

# MAINE STATE LEGISLATURE

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Date:

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Minority

L.D. 1380

(Filing No. H-488)

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. 935, L.D. 1380, Bill, "An Act To Legalize, Tax and Regulate Marijuana"

Amend the bill in Part A in section 1 in §4922 by striking out all of subsection 1 (page 2, lines 13 to 19 in L.D.) and inserting the following:

**1. Rate of excise tax.** An excise tax is imposed on the sale or transfer of marijuana from a commercial marijuana cultivation facility to a retail marijuana store and from a commercial marijuana cultivation facility to a marijuana product manufacturing facility. Each commercial marijuana cultivation facility shall pay an excise tax at the rate of 5% on marijuana that is sold or transferred from the commercial marijuana cultivation facility as authorized by a license issued by the bureau pursuant to Title 28-A, section 2602, subsection 1 and section 2603.'

Amend the bill in Part A in section 1 by striking out all of §4923 (page 3, lines 9 to 18 in L.D.) and inserting the following:

**§4923. Additional sales tax on marijuana and marijuana products**

**1. Rate of additional sales tax.** An additional tax is imposed on the sale of marijuana and marijuana products sold at retail marijuana stores as provided in section 1811-D. The rate of tax is 10%, which is in addition to the rate of tax imposed under section 1811.

**2. Exemption.** The additional tax on marijuana and marijuana products imposed pursuant to this section may not be levied on marijuana sold by registered dispensaries or registered primary caregivers to qualifying patients and primary caregivers pursuant to Title 22, chapter 558-C.

**3. Rate review.** The bureau shall review the tax levels established under this section annually and report its findings and make recommendations to the Legislature as appropriate regarding adjustment to the tax level.'

Amend the bill in Part A in section 1 in §4924 by striking out all of subsection 1 (page 3, lines 20 to 38 and page 4, lines 1 to 5 in L.D.) and inserting the following:

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1. Application of excise tax revenue. The following provisions govern the application of revenues received from imposition of the excise tax pursuant to section 4922. On or before the last day of each month, the State Controller shall transfer the funds to the General Fund except that:

A. Five percent of the revenues must be expended to fund drug recognition experts in state agencies as determined by law.

This paragraph is repealed January 1, 2018;

B. Five percent of the revenues must be credited to the Marijuana Regulation and Licensing Fund established under Title 28-A, section 2607;

C. Ten percent of the revenues must be credited to the office of substance abuse and mental health services within the Department of Health and Human Services for the purpose of providing addiction treatment services;

D. Five percent of the revenues must be credited to the Department of Health and Human Services, Maine Center for Disease Control and Prevention for the purpose of an ongoing public awareness campaign to reduce youth marijuana, alcohol and tobacco consumption;

E. Five percent of the revenues must be credited to a statewide sheriffs association for enforcement activities for deterring sales of marijuana and alcohol to underage persons; and

F. Five percent of the revenues must be credited to the Low-income Marijuana Patient Access Program Fund established under Title 28-A, section 2609.'

Amend the bill in Part B in section 2 in subsection 3 by striking out all of paragraphs A and B (page 5, lines 2 to 16 in L.D.) and inserting the following:

'A. Except as provided in chapter 558-C, a person under 21 years of age may not possess marijuana. A person under 21 years of age who possesses up to 2 1/2 ounces of marijuana commits a civil violation for which a fine of not more than \$100 may be adjudged and a specified number of hours of community service for the benefit of the State, the municipality or other public entity or a charitable institution may be ordered. If no other violation of this paragraph is committed within one year, the court shall expunge the record of the civil violation. A person under 21 years of age who possesses more than 2 1/2 ounces of marijuana violates, and is subject to prosecution under, Title 17-A, section 1107-A, subsection 1, paragraph F.

B. Except as provided in this paragraph and chapters 558-C and 558-D, a person 21 years of age or older may not possess marijuana. Pursuant to section 2430-F, a person 21 years of age or older may possess up to one ounce of marijuana. A person 21 years of age or older who possesses over one ounce but less than 2 1/2 ounces of marijuana commits a civil violation for which a fine of not more than \$100 may be adjudged and a specified number of hours of community service for the benefit of the State, the municipality or other public entity or a charitable institution may be ordered. A person 21 years of age or older who possesses more than 2 1/2 ounces of marijuana violates, and is subject to prosecution under, Title 17-A, section 1107-A, subsection 1, paragraph F.'

