

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT SELECT COMMITTEE ON MARIJUANA
LEGALIZATION IMPLEMENTATION**

August 2017

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 128th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER..... carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE..... emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT..... legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 128th Legislature is Wednesday, November 1, 2017. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Select Committee on Marijuana Legalization Implementation

1. It specifies that, for purposes of the Marijuana Legalization Act, a minor is a person who is under 21 years of age. The bill prohibits the possession, purchase and transportation of marijuana by minors, and the furnishing of marijuana to minors, except when permitted under the Maine Medical Use of Marijuana Act and in other certain circumstances. The prohibitions in this bill are modeled on the statutes prohibiting the possession, purchase and transportation of alcohol by minors;
2. It specifies that the state licensing authority is the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations;
3. It allows for the limited sale of adult use marijuana while the bureau begins the rule-making process and issuing licenses for retail marijuana establishments pursuant to those rules by allowing medical marijuana dispensaries to sell limited marijuana retail products to persons 21 years of age or older in accordance with certain conditions. These early sales begin on the effective date of this bill and end December 31, 2018, unless the bureau has not yet begun issuing licenses for retail marijuana establishments. In that case, medical marijuana dispensaries can continue to sell limited marijuana retail products until the bureau begins, through final agency action, to issue licenses for retail marijuana establishments. It allows dispensaries to purchase prepared marijuana and marijuana products from registered primary caregivers for purposes of distribution to persons 21 years of age and older. It imposes a marijuana tax of 10% of the sale price of limited marijuana retail products. It allocates 10% of the tax revenue to the host community where the dispensary is located, 45% of the special tax revenue to the Department of Health and Human Services to fund regulatory oversight and enforcement of sales of limited marijuana retail products as well as efforts by the department to deter use of marijuana by persons under 21 years of age and the remaining 45% to the Department of Agriculture, Conservation and Forestry or the bureau to fund administration, regulatory development and enforcement of the Marijuana Legalization Act. It also imposes state sales tax on limited marijuana retail products; and
4. It imposes a cap on the issuance of primary caregiver registry identification cards.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1491 **An Act To Provide for Safety, Quality and Transparency in the Retail Marijuana Industry**

CARRIED OVER

Sponsor(s)

KATZ R

Committee Report

Amendments Adopted

This bill amends the laws regarding the sale and distribution of marijuana for adult use and medical purposes as follows.

1. It transfers the state licensing authority from the Department of Agriculture, Conservation and Forestry to the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations.
2. It allows for the limited sale of marijuana for adult use while the bureau begins the rule-making process and issuing licenses for retail marijuana establishments pursuant to those rules by allowing dispensaries registered under the Maine Medical Use of Marijuana Act to sell limited marijuana retail products to persons 21 years of age or older in accordance with certain conditions. These early sales provisions are repealed December 31, 2018 unless the bureau has not, as of December 31, 2018, begun issuing licenses for retail marijuana establishments, in which case the dispensaries can continue to sell limited marijuana retail products until the bureau begins, through final agency action, to issue licenses for retail marijuana establishments. It allows registered dispensaries to purchase marijuana and marijuana products from registered primary caregivers for purposes of distribution to persons 21 years of age and older. It imposes a tax of 10% of the sale price of limited marijuana retail products. It allocates 10% of the tax

Joint Select Committee on Marijuana Legalization Implementation

revenue to the municipality where the tax-paying dispensary is located, 45% of the tax revenue to the Department of Health and Human Services to fund regulatory oversight and enforcement of sales of limited marijuana retail products as well as efforts by the department to deter use of marijuana by persons under 21 years of age and the remaining 45% to the bureau to fund administration, regulatory development and enforcement of the Marijuana Legalization Act. It also imposes state sales tax on limited marijuana retail products.

- 3. It imposes additional financial qualifications on applicants for retail marijuana establishments and retail marijuana social clubs to ensure future regulatory compliance.
- 4. It imposes annual financial audit responsibilities on all license holders.
- 5. It removes the requirement that a dispensary under the Maine Medical Use of Marijuana Act be incorporated under the Maine Nonprofit Corporation Act and operated on a not-for-profit basis and exempts such reorganizations from the requirement to obtain court approval or provide notice.
- 6. It imposes Maine state residency requirements on all applicants. It also allows for the transfer of a retail marijuana establishment or social club license to a person or entity that does not meet the residency requirement and allows for investment in a retail marijuana establishment or social club license by a person or entity that does not meet the residency requirement once the retail marijuana establishment or social club licensee has been operational for two years.
- 7. It allows for an entity or individual with a minority ownership interest in a retail marijuana testing facility to also have an ownership interest in a retail marijuana establishment or retail marijuana social club to encourage investment in retail marijuana testing facilities. It prohibits testing facilities from testing retail marijuana and retail marijuana products from or intended to be sold at a medical dispensary, by a caregiver or at a retail marijuana establishment or social club in which the retail marijuana testing facility licensee has any financial interest.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1499 An Act To Better Regulate Marijuana

CARRIED OVER

<u>Sponsor(s)</u> JACKSON T	<u>Committee Report</u>	<u>Amendments Adopted</u>
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This bill is a concept draft pursuant to Joint Rule 208.

It proposes to revise the laws regarding recreational marijuana sales and use to:

- 1. Change the state licensing authority from the Department of Agriculture, Conservation and Forestry to the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations;
- 2. Clarify the licensing preferences for medical marijuana dispensaries and caregivers under the Marijuana Legalization Act;
- 3. Establish a provisional license to allow marijuana dispensaries licensed under the Maine Medical Use of Marijuana Act to participate in the retail sale of marijuana prior to the establishment of licenses for retail marijuana establishments;
- 4. Expand protections for minors by modeling the laws regarding distribution, possession and use of marijuana by persons under 21 years of age on the laws prohibiting the distribution, possession and use of alcohol by persons