# MAINE STATE LEGISLATURE

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## 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

**Legislative Document** 

No. 1672

H.P. 1107

House of Representatives, April 17, 2025

An Act to Allow Participation in the Adult Use Cannabis Tracking System to Be Voluntary

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative BOYER of Poland.

Cosponsored by Senator HICKMAN of Kennebec and

Representatives: DANA of the Passamaquoddy Tribe, FAULKINGHAM of Winter Harbor, GUERRETTE of Caribou, MONTELL of Gardiner, PLUECKER of Warren, SUPICA of

Bangor, Senators: GROHOSKI of Hancock, HARRINGTON of York.

#### Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 28-B MRSA §105,** as amended by PL 2023, c. 396, §§1 and 2 and c. 679, Pt. B, §§8 to 13, is further amended to read:

### §105. Tracking system; voluntary participation by licensees

The office shall implement and administer a system, referred to in this section as "the tracking system," for the tracking of to be used by participating licensees to track cannabis plants, adult use cannabis and adult use cannabis products from immature cannabis plant to the point of retail sale, return, disposal or destruction. As used in this section, "participating licensee" means a licensee that voluntarily elects to use the tracking system implemented and administered by the office pursuant to this section. The tracking system must allow for a participating licensee to track cannabis plants at the stage of cultivation and upon transfer from the stage of cultivation to another licensee to be tracked by group. The office may implement a tracking system that allows a participating licensee to track adult use cannabis or adult use cannabis products to be tracked by group.

The office shall ensure that the system implemented and administered under this section, whether tracking individually or by group, maintains, for participating licensees, a detailed record at every stage from immature cannabis plant to the point of retail sale, return, disposal or destruction.

- 1. Data submission requirements. The tracking system must allow <u>participating</u> licensees to submit tracking data for adult use cannabis or adult use cannabis products to the office. The tracking system must permit <u>participating</u> licensees to submit all required tracking data through manual data entry or through the use of software that connects to the tracking system maintained by the office through an application program interface, including without limitation point-of-sale system software. Nothing in this subsection may be construed to permit the submission of required tracking data <u>by a participating licensee</u> using an application program interface that cannot transmit all required data to the tracking system required by the office.
- 1-A. Group tracking. Cannabis A participating licensee may track cannabis plants at the same stage of growth that are of the same varietal or cultivar of the plant genus Cannabis may be tracked by group if they the plants:
  - A. Are planted in the same specific area at the same time;
  - B. Are transplanted to the same specific area at the same time; or
  - C. Include cannabis plants that were planted in a specific area and cannabis plants that were transplanted to the same specific area.

For cannabis plants that are tracked as a group, a <u>participating</u> licensee shall designate the square footage of the specific area in which the plants are planted or transplanted. Cannabis A <u>participating licensee may not track cannabis</u> plants <u>may not be tracked</u> as a group unless they the plants are intended for harvest as a group.

**1-B.** Tagging. A <u>participating</u> licensee shall affix a tag containing the identifying information required by the office under this chapter or rule adopted pursuant to this chapter to each group of cannabis plants tracked under this section. The office may not require cannabis plants that are being tracked as a group to be individually affixed with a tag during cultivation or transfer <u>from a participating licensee</u> to another licensee.

1-C. Group transfers. When a group of cannabis plants tracked under this section is transferred <u>from a participating licensee</u> to another licensee, the licensee transferring the group of cannabis plants must provide a manifest that lists every cannabis plant within the group and any other relevant information required by the office by rule.

- **2. Rules**; participating licensees. The office shall adopt rules regarding the implementation and administration of the tracking system and tracking requirements for participating licensees. Rules adopted under this section must include, but are not limited to, the following:
  - A. Record-keeping requirements for the tracking of cannabis plants when tracked individually and when tracked by group; and
  - B. Record-keeping requirements necessary to ensure the office's ability to implement a recall for reasons related to health and safety when tracking cannabis plants individually or by group.
- 3. Rules; nonparticipating licensees. The office shall adopt rules regarding minimum inventory control system and other requirements that must be satisfied by a licensee that does not voluntarily elect to use the tracking system implemented and administered by the office pursuant to this section. The rules must require such licensees to submit to the office information regarding the inventory control system and other operating and record-keeping procedures sufficient to ensure the office's ability to implement a recall of the licensee's adult use cannabis or adult use cannabis products for reasons related to health and safety. Rules adopted by the office pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.
- **Sec. 2. 28-B MRSA §501, sub-§10,** as amended by PL 2023, c. 396, §5, is further amended to read:
- 10. Tracking. In accordance with the requirements of section 105, a cultivation facility licensee that has voluntarily elected to use the tracking system implemented by the office pursuant to section 105 shall track the adult use cannabis it cultivates from immature cannabis plant to the point at which the cannabis plant or the cannabis produced by the cannabis plant is delivered or transferred to a products manufacturing facility, a testing facility, a cannabis store or another cultivation facility or is disposed of or destroyed. If a cultivation facility licensee that has voluntarily elected to use the tracking system implemented by the office pursuant to section 105 receives a return of a cannabis plant, cannabis flower or cannabis trim from a products manufacturing facility, a cannabis store or another cultivation facility, the eultivation facility licensee receiving the return shall track the returned cannabis plant, cannabis flower or cannabis trim to the point at which the return is transferred to a products manufacturing facility, a testing facility, a cannabis store or a cultivation facility or is disposed of or destroyed.
- **Sec. 3. 28-B MRSA §501, sub-§12,** as enacted by PL 2023, c. 679, Pt. B, §67, is amended by amending the first blocked paragraph to read:
- Any A cultivation facility licensee or nursery cultivation facility licensee that has voluntarily elected to use the tracking system implemented by the office pursuant to section 105 and that acquires seeds or seedlings acquired pursuant to this subsection must be tracked pursuant to shall track those seeds or seedlings in accordance with section 105.