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Amend the bill in Part C in section 1 in §2430-E by inserting after subsection 2 the following:

3 '3. Licensee. "Licensee" means a retail marijuana store.'

4 Amend the bill in Part C in section 1 in §2430-E by inserting after subsection 7 the  
5 following:

6 '8. Premises. "Premises" means all parts of the contiguous real estate occupied by a  
7 licensee over which the licensee has direct or indirect control or interest that the licensee  
8 uses in the operation of the licensed business.'

9 Amend the bill in Part C in section 1 in §2430-E by renumbering any nonconsecutive  
10 subsection number to read consecutively.

11 Amend the bill in Part C in section 1 in §2430-F in subsection 1 in paragraph B in the  
12 last line (page 7, line 4 in L.D.) by striking out the following: "6 marijuana seedlings"  
13 and inserting the following: '3 marijuana seedlings'

14 Amend the bill in Part C in section 1 in §2430-F in subsection 1 by striking out all of  
15 paragraph C (page 7, lines 5 to 7 in L.D.) and inserting the following:

16 'C. Subject to the limit of 6 plants as provided in subsection 2, paragraph A, possess,  
17 grow, cultivate or process up to 6 marijuana plants or seedlings as allowed under  
18 subsection 2, paragraph A and possess the marijuana and marijuana products  
19 produced from the marijuana plants on the premises where the plants were grown;  
20 and'

21 Amend the bill in Part C in section 1 in §2430-F in subsection 2 in paragraph A in the  
22 last line (page 7, line 13 in L.D.) by inserting at the end the following: 'The limit of 6  
23 plants applies to plants described in subsection 1, paragraph C and this paragraph  
24 combined.'

25 Amend the bill in Part C in section 1 in §2430-F in subsection 2 in paragraph B in the  
26 last line (page 7, line 18 in L.D.) by inserting after the following: "have access" the  
27 following: 'and storing and securing marijuana and marijuana products in a manner that  
28 does not reasonably allow access by persons under 21 years of age'

29 Amend the bill in Part C in section 1 by inserting at the end the following:

30 '§2430-G. Prohibited acts by underage persons; penalties

31 1. Prohibition. An underage person may not:

32 A. Purchase marijuana or marijuana products. The following penalties apply to  
33 violations of this paragraph.

34 (1) An underage person who violates this paragraph commits a civil violation for  
35 which a fine of not more than \$400 must be adjudged.

36 (2) An underage person who violates this paragraph after having previously  
37 violated this section commits a civil violation for which a fine of not more than  
38 \$600 must be adjudged, none of which may be suspended except as provided in  
39 subsection 2, paragraph B.

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(3) An underage person who violates this paragraph after having previously violated this section 2 or more times commits a civil violation for which a fine of \$800 must be adjudged, none of which may be suspended except as provided in subsection 2, paragraph B;

B. Consume marijuana or marijuana products. The following penalties apply to violations of this paragraph.

(1) An underage person who violates this paragraph commits a civil violation for which a fine of not more than \$400 must be adjudged.

(2) An underage person who violates this paragraph after having previously violated this section commits a civil violation for which a fine of not more than \$600 must be adjudged, none of which may be suspended except as provided in subsection 2, paragraph B.

(3) An underage person who violates this paragraph after having previously violated this section 2 or more times commits a civil violation for which a fine of \$800 must be adjudged, none of which may be suspended except as provided in subsection 2, paragraph B;

C. Have on the underage person's person marijuana on any premises licensed for the sale of marijuana. The following penalties apply to violations of this paragraph.

(1) An underage person who violates this paragraph commits a civil violation for which a fine of not more than \$400 must be adjudged.

(2) An underage person who violates this paragraph after having previously violated this section commits a civil violation for which a fine of not more than \$600 must be adjudged, none of which may be suspended except as provided in subsection 2, paragraph B.

(3) An underage person who violates this paragraph after having previously violated this section 2 or more times commits a civil violation for which a fine of \$800 must be adjudged, none of which may be suspended except as provided in subsection 2, paragraph B;

D. Present or offer to a licensee or the licensee's agent or employee any written or oral evidence of age that is false, fraudulent or not actually the underage person's own, for the purpose of:

(1) Ordering, purchasing, attempting to purchase or otherwise procuring or attempting to procure marijuana. The following penalties apply to violations of this subparagraph.

(a) An underage person who violates this subparagraph commits a civil violation for which a fine of not more than \$400 must be adjudged.

(b) An underage person who violates this subparagraph after having previously violated this section commits a civil violation for which a fine of not more than \$600 must be adjudged, none of which may be suspended except as provided in subsection 2, paragraph B.

