

MAINE STATE LEGISLATURE

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MAJORITY

L.D. 937

Date: 5/27/15

(Filing No. S- 139)

LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT

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STATE OF MAINE

SENATE

127TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 328, L.D. 937, Bill, "An Act Regarding Residential Drinking Water Arsenic Testing"

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

'Sec. 1. 30-A MRSa §4748 is enacted to read:

§4748. Water filter surcharge

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Point-of-use water treatment system" means a water filtration system that is designed to be used for one location in a house, including, but not limited to, a kitchen sink, bathroom or refrigerator.

B. "Whole house water treatment system" means a water filtration system that is installed at the well water entry point of a house.

2. Surcharge. In addition to the tax imposed on the sale of a water filter pursuant to Title 36, section 1811, there is imposed a surcharge of 3% on the sale price, as defined in Title 36, section 1752, subsection 14, of any water filter for residential use, including both residential point-of-use and whole house water treatment systems, sold at retail in this State.

3. Administration. All surcharges collected under subsection 2 must be credited to the authority for use in the home repair program administered by the authority that provides loans and grants to low-income homeowners for necessary home repairs to remediate arsenic in drinking water. The surcharge must be collected at the time of the sale of the water filter and remitted to the State Tax Assessor in the same manner as the sales tax. The State Tax Assessor shall forward any amount collected pursuant to subsection 2 to the authority, less the cost of administering the surcharge, which may not exceed 10% of the amount collected.

COMMITTEE AMENDMENT

1 **Sec. 2. 36 MRSA §1752, sub-§14, ¶B**, as amended by PL 2011, c. 211, §22, is
 2 further amended to read:

- 3 B. "Sale price" does not include:
- 4 (1) Discounts allowed and taken on sales;
 - 5 (2) Allowances in cash or by credit made upon the return of merchandise
 6 pursuant to warranty;
 - 7 (3) The price of property returned by customers, when the full price is refunded
 8 either in cash or by credit;
 - 9 (4) The price received for labor or services used in installing or applying or
 10 repairing the property sold, if separately charged or stated;
 - 11 (5) Any amount charged or collected, in lieu of a gratuity or tip, as a specifically
 12 stated service charge, when that amount is to be disbursed by a hotel, restaurant
 13 or other eating establishment to its employees as wages;
 - 14 (6) The amount of any tax imposed by the United States on or with respect to
 15 retail sales, whether imposed upon the retailer or the consumer, except any
 16 manufacturers', importers', alcohol or tobacco excise tax;
 - 17 (7) The cost of transportation from the retailer's place of business or other point
 18 from which shipment is made directly to the purchaser, provided that those
 19 charges are separately stated and the transportation occurs by means of common
 20 carrier, contract carrier or the United States mail;
 - 21 (8) The fee imposed by Title 10, section 1169, subsection 11;
 - 22 (9) The fee imposed by section 4832, subsection 1;
 - 23 (10) The lead-acid battery deposit imposed by Title 38, section 1604, subsection
 24 2-B;
 - 25 (11) Any amount charged or collected by a person engaged in the rental of living
 26 quarters as a forfeited room deposit or cancellation fee if the prospective
 27 occupant of the living quarters cancels the reservation on or before the scheduled
 28 date of arrival;
 - 29 (12) The premium imposed on motor vehicle oil by Title 10, section 1020,
 30 subsection 6-A; ~~or~~
 - 31 (13) Any amount charged for the disposal of used tires; or
 - 32 (14) The 3% surcharge pursuant to Title 30-A, section 4748, subsection 2.

33 **Sec. 3. Appropriations and allocations.** The following appropriations and
 34 allocations are made.

35 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
 36 **Revenue Services, Bureau of 0002**

R O F S

COMMITTEE AMENDMENT "A" to S.P. 328, L.D. 937

1 Initiative: Provides one-time funding for programming changes to allow retailers to
 2 separately report the water filter surcharge under the Maine Revised Statutes, Title 30-A,
 3 section 4748.

