amend the Laws Governing Groundwater Rights

Reference to the Committee on Taxation suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative KORNFIELD of Bangor.

Cosponsored by Representatives: COOPER of Yarmouth, DAUGHTRY of Brunswick, MASTRACCIO of Sanford, RYKERSON of Kittery, SAUCIER of Presque Isle, SCHNECK of Bangor, Senators: JOHNSON of Lincoln, LIBBY of Androscoggin.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 36 MRSA c. 370-A is enacted to read:
3	CHAPTER 370-A
4	EXTRACTION OF WATER FOR BOTTLING
5	§2831. Definitions
6 7	As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.
8 9	1. Bottled water operator. "Bottled water operator" means a person engaged in the business of bottling or packaging water for sale in containers of 5 gallons or less.
10	<u>§2832. Excise tax</u>
11 12 13 14	1. Imposition of tax. An excise tax is imposed on each bottled water operator that extracted more than 1,000,000 gallons of water in the previous calendar year for the privilege of engaging in the business of extracting groundwater or surface water from springs or other underground sources within the State for commercial bottling for sale.
15 16	2. Rate of tax. The excise tax under this section is imposed at a rate of 1¢ per gallon of water extracted.
17 18 19 20 21	3. Payment. A bottled water operator shall prepare and submit to the bureau a monthly report according to procedures specified by the bureau showing the total gallons of water extracted for bottling during the preceding month and other information required by the bureau and shall pay excise tax under this section each month to the bureau at the time the report is submitted.
22 23 24	<b>4. Records.</b> A bottled water operator shall keep a record of all water extracted in this State by that bottled water operator and make that record available for inspection by the assessor at all times.
25 26	<b>5. Enforcement.</b> The excise tax imposed by this section may be enforced using the enforcement and collection procedures provided in chapter 7.
27	§2833. Application of revenues
28 29 30 31	1. Revenues. All revenues received by the bureau under this chapter after reduction for administrative costs must be credited to a General Fund suspense account. No later than the last day of each month, the State Controller shall transfer all such revenues in the following manner:
32 33	A. Twenty-five percent to the Maine Environmental Protection Fund established under Title 38, section 351 for use in watershed and water quality protection;

- B. Fifty percent to the Department of Education to be used to supplement funding for essential programs and services for kindergarten to grade 12 under Title 20-A, chapter 606-B; and
  - C. Twenty-five percent to a municipality where water was extracted by a bottled water operator under this chapter. The bureau shall adopt rules to determine procedures for transferring revenues to eligible municipalities under this paragraph. Rules adopted pursuant to this paragraph are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.
  - **Sec. 2. Initial water extraction report.** By January 1, 2016, a bottled water operator as defined in the Maine Revised Statutes, Title 36, section 2831, subsection 1 shall prepare and submit to the Department of Administrative and Financial Services, Bureau of Revenue Services a report according to procedures specified by the bureau showing the total gallons of water extracted by that operator for bottling in the previous calendar year.
  - **Sec. 3. Application.** That section of this Act that enacts the Maine Revised Statutes, Title 36, chapter 370-A applies to tax years beginning on or after January 1, 2016.

18 SUMMARY

 This bill creates an excise tax of 1¢ per gallon on the extraction of groundwater or surface water from springs or other underground sources in this State by a bottled water operator that extracted more than 1,000,000 gallons in the previous calendar year if the water is packaged for sale in containers of 5 gallons or less. The revenue from the tax is applied 25% to watershed and water quality protection, 50% to essential programs and services for kindergarten to grade 12 and 25% to the municipality where the water was extracted.