1 (c) An underage person who violates this subparagraph after having  
2 previously violated this section 2 or more times commits a civil violation for  
3 which a fine of \$800 must be adjudged, none of which may be suspended  
4 except as provided in subsection 2, paragraph B; or

5 (2) Gaining access to premises when underage persons are not allowed. The  
6 following penalties apply to violations of this subparagraph.

7 (a) An underage person who violates this subparagraph commits a civil  
8 violation for which a fine of not more than \$400 must be adjudged.

9 (b) An underage person who violates this subparagraph after having  
10 previously violated this section commits a civil violation for which a fine of  
11 not more than \$600 must be adjudged, none of which may be suspended  
12 except as provided in subsection 2, paragraph B.

13 (c) An underage person who violates this subparagraph after having  
14 previously violated this section 2 or more times commits a civil violation for  
15 which a fine of \$800 must be adjudged, none of which may be suspended  
16 except as provided in subsection 2, paragraph B; or

17 E. Have in the underage person's possession equipment specifically constructed,  
18 manufactured or marketed for the purpose of cultivating marijuana. The following  
19 penalties apply to violations of this paragraph.

20 (1) An underage person who violates this paragraph commits a civil violation for  
21 which a fine of not more than \$400 must be adjudged.

22 (2) An underage person who violates this paragraph after having previously  
23 violated this section commits a civil violation for which a fine of not more than  
24 \$600 must be adjudged, none of which may be suspended except as provided in  
25 subsection 2, paragraph B.

26 (3) An underage person who violates this paragraph after having previously  
27 violated this section 2 or more times commits a civil violation for which a fine of  
28 \$800 must be adjudged, none of which may be suspended except as provided in  
29 subsection 2, paragraph B.

30 2. Penalties. The following apply to the penalties imposed for violations of this  
31 section.

32 A. When a person is adjudged to have committed a first offense under this section,  
33 the judge shall inform that person that the fines for the 2nd and subsequent offenses  
34 are mandatory and cannot be suspended except as provided in paragraph B. Failure  
35 to inform the first offender that subsequent fines are mandatory is not a ground for  
36 suspension of any subsequent fine.

37 B. The judge, as an alternative to or in addition to the civil fines required by this  
38 section, may assign the underage person to perform specified work for the benefit of  
39 the State, the municipality or other public entity or charitable institution.

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3. Underage person may not be charged with more than one offense. An underage person may not be charged with more than one offense under this section in any given instance in which the same set of facts is involved.

4. Illegal possession and illegal transportation. If an underage person is charged with illegal possession under this section, the underage person may not be charged with illegal transportation under section 2430-H.

**§2430-H. Illegal transportation by underage persons**

1. Underage person may not transport marijuana. Except as provided in subsection 2, an underage person may not knowingly transport or knowingly permit to be transported marijuana in a motor vehicle under the underage person's control. The following penalties apply to violations of this subsection.

A. An underage person who violates this subsection commits a civil violation for which a fine of not more than \$500 must be adjudged.

B. An underage person who violates this subsection after having previously violated this section commits a civil violation for which a fine of not more than \$500 must be adjudged, none of which may be suspended.

C. An underage person who violates this subsection after having previously violated this section 2 or more times commits a civil violation for which a fine of not more than \$500 must be adjudged, none of which may be suspended.

2. Permitted transportation. An underage person may transport marijuana or permit marijuana to be transported in a motor vehicle at the request of the underage person's parent, guardian or custodian, as defined in Title 22, section 4002, subsection 5.

3. No conviction if marijuana not within underage person's section. An underage person may not be found in violation of any offense under this section if marijuana is found outside the passenger's or driver's section of a motor vehicle under the underage person's control, unless the underage person has actual knowledge of the presence of the marijuana. The trunk or locked glove compartment of any vehicle may not be construed under this section to be within the passenger's or driver's section of the motor vehicle.

4. Underage person may not be charged with both illegal transportation and illegal possession. An underage person charged with illegal transportation under this section may not be charged with illegal possession under section 2430-G. An underage person who possesses or consumes marijuana in a motor vehicle under the terms of this section must be charged under this section, rather than under section 2430-G. This subsection does not preclude charges under Title 15, section 3103, subsection 1, paragraph F, when appropriate.

**§2430-I. Furnishing or allowing consumption of marijuana by certain persons prohibited**

1. Offense. Except as provided in section 2430-H, a person may not knowingly:

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A. Procure, or in any way aid or assist in procuring, furnish, give, sell or deliver marijuana for or to an underage person. The following penalties apply to violations of this paragraph.

