



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 " "

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.