

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)

8MG
ROJ/S

L.D. 1074

Date: 6/18/19

Minority

(Filing No. H-637)

TAXATION

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 797, L.D. 1074, Bill, "An Act To Establish a Tax on Water Extracted for Bottling in Order To Secure the Economic Future of Rural Maine"

Amend the bill by striking out the title and substituting the following:

'An Act To Establish a Tax on Water Extracted for Bottling in Order To Support Transportation Infrastructure'

Amend the bill by striking out all of section 1.

Amend the bill in section 2 in chapter 370-A in §2832 in subsection 1 in the 2nd line (page 1, line 24 in L.D.) by striking out the following: "November 1, 2019" and inserting the following: 'July 1, 2020'

Amend the bill in section 2 in chapter 370-A in §2832 in subsection 2 in the first line (page 1, line 28 in L.D.) by striking out the following: "12¢" and inserting the following: '5¢'

Amend the bill in section 2 in chapter 370-A in §2833 in the first paragraph in the 2nd and 3rd lines (page 2, lines 3 and 4 in L.D.) by striking out the following: "Water Trust Fund established under section 2834" and inserting the following: 'Highway Fund'

Amend the bill in section 2 in chapter 370-A by striking out all of §2834 (page 2, lines 5 to 25 in L.D.).

Amend the bill in section 3 in the last line (page 2, line 31 in L.D) by striking out the following: "2018" and inserting the following: '2019'

Amend the bill by adding after section 3 the following:

'Sec. 4. Statutory referendum procedure; submission at election; form of question; effective date. This Act must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns

COMMITTEE AMENDMENT

R OF S

COMMITTEE AMENDMENT "A" to H.P. 797, L.D. 1074

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a tax on bottled water operators of 5¢ per gallon of water extracted in the State of Maine to be used for Highway Fund purposes?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Act, the Governor shall proclaim the result without delay and this Act becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purposes of this referendum.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment reduces the proposed tax on the extraction of bottled water from 12¢ per gallon to 5¢ per gallon and provides that the revenue, after subtraction of administrative costs, is credited to the Highway Fund. The amendment also includes statutory referendum provisions to ensure that the tax will not take effect unless approved by the voters at a statewide election and changes dates to reflect the referendum timing.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



129th MAINE LEGISLATURE

LD 1074

LR 1961(02)

An Act To Establish a Tax on Water Extracted for Bottling in Order To Secure the Economic Future of Rural Maine

Fiscal Note for Bill as Amended by Committee Amendment *A (H-637)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund
 Contingent current biennium cost increase - General Fund
 Contingent current biennium revenue increase - Highway Fund

Referendum Costs

Month/Year	Election Type	Question	Length
Nov-19	General	Referendum	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$172,000 may be required.

Fiscal Detail and Notes

The bill creates an excise tax of 5¢ per gallon on the extraction of groundwater or surface water for commercial bottling for resale for each bottled water operator that extracted more than 1.5 million gallons of groundwater or surface water in the previous calendar year, contingent on voter approval at a statewide election. Revenue from the tax will be credited to the Highway Fund. If approved by the voters, Highway Fund revenue is expected to increase by approximately \$53 million per year. The Department of Administrative and Financial Services will need a General Fund appropriation of \$100,000 in fiscal year 2020-21 for computer programming to create the new tax in the processing system.