- (1) A person who violates this paragraph commits a Class D crime.
- (2) A person who violates this paragraph commits a Class D crime for which a fine of not less than \$500 may be imposed, none of which may be suspended, if the violation involves an underage person who is less than 18 years of age.
- (3) A person who violates this paragraph after having been previously convicted of violating this paragraph or paragraph B within a 6-year period commits a Class D crime for which a fine of not less than \$1,000 may be imposed, none of which may be suspended.
- (4) A person who violates this paragraph after having been previously convicted of violating this paragraph or paragraph B 2 or more times within a 6-year period commits a Class D crime for which a fine of not less than \$1,500 may be imposed, none of which may be suspended.
- (5) A person who violates this paragraph commits a Class C crime if the consumption of marijuana by the underage person in fact causes serious bodily injury to or death of the underage person or any other individual. For purposes of this subparagraph, "serious bodily injury" has the same meaning as set out in Title 17-A, section 2, subsection 23;

B. Allow an underage person under that person's control or in a place under that person's control to possess or consume marijuana. The following penalties apply to violations of this paragraph.

- (1) A person who violates this paragraph commits a Class D crime.
- (2) A person who violates this paragraph commits a Class D crime for which a fine of not less than \$1,000 may be imposed, none of which may be suspended, if the violation involves an underage person who is less than 18 years of age.
- (3) A person who violates this paragraph after having been previously convicted of violating this paragraph or paragraph A within a 6-year period commits a Class D crime for which a fine of not less than \$2,000 may be imposed, none of which may be suspended.
- (4) A person who violates this paragraph commits a Class C crime if the consumption of marijuana by the underage person in fact causes serious bodily injury to or death of the underage person or any other individual. For purposes of this subparagraph, "serious bodily injury" has the same meaning as set out in Title 17-A, section 2, subsection 23;

C. Procure, or in any way aid or assist in procuring, furnish, give, sell or deliver marijuana to a visibly intoxicated person. Violation of this paragraph is a Class E crime, except, notwithstanding Title 17-A, section 1301, the fine may not be more than \$500; or



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1 D. Procure, or in any way assist in procuring, furnish, give, sell or deliver synthetic  
 2 marijuana or synthetic cannabinoids for or to an underage person, or allow an  
 3 underage person under that person's control or in a place under that person's control  
 4 to possess or consume synthetic marijuana or synthetic cannabinoids. Violation of  
 5 this paragraph is a Class E crime, except, notwithstanding Title 17-A, section 1301,  
 6 the fine may not be more than \$500.'

7 Amend the bill in Part D in section 1 in §2602 in subsection 4 in the 4th line (page  
 8 11, line 22 in L.D.) by striking out the following: "subsection 4" and inserting the  
 9 following: 'subsection 5'

10 Amend the bill in Part D in section 1 in §2602 in subsection 5 in the 5th line (page  
 11 11, line 29 in L.D.) by inserting after the following: "vending machine" the following: ',  
 12 except inside a retail marijuana store'

13 Amend the bill in Part D in section 1 in §2602 in subsection 12 in the first line (page  
 14 14, line 27 in L.D.) by striking out the following: "2019" and inserting the following:  
 15 '2018'

16 Amend the bill in Part D in section 1 in §2603 by striking out all of subsection 1  
 17 (page 14, lines 40 to 44 and page 15, lines 1 and 2 in L.D.) and inserting the following:

18 '1. Applications. An applicant for a marijuana establishment license or marijuana  
 19 transportation provider license shall file an application in the form required by the bureau  
 20 for the type of marijuana establishment license sought or the marijuana transportation  
 21 provider license, along with evidence that the municipality, unorganized place or  
 22 plantation has approved the operation of the type of marijuana establishment or the  
 23 operation of a marijuana transportation provider and the application fee as set by rule.

24 A. An applicant may apply for and be granted more than one type of marijuana  
 25 establishment license, except that a person or entity licensed to operate as a marijuana  
 26 testing facility may not hold any other marijuana establishment license.

