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TAXATION

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

COMMITTEE AMENDMENT " " 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

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

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

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

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

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

#### 18 **SUMMARY**

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