

MAINE STATE LEGISLATURE

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SMG
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6/18/15

L.D. 1401

Date:

Minority

(Filing No. H- 477)

CRIMINAL JUSTICE AND PUBLIC SAFETY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 950, L.D. 1401, Bill, "An Act To Allow for and Regulate the Adult Use of Cannabis"

Amend the bill by adding after Part H the following:

'PART I

Sec. I-1. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Alcoholic Beverages - General Operation 0015**

Initiative: Provides funds to establish 14 Marijuana Inspector positions, establish 5 Office Associate II positions and for related costs.

GENERAL FUND	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	0,000	19,000
Personal Services	\$0	\$1,320,631
All Other	\$0	\$546,986
GENERAL FUND TOTAL	\$0	\$1,867,617

Cannabis Regulation and Licensing Fund N219

Initiative: Provides allocations for enforcement checks to deter underage sales and related activities.

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "A" to H.P. 950, L.D. 1401

1	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
2	All Other	\$558,000	\$3,877,000
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$558,000</u>	<u>\$3,877,000</u>
5	Revenue Services, Bureau of 0002		
6	Initiative: Provides one-time funding for computer programming costs.		
7	GENERAL FUND	2015-16	2016-17
8	All Other	\$12,000	\$0
9			
10	GENERAL FUND TOTAL	<u>\$12,000</u>	<u>\$0</u>
11	ADMINISTRATIVE AND FINANCIAL		
12	SERVICES, DEPARTMENT OF		
13	DEPARTMENT TOTALS	2015-16	2016-17
14			
15	GENERAL FUND	\$12,000	\$1,867,617
16	OTHER SPECIAL REVENUE FUNDS	\$558,000	\$3,877,000
17			
18	DEPARTMENT TOTAL - ALL FUNDS	<u>\$570,000</u>	<u>\$5,744,617</u>
19	AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF		
20	Division of Plant Industry 0831		
21	Initiative: Provides allocations for one part-time Certified Seed Specialist position and		
22	related costs, as well as one-time rule-making costs.		
23	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
24	POSITIONS - LEGISLATIVE COUNT	0.500	0.500
25	Personal Services	\$22,524	\$30,032
26	All Other	\$10,124	\$9,879
27			
28	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$32,648</u>	<u>\$39,911</u>
29	Office of the Commissioner 0401		
30	Initiative: Provides allocations for technology costs.		
31	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
32	All Other	\$3,218	\$4,291
33			

RDF

COMMITTEE AMENDMENT "A" to H.P. 950, L.D. 1401

1	OTHER SPECIAL REVENUE FUNDS TOTAL	\$3,218	\$4,291
2	Pesticides Control - Board of 0287		
3	Initiative: Provides allocations to establish 2 Environmental Specialist II positions and		
4	related costs, as well as one-time rule-making costs.		
5	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
6	POSITIONS - LEGISLATIVE COUNT	2.000	2.000
7	Personal Services	\$104,531	\$141,574
8	All Other	\$24,687	\$28,936
9			
10	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$129,218</u>	<u>\$170,510</u>
11	AGRICULTURE, CONSERVATION AND		
12	FORESTRY, DEPARTMENT OF		
13	DEPARTMENT TOTALS	2015-16	2016-17
14			
15	OTHER SPECIAL REVENUE FUNDS	\$165,084	\$214,712
16			
17	DEPARTMENT TOTAL - ALL FUNDS	<u>\$165,084</u>	<u>\$214,712</u>
18	EDUCATION, DEPARTMENT OF		
19	School Construction - Cannabis Revenue N211		
20	Initiative: Provides allocations for public school construction projects.		
21	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
22	All Other	\$558,000	\$930,000
23			
24	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$558,000</u>	<u>\$930,000</u>
25	EDUCATION, DEPARTMENT OF		
26	DEPARTMENT TOTALS	2015-16	2016-17
27			
28	OTHER SPECIAL REVENUE FUNDS	\$558,000	\$930,000
29			
30	DEPARTMENT TOTAL - ALL FUNDS	<u>\$558,000</u>	<u>\$930,000</u>
31	LABOR, DEPARTMENT OF		
32	Regulation and Enforcement 0159		

ROFS

COMMITTEE AMENDMENT "A" to H.P. 950, L.D. 1401

1 Initiative: Provides funds for one Labor and Safety Inspector position and related All
2 Other costs to support the increase in enforcement activity.