**Sec. 4. 28-B MRSA §502, sub-§13,** as amended by PL 2023, c. 396, §7, is further amended to read:

- 13. Tracking. In accordance with the requirements of section 105, a products manufacturing facility licensee that has voluntarily elected to use the tracking system implemented by the office pursuant to section 105 shall track the adult use cannabis it uses in its manufacturing processes from the point the cannabis is delivered or transferred to the products manufacturing facility by a cultivation facility to the point the cannabis or cannabis concentrate or an adult use cannabis product produced using the cannabis or cannabis concentrate is delivered or transferred to another products manufacturing facility, a testing facility or a cannabis store or is disposed of or destroyed. If a products manufacturing facility licensee that has voluntarily elected to use the tracking system implemented by the office pursuant to section 105 receives a return of cannabis, cannabis concentrate or an adult use cannabis product from another products manufacturing facility or a cannabis store, the products manufacturing facility licensee shall track the cannabis, cannabis concentrate or adult use cannabis product until transferred, whether in its original form or as a cannabis product, to another products manufacturing facility or a cannabis store or disposed of or destroyed.
- **Sec. 5. 28-B MRSA §502, sub-§14,** as enacted by PL 2023, c. 396, §8, is amended to read:
- 14. Return of cannabis plant, flower or trim. Notwithstanding any provision of law to the contrary, a products manufacturing facility licensee may return a cannabis plant, cannabis flower or cannabis trim to a cultivation facility from which the cannabis plant, cannabis flower or cannabis trim was received, as long as the products manufacturing facility licensee tracks the cannabis plant, cannabis flower or cannabis trim until transferred to the cultivation facility and as long as the cultivation facility accepts returns.
- **Sec. 6. 28-B MRSA §503, sub-§9,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
- 9. Tracking. In accordance with the requirements of section 105, a testing facility licensee that has voluntarily elected to use the tracking system implemented by the office pursuant to section 105 shall track all adult use cannabis and adult use cannabis products it receives from a licensee for testing purposes from the point at which the cannabis or cannabis products are delivered or transferred to the testing facility to the point at which the cannabis or cannabis products are disposed of or destroyed.
- **Sec. 7. 28-B MRSA §503-A, sub-§6,** as enacted by PL 2019, c. 676, §13 and amended by PL 2021, c. 669, §5, is further amended to read:
- **6. Tracking.** In accordance with the requirements of section 105, a sample collector that has voluntarily elected to use the tracking system implemented by the office pursuant to section 105 shall track all adult use cannabis and adult use cannabis products it collects from a licensee for testing purposes from the point at which the cannabis or cannabis products are collected from a licensee to the point at which the cannabis or cannabis products are delivered to a testing facility or the cannabis or cannabis products are disposed of or destroyed.
- **Sec. 8. 28-B MRSA §504, sub-§8,** as amended by PL 2023, c. 396, §9, is further amended to read:

**8.** Tracking. In accordance with the requirements of section 105, a cannabis store licensee that has voluntarily elected to use the tracking system implemented by the office pursuant to section 105 shall track all adult use cannabis and adult use cannabis products from the point at which the cannabis or cannabis products are delivered or transferred to the cannabis store by a cultivation facility or a products manufacturing facility to the point at which the cannabis or cannabis products are sold to a consumer, are delivered or transferred to a testing facility, are returned to a cultivation facility or a products manufacturing facility from which the cannabis or cannabis products were received or are disposed of or destroyed.

