

MAINE STATE LEGISLATURE

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Date: 5/19/17 Minority

(Filing No. H-239)

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 356, L.D. 493, Bill, "An Act To Tax the Extraction of Water for Certain Commercial Purposes and Fund Water Quality Programs"

Amend the bill in section 1 in §2832 by striking out all of subsection 3 (page 1, lines 18 to 22 in L.D.) and inserting the following:

3. Payment. Each bottled water operator shall prepare and submit to the bureau by the 15th of each month a return according to procedures and schedules specified by the bureau reporting the total gallons of water extracted for bottling during the preceding month and other information required by the bureau and shall pay excise tax imposed under this section each month to the bureau at the time the return is submitted.

Amend the bill in section 1 in §2832 in subsection 4 in the first line (page 1, line 23 in L.D.) by striking out the following: "keep" and inserting the following: 'preserve for a period of at least 3 years'

Amend the bill in section 4 in §424-E in subsection 3 in paragraph A in the last line (page 3, line 30 in L.D.) by striking out the following: "and"

Amend the bill in section 4 in §424-E in subsection 3 by striking out all of paragraph B (page 3, lines 31 to 33 in L.D.) and inserting the following:

B. Ten percent of the money distributed by the fund in any calendar year must support activities under the lake water quality monitoring and support program under section 424-D; and

C. Five percent of the money distributed by the fund in any calendar year must support well water remediation efforts.'

Amend the bill by inserting after section 4 the following:

Sec. 5. Application. This Act first applies to bottled water operators that extracted more than 1,000,000 gallons of water in this State in calendar year 2016.

COMMITTEE AMENDMENT

H. of S.

COMMITTEE AMENDMENT "A" to H.P. 356, L.D. 493

1 more than 1,000,000 gallons of water in this State in calendar year 2016. The amendment
2 also provides funding for a position in the Department of Environmental Protection.

3

FISCAL NOTE REQUIRED

4

(See attached)



128th MAINE LEGISLATURE

LD 493

LR 293(02)

An Act To Tax the Extraction of Water for Certain Commercial Purposes and Fund Water Quality Programs

Fiscal Note for Bill as Amended by Committee Amendment *A(H-239)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$16,791	\$19,588	\$20,136	\$20,700
Appropriations/Allocations				
General Fund	\$16,791	\$19,588	\$20,136	\$20,700
Other Special Revenue Funds	\$216,000	\$360,000	\$360,000	\$360,000
Revenue				
General Fund	\$216,000	\$360,000	\$360,000	\$360,000
Transfers				
General Fund	(\$216,000)	(\$360,000)	(\$360,000)	(\$360,000)
Other Special Revenue Funds	\$216,000	\$360,000	\$360,000	\$360,000

Fiscal Detail and Notes

The bill establishes an excise tax of 1¢ per 25 gallons of groundwater extracted from springs or other underground sources by operators that extracted more than 1 million gallons in the previous calendar year, beginning on October 1, 2017. The revenue from this excise tax is transferred to the Maine Water Quality Testing and Monitoring Fund (MWQTMF) within the Department of Environmental Protection (DEP). The newly established fund will be used to provide grants to public and private entities for testing wells and other drinking water sources for heavy metals, bacteria and other contaminants, for a lake water quality monitoring and support program and for well water remediation services. It is estimated that the excise tax will generate \$216,000 in General Fund revenue for transfer to the MWQTMF in fiscal year 2017-18 and \$360,000 annually thereafter. Up to 10% of the revenue transferred into the fund may be used by the DEP for development and administration of the program.

This bill includes General Fund appropriations to the DEP of \$16,791 in fiscal year 2017-18 and \$19,588 in fiscal year 2018-19 and allocations to the MWQTMF of \$14,291 in fiscal year 2017-18 and \$19,588 in fiscal year 2018-9 for one part-time Environmental Specialist III position to administer the grant program, the lake water quality monitoring and support program and the well water remediation program. The bill also includes allocations to the MWQTMF of \$201,709 in fiscal year 2017-18 and \$340,412 in fiscal year 2018-19 for administrative costs of the department, grants to public or private entities involved in well water testing programs, a contract with a private organization to monitor and support lake water quality and well water remediation services.