27 B. Upon the adoption by the bureau of rules to implement this chapter, the required  
 28 approval by the host municipality, unorganized place or plantation pursuant to section  
 29 2604 and the receipt of a completed abbreviated dispensary application by the bureau,  
 30 each registered dispensary licensed under Title 22, chapter 558-C must be issued a  
 31 provisional license to operate one commercial marijuana cultivation facility, one  
 32 marijuana product manufacturing facility and one retail marijuana store for each  
 33 registered dispensary. Upon demonstration of compliance with these rules prior to  
 34 the expiration of the provisional license, the registered dispensary must be granted a  
 35 full license. A registered dispensary shall pay the appropriate marijuana  
 36 establishment licensing fees as established by the bureau and submit to a site  
 37 inspection by the bureau to ensure compliance with this chapter.'

38 Amend the bill in Part D in section 1 in §2603 in subsection 2 in the 4th line (page  
 39 15, line 6 in L.D.) by striking out the following: "law." and inserting the following: 'law  
 40 and who has applied to locate in a municipality, unorganized place or plantation that has  
 41 approved the operation of the type of marijuana establishment or the operation of a  
 42 marijuana transportation provider pursuant to section 2604.'

1 Amend the bill in Part D in section 1 in §2603 in subsection 2 in the 8th line (page  
2 15, line 10 in L.D.) by striking out the following: "subsection 3" and inserting the  
3 following: 'subsection 4'

4 Amend the bill in Part D in section 1 in §2603 in subsection 2 in paragraph B in the  
5 first line (page 15, line 18 in L.D.) by inserting after the following: "municipality" the  
6 following: ', unorganized place or plantation'

7 Amend the bill in Part D in section 1 in §2603 in subsection 2 by striking out all of  
8 paragraph C (page 15, lines 23 to 27 in L.D.) and inserting after the following:

9 'C. The number of marijuana establishments allowed in the municipality,  
10 unorganized place or plantation that the applicant has listed in the application has  
11 been limited pursuant to section 2604 or is limited by subsection 9 and the bureau has  
12 already licensed the maximum number of marijuana establishments allowed in the  
13 municipality, unorganized place or plantation for the category of license that is  
14 sought.'

15 Amend the bill in Part D in section 1 in §2603 by inserting after subsection 2 the  
16 following:

17 '3. Provisional licenses for dispensaries. The bureau shall issue a provisional  
18 license or approval to an applicant for a commercial marijuana cultivation facility, a  
19 marijuana product manufacturing facility and a retail marijuana store who:

20 A. Operates a registered dispensary under Title 22, chapter 558-C;

21 B. Completes an abbreviated dispensary application for a provisional license for a  
22 commercial marijuana cultivation facility, marijuana product manufacturing facility  
23 or a retail marijuana store;

24 C. Provides evidence that the municipality, unorganized place or plantation in which  
25 the applicant proposes to locate has approved the operation of the type of marijuana  
26 establishment or the operation of a marijuana transportation provider pursuant to  
27 section 2604;

28 D. Provides evidence, based on its last inspection by the Department of Health and  
29 Human Services, that it is in compliance with all applicable laws and rules of the  
30 Maine Medical Use of Marijuana Act or that it is in the process of an approved  
31 corrective action plan; and

32 E. Demonstrates the ability to comply with all applicable laws and rules by the end  
33 of the provisional license term, which will be upon the annual license renewal of the  
34 marijuana establishment.'

35 Amend the bill in Part D in section 1 in §2603 in subsection 4 in the first line (page  
36 15, line 32 in L.D.) by striking out the following: "Municipal consultation." and  
37 inserting the following: 'Consultation.'

38 Amend the bill in Part D in section 1 in §2603 in subsection 4 in the first line (page  
39 15, line 32 in L.D.) by inserting after the following: "municipality" the following: 'or  
40 unorganized place or plantation'

1 Amend the bill in Part D in section 1 in §2603 in subsection 4 in the 5th line (page  
2 15, line 36 in L.D.) by inserting after the following: "municipality" the following: 'or  
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4 plantation, or to the appropriate county commissioners with respect to an unorganized  
place.'

5 Amend the bill in Part D in section 1 in §2603 in subsection 5 in the 4th line (page  
6 15, line 41 in L.D.) by inserting after the following: "municipality" the following: ',  
7 unorganized place or plantation'

8 Amend the bill in Part D in section 1 in §2603 in subsection 5 by striking out all of  
9 paragraph A (page 16, lines 1 to 7 in L.D.) and inserting after the following:

10 'A. If a greater number of applications is received from qualified applicants to  
11 operate a marijuana establishment in a municipality, unorganized place or plantation  
12 than is allowed under the limits enacted by the municipality, unorganized place or  
13 plantation pursuant to section 2604 or pursuant to subsection 9, the bureau shall  
14 solicit and consider input from the municipality, unorganized place or plantation as to  
15 the municipality's, unorganized place's or plantation's preference or preferences for  
16 licensure. Within 90 days after the date the first application is received, the bureau  
17 shall issue the maximum number of applicable licenses for each type of marijuana  
18 establishment license application received.'