3	GENERAL FUND	2015-16	2016-17
4	POSITIONS - LEGISLATIVE COUNT	1,000	1,000
5	Personal Services	\$47,731	\$66,187
6	All Other	\$9,000	\$9,000
7			
8	GENERAL FUND TOTAL	<u>\$56,731</u>	<u>\$75,187</u>

9	LABOR, DEPARTMENT OF		
10	DEPARTMENT TOTALS	2015-16	2016-17
11			
12	GENERAL FUND	\$56,731	\$75,187
13			
14	DEPARTMENT TOTAL - ALL FUNDS	<u>\$56,731</u>	<u>\$75,187</u>

15	SECTION TOTALS	2015-16	2016-17
16			
17	GENERAL FUND	\$68,731	\$1,942,804
18	OTHER SPECIAL REVENUE FUNDS	\$1,281,084	\$5,021,712
19			
20	SECTION TOTAL - ALL FUNDS	<u>\$1,349,815</u>	<u>\$6,964,516</u>
21			

22 **SUMMARY**

23 This amendment is the minority report of the committee. This amendment adds an
24 appropriations and allocations section.

25 **FISCAL NOTE REQUIRED**

26 (See attached)

COMMITTEE AMENDMENT



127th MAINE LEGISLATURE

LD 1401

LR 1783(02)

An Act To Allow for and Regulate the Adult Use of Cannabis

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-477)
Committee: Criminal Justice and Public Safety

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	(\$4,255,769)	(\$5,264,696)	(\$5,462,282)	(\$5,584,413)
Appropriations/Allocations				
General Fund	\$68,731	\$1,942,804	\$1,745,218	\$1,623,087
Other Special Revenue Funds	\$1,281,084	\$5,021,712	\$2,620,576	\$2,912,715
Revenue				
General Fund	\$4,324,500	\$7,207,500	\$7,207,500	\$7,207,500
Other Special Revenue Funds	\$1,255,500	\$5,039,500	\$2,631,500	\$2,916,500
Transfers				
Other Special Revenue Funds	\$0	\$0	\$0	\$0

Correctional and Judicial Impact Statements

Eliminates Class D crimes, Class E crimes and civil violations;
 Establishes new Class D crimes and civil violations;
 The new impact on General Fund fine revenue can not be estimated at this time.

Fiscal Detail and Notes

This legislation legalizes the sale of cannabis and cannabis products and establishes a 10% tax rate in addition to the regular 5% tax rate. General Fund revenues would increase by \$4,324,500 in fiscal year 2015-16 and \$7,207,500 in fiscal year 2016-17 and Local Government Fund revenue would increase by \$139,500 in fiscal year 2015-16 and \$232,500 in fiscal year 2016-17. This analysis assumes an effective date of 10-1-15. The Department of Administrative and Financial Services would require a General Fund appropriation of \$12,000 in fiscal year 2015-16 for computer programming to add a line to the sales tax return to capture the tax information.

The Regulation and Enforcement program within the Department of Labor will require General Fund appropriations of \$56,731 in fiscal year 2015-16 and \$75,187 in fiscal year 2016-17 for one Labor/Safety Inspector position and related all other costs to support the increase in enforcement activity associated with this legislation.

The Department of Education will require Other Special Revenue Funds allocations of \$558,000 in fiscal year 2015-16 and \$930,000 in fiscal year 2016-17 to a newly created School Construction - Cannabis Revenue program account to expend the funds projected to be received for its share of the sales tax on cannabis products on school construction projects.

The bill renames the Bureau of Alcoholic Beverages and Lottery Operations as the Bureau of Alcoholic Beverages, Cannabis and Lottery Operations (ABCLO). The ABCLO will require General Fund appropriations of \$1,867,617 in fiscal year 2016-17 for 5 Office Associate II positions, 14 Marijuana Inspector positions and certain one-time and ongoing IT costs. The bill establishes the Cannabis Regulation and Licensing Fund within the ABCLO and receives funds from applications and renewal registrations, certain penalties and fines and 10% of revenue from the 10% tax rate. It will receive an estimated Other Special Revenue Funds revenue of \$558,000 and \$3,877,000 in fiscal years 2015-16 and 2016-17, respectively, from application and renewal registration fees and 10% of revenue from the 10% tax rate. 25% of license application fees are directed to the locality the applicant desires to operate in and results in localities receiving an estimated total of \$280,500.

The Department of Agriculture, Conservation and Forestry will require Other Special Revenue Funds allocations of \$165,084 and \$214,712 in fiscal years 2015-16 and 2016-17, respectively, to establish 2 Environmental Specialist II positions and one part-time Certified Seed Specialist position for inspection purposes and for changes to industrial hemp laws.

The Department of the Attorney General will require an additional Assistant Attorney General position estimated to be \$85,762 in fiscal year 2015-16 and \$113,016 in fiscal ywae 2016-17 to provide legal assistance related to the Cannabis Regulation Act.