4	GENERAL FUND	2015-16	2016-17
5	All Other	\$12,000	\$0
6			
7	GENERAL FUND TOTAL	<u>\$12,000</u>	<u>\$0</u>

8	ADMINISTRATIVE AND FINANCIAL		
9	SERVICES, DEPARTMENT OF		
10	DEPARTMENT TOTALS	2015-16	2016-17
11			
12	GENERAL FUND	\$12,000	\$0
13			
14	DEPARTMENT TOTAL - ALL FUNDS	<u>\$12,000</u>	<u>\$0</u>

15 **HOUSING AUTHORITY, MAINE STATE**

16 **Maine Home Repair Program N199**

17 Initiative: Allocates funds from the 3% surcharge on the retail sale of residential point-of-
 18 use and whole house water treatment system filters under the Maine Revised Statutes,
 19 Title 30-A, section 4748.

20	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
21	All Other	\$15,400	\$22,000
22			
23	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$15,400</u>	<u>\$22,000</u>

24	HOUSING AUTHORITY, MAINE STATE		
25	DEPARTMENT TOTALS	2015-16	2016-17
26			
27	OTHER SPECIAL REVENUE FUNDS	\$15,400	\$22,000
28			
29	DEPARTMENT TOTAL - ALL FUNDS	<u>\$15,400</u>	<u>\$22,000</u>

30	SECTION TOTALS	2015-16	2016-17
31			
32	GENERAL FUND	\$12,000	\$0
33	OTHER SPECIAL REVENUE FUNDS	\$15,400	\$22,000

COMMITTEE AMENDMENT

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SECTION TOTAL - ALL FUNDS

\$27,400

\$22,000

SUMMARY

This amendment is the majority report of the committee. The amendment clarifies that the surcharge of 3% on the retail sale of water filters applies to residential point-of-use and whole house water treatment system filters. It also adds definitions for "point-of-use water treatment system" and "whole house water treatment system." It also removes the provision in the bill that proposes to require a seller of residential real property to provide to the purchaser a form that allows the purchaser to formally decline to have the water at the property tested for arsenic.

The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



127th MAINE LEGISLATURE

LD 937

LR 1026(02)

An Act Regarding Residential Drinking Water Arsenic Testing

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-139)
 Committee: Labor, Commerce, Research and Economic Development
 Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$12,933	\$1,333	\$1,333	\$1,333
Appropriations/Allocations				
General Fund	\$12,000	\$0	\$0	\$0
Other Special Revenue Funds	\$15,400	\$22,000	\$22,000	\$22,000
Revenue				
General Fund	(\$933)	(\$1,333)	(\$1,333)	(\$1,333)
Other Special Revenue Funds	\$15,351	\$21,930	\$21,930	\$21,930

Fiscal Detail and Notes

This bill creates a new program account, the Maine Home Repair Program, in the State's financial accounting system to accept funds received from the 3% surcharge on the retail sale of certain water filters to be used for the Maine State Housing Authority's (MSHA) home repair program. The bill includes Other Special Revenue Funds allocations of \$15,400 in fiscal year 2015-16 and \$22,000 in fiscal year 2016-17 to the Maine Home Repair Program within MSHA based on revenue projections developed by Maine Revenue Services. This fiscal note assumes an effective date of October 1, 2015.

The bill includes a one-time General Fund appropriation of \$12,000 in fiscal year 2015-16 to the Bureau of Revenue Services for programming changes to allow retailers to separately report the water filter surcharge. General Fund revenues are anticipated to be reduced by \$933 in fiscal year 2015-16 and \$1,333 in fiscal year 2016-17 for a drop in demand of water filters because of the new surcharge. Local Government Funds revenue would be reduced by \$49 in fiscal year 2015-16 and \$70 in fiscal year 2016-17.

Any additional costs to the Department of Health and Human Services to adopt the changes in this bill are expected to be minor and can be absorbed within existing budgeted resources.