19 Amend the bill in Part D in section 1 in §2603 in subsection 5 in paragraph B by  
20 striking out all of subparagraph (1) (page 16, lines 10 to 12 in L.D.) and inserting the  
21 following:

22 '(1) In the event of a tie between 2 equally qualified applicants within one license  
23 category, an applicant for a license for a marijuana establishment or a marijuana  
24 transportation provider license has preference in the licensure process over other  
25 applicants if the applicant does not hold a license under this chapter in that  
26 category.'

27 Amend the bill in Part D in section 1 in §2603 by striking out all of subsection 8  
28 (page 16, lines 29 to 41 in L.D.) and inserting the following:

29 '8. Limitation on number of retail marijuana stores. If a municipality,  
30 unorganized place or plantation has allowed for retail marijuana stores pursuant to section  
31 2604 and as long as at least one qualifying application is received, the bureau shall  
32 license retail marijuana stores as provided in this subsection in municipalities,  
33 unorganized places and plantations that have approved the operation of the type of  
34 marijuana establishment or the operation of a marijuana transportation provider.

35 A. For a county:

36 (1) With a population of at least 200,000 residents or geographic area larger than  
37 3,000 square miles, the bureau may license a maximum of 4 retail marijuana  
38 stores;

39 (2) With a population of fewer than 200,000 residents but at least 150,000  
40 residents, the bureau may license a maximum of 3 retail marijuana stores; and

41 (3) With a population of fewer than 150,000 residents, the bureau may license a  
42 maximum of 2 retail marijuana stores.

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B. The bureau shall issue licenses for retail marijuana stores in different areas of a county to ensure geographic access. A registered dispensary licensed under Title 22, chapter 558-C does not count toward the limits imposed by this subsection unless a retail marijuana store is located within the registered dispensary.

C. Notwithstanding the limits imposed under paragraph A, after January 1, 2018, if the bureau determines that sufficient demand exists, it may license one or more additional retail marijuana stores in each county.'

Amend the bill in Part D in section 1 in §2603 in subsection 9 in the 2nd line from the end (page 17, line 16 in L.D.) by striking out the following: "licensure process for a tier" and inserting the following: 'event of a tie between 2 equally qualified applicants for a license in a particular tier.'

Amend the bill in Part D in section 1 in §2603 in subsection 10 in paragraph B in the first line (page 17, line 25 in L.D.) by striking out the following: "have lived" and inserting the following: 'have been a resident'

Amend the bill in Part D in section 1 in §2603 in subsection 11 in the first paragraph in the 6th line (page 18, line 3 in L.D.) by inserting at the end the following: 'A marijuana establishment that is a registered dispensary under Title 22, chapter 558-C may continue to serve its qualifying patients.'

Amend the bill in Part D in section 1 in §2603 in subsection 11 in the first blocked paragraph in the 4th line (page 18, line 7 in L.D.) by inserting after the following: "paragraphs A to E" the following: 'if the property is located in a municipality, unorganized place or plantation that has approved the operation of the type of marijuana establishment or the operation of a marijuana transportation provider pursuant to section 2604'

Amend the bill in Part D in section 1 in §2603 in subsection 11 in paragraph A in subparagraph (3) in the first line (page 18, line 14 in L.D.) by striking out the following: "marijuana and"

Amend the bill in Part D in section 1 in §2603 in subsection 11 in paragraph C in subparagraph (3) in the first line (page 18, line 29 in L.D.) by striking out the following: "marijuana and"

Amend the bill in Part D in section 1 in §2603 in subsection 13 in paragraph F in the last line (page 20, line 6 in L.D.) by striking out the following: "subsection 10" and inserting the following: 'subsection 11'

Amend the bill in Part D in section 1 in §2603 by striking out all of subsections 14 to 17 (page 20, lines 7 to 41 and page 21, lines 1 to 41 in L.D.) and inserting the following:

**'14. Requirements for the operation of a retail marijuana store. The following requirements apply to the operation of a retail marijuana store.**

A. Prior to making a sale of marijuana or a marijuana product, a retail marijuana store shall verify the age of every person making the purchase by checking a government-issued photographic identification card.

