

MAINE STATE LEGISLATURE

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VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE HOUSE OF REPRESENTATIVES 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1218, L.D. 1820, "An Act to Simplify Regulation of the Adult Use Cannabis Industry"

Amend the bill in section 7 in paragraph E in the last line (page 2, line 41 in L.D.) by inserting after the following: "105" the following: 'in the same manner as transactions conducted within a cannabis store'

Amend the bill by striking out all of section 8.

Amend the bill in section 10 in subsection 8 in the 3rd line (page 3, line 14 in L.D.) by inserting after the following: "105" the following: 'in the same manner as transactions conducted within a cannabis store'

Amend the bill in section 12 in §507 in the first indented paragraph in the 3rd line (page 3, line 28 in L.D.) by striking out the following: "An individual identification card holder" and inserting the following: 'An individual identification card holder A natural person licensed under this chapter and a principal, contractor, employee or other support staff of the licensee'

Amend the bill by striking out all of sections 14 and 15 and inserting the following:

'Sec. 14. 28-B MRSA §512, sub-§1, as amended by PL 2023, c. 679, Pt. B, §110, is further amended to read:

1. Inspections. A licensee shall submit to an inspection of its licensed premises, including, but not limited to, any places of storage and any locked areas, upon demand and without notice during the licensee's business hours by the office, ~~a criminal justice agency~~ or an official authorized by the municipality in which the licensed premises are located. Notwithstanding any provision of law to the contrary, a law enforcement officer may enter any part of a licensed premises that is not open to the public only when:

A. The licensee voluntarily allows the law enforcement officer to enter the part of the premises that is not open to the public;

B. The law enforcement officer's entry is authorized pursuant to a warrant issued by a duly authorized justice, judge or justice of the peace; or

1 C. The law enforcement officer's entry is authorized in accordance with a recognized
 2 exception to the warrant requirement, including, but not limited to, exigent
 3 circumstances.

4 For the purposes of this subsection, "municipality" has the same meaning as in section 212.'

5 Amend the bill by striking out all of sections 19 to 28 and inserting the following:

6 'Sec. 19. 28-B MRSA §802-A, sub-§2, ¶A, as enacted by PL 2023, c. 679, Pt. B,
 7 §134, is amended by amending subparagraph (6) to read:

8 (6) Three or more instances of a licensee failing to have on the premises at all
 9 times during business hours ~~an individual identification card holder~~ a natural
 10 person licensed under this chapter or a principal, contractor, employee or other
 11 support staff of the licensee who is authorized to allow and cooperate with the
 12 office requests to inspect the premises;

13 Sec. 20. 28-B MRSA §802-A, sub-§2, ¶C, as enacted by PL 2023, c. 679, Pt. B,
 14 §134, is amended by amending subparagraph (9) to read:

15 (9) Failing to have on the licensed premises at all times during business hours ~~an~~
 16 ~~individual identification card holder~~ a natural person licensed under this chapter or
 17 a principal, contractor, employee or other support staff of the licensee who is
 18 authorized to allow inspection and cooperate when the office requests to inspect
 19 the premises;

20 Sec. 21. Appropriations and allocations. The following appropriations and
 21 allocations are made.

22 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

23 **Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund Z263**

24 Initiative: Provides funding for law enforcement training program.

25	OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
26	All Other	\$0	\$50,000
27			
28	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$50,000

29 **Adult Use Cannabis Regulatory Coordination Fund Z264**

30 Initiative: Provides one-time funding to integrate 3rd-party point of sale systems with the
 31 State's inventory tracking system and development costs of integrating general transport
 32 manifest.

33	GENERAL FUND	2025-26	2026-27
34	All Other	\$0	\$350,000
35			
36	GENERAL FUND TOTAL	\$0	\$350,000

37 **Adult Use Cannabis Regulatory Coordination Fund Z264**

38 Initiative: Provides funding for one OCP Chief Licensing Investigator position, 2 OCP
 39 Licensing Analyst positions and associated All Other position costs.

40	GENERAL FUND	2025-26	2026-27
41	POSITIONS - LEGISLATIVE COUNT	3.000	3.000

COMMITTEE AMENDMENT "A" to H.P. 1218, L.D. 1820

1	Personal Services	\$333,790	\$360,852
2	All Other	\$35,000	\$35,000
3			
4	GENERAL FUND TOTAL	<u>\$368,790</u>	<u>\$395,852</u>
5			
6	ADMINISTRATIVE AND FINANCIAL		
7	SERVICES, DEPARTMENT OF		
8	DEPARTMENT TOTALS	2025-26	2026-27
9			
10	GENERAL FUND	\$368,790	\$745,852
11	OTHER SPECIAL REVENUE FUNDS	\$0	\$50,000
12			
13	DEPARTMENT TOTAL - ALL FUNDS	<u>\$368,790</u>	<u>\$795,852</u>

14
15 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
16 number to read consecutively.