- **Sec. 9. 28-B MRSA §504, sub-§11,** as enacted by PL 2023, c. 396, §11, is amended to read:
- 11. Return of adult use cannabis. Notwithstanding any provision of law to the contrary, a cannabis store licensee may return a cannabis plant, cannabis flower and cannabis trim to a cultivation facility from which the cannabis plant, cannabis flower or cannabis trim was received, or return cannabis or cannabis products to the products manufacturing facility from which the cannabis or cannabis product was received, as long as the cannabis store licensee tracks the return as required in subsection 8 until transferred to the cultivation facility or products manufacturing facility and as long as the cultivation facility or products manufacturing facility accepts returns.
- **Sec. 10. 28-B MRSA §605, sub-§3,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
- **3.** Tracking maintained. Tracking If the licensee has voluntarily elected to use the tracking system implemented by the office pursuant to section 105, tracking from immature cannabis plant to the point of retail sale has been maintained for the cannabis or cannabis product and transfers of the cannabis or cannabis product to another licensee or to a consumer can be easily identified; and
- **Sec. 11. 28-B MRSA §802-A, sub-§2, ¶B,** as enacted by PL 2023, c. 679, Pt. B, §134, is amended by repealing subparagraph (11).
- **Sec. 12. 28-B MRSA §802-A, sub-§2, ¶B,** as enacted by PL 2023, c. 679, Pt. B, §134, is amended by amending subparagraph (12) to read:
  - (12) Conduct that demonstrates a pattern of willful or reckless disregard for the tracking system requirements, sales tax obligations, excise tax obligations, mandatory testing obligations or facility requirements;
- **Sec. 13. 28-B MRSA §803-A, first**  $\P$ , as amended by PL 2023, c. 679, Pt. B, §136, is further amended to read:

In accordance with the provisions of this section, the office may impose an administrative hold on a licensee's cannabis plants, cannabis or cannabis products if, as a result of an inspection or investigation of the licensee by the office or a criminal justice agency, the office determines there are reasonable grounds to believe the licensee or an agent or employee of the licensee has committed or is committing a violation of the provisions of this chapter, the rules adopted pursuant to this chapter or the terms, conditions or provisions of the licensee's license regarding labeling and packaging, testing results, contamination of cannabis plants and cannabis or cannabis products or cannabis plants or cannabis products tracking that is not in compliance with the tracking system, if the licensee

has voluntarily elected to use the tracking system implemented by the office pursuant to section 105.

Sec. 14. Office of Cannabis Policy; tracking system contract; transfer. Notwithstanding any provision of law to the contrary, the Department of Administrative and Financial Services, Office of Cannabis Policy may not renew, extend, negotiate or enter into any contract or other agreement with a 3rd-party entity for the administration of, or otherwise relating to, the tracking system for adult use cannabis and adult use cannabis products required pursuant to the Maine Revised Statutes, Title 28-B, section 105. The office shall, as expeditiously as possible, take all reasonable steps to cancel or terminate any such existing contracts or agreements with 3rd-party entities, subject to the terms, conditions and other limitations of those contracts or agreements. By June 30, 2026, the Department of Administrative and Financial Services shall transfer to the Department of Defense, Veterans and Emergency Management, Bureau of Veterans' Services, Maine Veterans' Homes Stabilization Fund, established in Title 37-B, section 613, all funds in its possession allocated or otherwise dedicated to the administration of, or otherwise relating to, the tracking system for adult use cannabis and adult use cannabis products required under Title 28-B, section 105.

18 SUMMARY

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 This bill amends the Cannabis Legalization Act to provide that a cannabis establishment licensee may voluntarily elect, but is not required, to use the tracking system for adult use cannabis and adult use cannabis products implemented and administered by the Department of Administrative and Financial Services, Office of Cannabis Policy. The office is directed to adopt major substantive rules regarding minimum inventory control system and other requirements that must be satisfied by a licensee that does not voluntarily elect to use that tracking system implemented and administered by the office.

The bill also prohibits the office from renewing, extending, negotiating or entering into any contract or other agreement with a 3rd-party entity for the administration of, or otherwise relating to, the tracking system for adult use cannabis and adult use cannabis products. The office is directed to, as expeditiously as possible, take all reasonable steps to cancel or terminate any such existing contracts or agreements with 3rd-party entities, subject to the terms, conditions and other limitations of those contracts or agreements. By June 30, 2026, the Department of Administrative and Financial Services is required to transfer to the Department of Defense, Veterans and Emergency Management, Bureau of Veterans' Services, Maine Veterans' Homes Stabilization Fund, established in the Maine Revised Statutes, Title 37-B, section 613, all funds in its possession allocated or otherwise dedicated to the administration of, or otherwise relating to, the tracking system for adult use cannabis and adult use cannabis products.