B. A retail marijuana store may not:

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(1) Sell marijuana to an intoxicated individual as defined in section 2503, subsection 1;

(2) Sell marijuana to a person who does not qualify as a consumer except that a marijuana establishment that is also a primary caregiver or a dispensary may serve an underage person who is a qualifying patient under Title 22, chapter 558-C;

(3) Allow an underage person to enter or remain on the premises of the retail marijuana store unless the underage person is an employee of the bureau, a law enforcement officer, a firefighter, an emergency medical technician or other emergency services worker in the performance of that person's official duties or a contractor performing work on the premises that is not directly related to marijuana, such as installing or maintaining security devices or electrical wiring;

(4) Sell marijuana or marijuana products between the hours of 1 a.m. and 6 a.m.;

(5) Offer any free merchandise, rebates or gifts to a consumer;

(6) Sell marijuana or marijuana products at retail except on the premises that are licensed by the bureau; or

(7) Either directly or indirectly, by any agent or employee, travel from municipality or unorganized territory to municipality or unorganized territory, or from place to place within the same municipality or unorganized territory, selling, bartering or carrying for sale or exposing for sale marijuana or a marijuana product.

C. If a marijuana retail store also sells marijuana as a registered dispensary in accordance with Title 22, chapter 558-C, the licensee shall maintain a separate accounting method to distinguish between medical marijuana sales and adult use marijuana sales for purposes of imposing, collecting and remitting the appropriate amount of sales tax.

**15. Requirements for the operation of a marijuana product manufacturing facility.** A marijuana product manufacturing facility shall operate in compliance with this chapter and any rules adopted by the bureau, the Department of Agriculture, Conservation and Forestry and the Department of Health and Human Services, as applicable to the form of marijuana used in the production process and the type of marijuana product that is produced at the marijuana product manufacturing facility. The bureau shall regulate marijuana product manufacturing facilities, including permitting the production of solvent-based marijuana concentrate as set forth in subsection 18. A marijuana product manufacturing facility may not sell marijuana or marijuana products to consumers acting pursuant to Title 22, chapter 558-D, to patients acting pursuant to Title 22, chapter 558-C or to primary caregivers or registered dispensaries acting pursuant to Title 22, chapter 558-C.

**16. Requirements for the operation of commercial marijuana cultivation facilities.** A commercial marijuana cultivation facility must comply with the following operational requirements. The bureau shall inspect commercial marijuana cultivation facilities to ensure compliance with state law and rules. The bureau shall regulate

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commercial marijuana cultivation facilities, including inspecting commercial marijuana cultivation facilities, regulating the use of pesticides, protecting marijuana from diversion pursuant to paragraph A and ensuring best practices for cultivation of crops.

A. A commercial marijuana cultivation facility shall adopt practices and take all necessary precautions to:

(1) Prevent marijuana from being diverted from legal cultivation, manufacture, processing, transport and use in this State to another state; and

(2) Prevent marijuana from being diverted to a use or distribution that is not allowed by this chapter or Title 22, chapter 558-D.

B. A commercial marijuana cultivation facility may not cultivate or sell marijuana derived from genetically modified seeds.

C. A commercial marijuana cultivation facility must be accessible at any time for inspection by the bureau.

D. A commercial marijuana cultivation facility may not sell marijuana or marijuana products to consumers acting pursuant to Title 22, chapter 558-D, to patients acting pursuant to Title 22, chapter 558-D or to primary caregivers or registered dispensaries pursuant to Title 22, chapter 558-D.

E. The commercial marijuana cultivation facility shall assign a batch number or numbers for cultivated marijuana that identifies the plant or plants from which the marijuana was harvested.'

Amend the bill in Part D in section 1 in §2603 in subsection 20 in paragraph A in the last line (page 23, line 27 in L.D.) by inserting after the following: "successor organization" the following: ', including standard 17025:2005, the general requirements for the competence of testing and calibration laboratories, as it may be amended, or a successor standard'

Amend the bill in Part D in section 1 in §2603 by renumbering any nonconsecutive subsection number to read consecutively.

Amend the bill in Part D in section 1 by striking out all of §2604 (page 23, lines 38 and 39 and page 24, lines 1 to 22 in L.D.) and inserting the following:

**§2604. Local approval required**

A municipality, the county commissioners of an unorganized place or a plantation may allow the operation of any type of marijuana establishment or the operation of a marijuana transportation provider within the boundaries of the municipality, unorganized place or plantation and may limit the number of marijuana establishments and marijuana transportation providers as provided in this section. The bureau may not license any type of marijuana establishment or marijuana transportation provider unless the operation of that type of marijuana establishment or the operation of a marijuana transportation provider has been approved within the municipality, unorganized place or plantation and the number licensed is less than the limit set by the municipality, unorganized place or plantation.