17 **SUMMARY**

18 This amendment makes the following changes to the bill.

19 1. It clarifies the provisions regarding cannabis delivery transactions and specified
20 events to allow licensees to use the tracking system established by the Department of
21 Administrative and Financial Services, Office of Cannabis Policy to track delivery
22 transactions and sales at specified events in the same manner as transactions conducted
23 within a cannabis store.

24 2. It removes the provisions of the bill that eliminate cannabis purchase limits.

25 3. It clarifies that a natural person licensed under the Maine Revised Statutes, Title
26 28-B or a principal, contractor, employee or other support staff of the licensee must be on
27 the licensee's premises at all times.

28 4. It changes, rather than eliminates, requirements regarding the inspection of licensed
29 premises. The amendment retains the existing provisions in law regarding inspections by
30 the office and by an official authorized by the municipality, but it removes the ability for a
31 criminal justice agency to inspect any part of a licensed premises that is not open to the
32 public, except when the licensee has voluntarily allowed the law enforcement officer to
33 enter, entry is authorized by a warrant issued by a duly authorized justice, judge or justice
34 of the peace or entry is authorized in accordance with a recognized exception to the warrant
35 requirement.

36 5. It removes the provisions that would allow advertising, marketing, labeling or
37 packaging to contain qualifying patients' testimonial of how cannabis for medical use has
38 provided palliative or therapeutic effects for the patients' conditions.

39 6. It removes the provisions related to excise tax laws as they apply to cannabis
40 biomass.

41 **FISCAL NOTE REQUIRED**

42 (See attached)

**132nd MAINE LEGISLATURE****LD 1820****LR 1914(02)****An Act to Simplify Regulation of the Adult Use Cannabis Industry****Fiscal Note for Bill as Amended by Committee Amendment "A" (H-651)****Committee: Veterans and Legal Affairs****Fiscal Note Required: Yes**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$368,790	\$745,852	\$409,925	\$424,347
Appropriations/Allocations				
General Fund	\$368,790	\$745,852	\$409,925	\$42 '7
Other Special Revenue Funds	\$0	\$50,000	\$0	\$0
Revenue				
Other Special Revenue Funds	(\$170,595)	(\$170,595)	(\$170,595)	(\$170,595)

Fiscal Detail and Notes

This bill authorizes the tracking of delivery sales and specified event sales through the State's cannabis inventory tracking system, repeals the requirement that licensees obtain individual identification cards, clarifies inspection authority, and requires the Office of Cannabis Policy (OCP) to develop a generic transport manifest for delivery transactions.

The elimination of the individual identification card requirement will result in approximately \$170,595 in annual revenue loss to OCP from Other Special Revenue Funds due to the loss of application fees. This estimate reflects historical program revenue.

OCP has indicated that a significant portion of the statutorily required vetting of licensee principals currently takes place during the individual identification card application process. Eliminating the ID card requirement would shift this vetting responsibility to the license application review process, which is subject to statutory approval timelines. OCP has stated that completing the additional reviews associated with this shift within the required timeframes would require additional staff. The bill includes ongoing General Fund appropriations of \$368,790 beginning in fiscal year 2025-26 for one Chief Licensing Investigator position and two Licensing Analyst positions and associated position costs.

The bill also includes a one-time General Fund appropriation of \$350,000 in fiscal year 2026-27 for the system modifications related to the development of a generic transport manifest and integration of third-party point-of-sale systems. The estimate assumes these changes can be implemented within the existing tracking platform, contingent on vendor cooperation.

The bill also includes one-time Other Special Revenue Funds allocations of \$50,000 in fiscal year 2026-27 to authorize the expenditure of funds from the Adult-Use Cannabis Public Health and Safety and Municipal Opt-In Fund to provide training to law enforcement officers regarding the changes to security and manifest requirements for sales made by delivery and sales made at specified events.

Finally, OCP has noted that the elimination of video recordings of sales made at specified events outside the licensed premises of adult-use cannabis stores will require OCP compliance staff to attend these specified events in person to assess compliance. Because some of these events are expected to occur outside of typical business hours, OCP may require additional compliance staff to determine licensee compliance at these events. The number of qualifying events is not yet known, but if a significant number of events do occur, OCP estimates the need for additional staffing in the form of one Field Investigator Supervisor and four OCP Compliance Inspector positions, along with associated costs.