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**1. Approval in a municipality.** Pursuant to Title 30-A, section 3991, a municipality may approve the operation of any type of marijuana establishment or the operation of a marijuana transportation provider by a vote of the municipal officers or by a referendum of the voters of the municipality after public notice has been given and a public hearing has been held. The municipal officers shall within 5 business days of a vote taken pursuant to this subsection notify the bureau of the results of the vote.

**2. Approval in an unorganized place.** Pursuant to Title 30-A, section 102-A, the county commissioners may, on behalf of an unorganized place, vote to approve or hold a referendum at which the voters of the unorganized place may approve the operation of any type of marijuana establishment or the operation of a marijuana transportation provider after public notice has been given and a public hearing has been held. The county commissioners shall within 5 business days of a vote taken pursuant to this subsection notify the bureau of the results of the vote.

**3. Approval in a plantation.** Pursuant to Title 30-A, section 7051, a plantation may approve the operation of any type of marijuana establishment or the operation of a marijuana transportation provider by a vote of the assessors of the plantation or a referendum of the voters of the plantation after public notice has been given and a public hearing has been held. The assessors of a plantation shall within 5 business days of a vote taken pursuant to this subsection notify the bureau of the results of the vote.

The bureau shall maintain a list of votes held under subsections 1, 2 and 3 and the results of the votes and make the list available to the public for inspection.'

Amend the bill in Part D in section 1 in §2606 by striking out all of the first indented paragraph (page 25, lines 9 to 16 in L.D.) and inserting the following:

'Notwithstanding the provisions of this chapter regulating marijuana, a scientific or medical researcher who is conducting valid scientific or medical research that has been approved by an institutional review board of an accredited laboratory or institution of higher education may purchase, possess and securely store marijuana and marijuana products for the purposes of conducting research. A scientific or medical researcher may administer and distribute marijuana and marijuana products to a participant in research who is at least 21 years of age and who has signed and provided to the researcher a written form indicating that the participant has been fully informed of the possible results of participating in the research project and freely consents to participate.'

Amend the bill in Part D in section 1 by striking out all of §2608 (page 25, lines 34 to 38 and page 26, lines 1 to 11 in L.D.) and inserting the following:

**'§2608. Marijuana Research Fund established**

The Marijuana Research Fund, referred to in this section as "the fund," is established in and administered by the Department of Administrative and Financial Services as an Other Special Revenue Funds account. Balances in the fund may not lapse and must be carried forward to the next fiscal year.

**1. Sources of fund.** The State Controller shall credit to the fund:

A. Any money contributed voluntarily to the fund; and

B. Interest earned or other investment income on balances in the fund.

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2 2. Uses of the fund. All money deposited in the fund and the earnings on that  
3 money remain in the fund to be used to provide grants for the purpose of producing peer-  
4 reviewed research on marijuana's beneficial uses and safety. Money in the fund may also  
5 be used for the necessary administrative and personnel costs associated with the  
6 management of the fund but may not be deposited in the General Fund or any other fund  
except as specifically provided by law.'

7 Amend the bill in Part D in section 1 in §2609 in subsection 1 in paragraph A in the  
8 last line (page 26, line 19 in L.D.) by striking out the following: "G" and inserting the  
9 following: 'F'

10 Amend the bill in Part D in section 1 in §2612 by striking out all of subsection 3  
11 (page 28, lines 1 and 2 in L.D.) and inserting the following:

12 3. Provisional licensing and preferences in licensing. The provisional licensing  
13 for dispensaries licensed under Title 22, chapter 558-C required by section 2603,  
14 subsection 3 and the preferences in the licensure process required by section 2603,  
15 subsection 6.'

16 Amend the bill in Part D in section 1 by inserting at the end the following:

17 **§2614. Local option marijuana sales tax**

18 A municipality, an unorganized place or a plantation, in accordance with Title 36,  
19 section 1811-C, may vote to approve the imposition of a local option marijuana sales tax  
20 of up to 2% on sales of marijuana and marijuana products from a retail marijuana store to  
21 a consumer.

22 1. Approval in a municipality. Pursuant to Title 30-A, section 3991, a municipality  
23 may approve the imposition of a local option marijuana sales tax of up to 2% by a vote of  
24 the municipal officers or a referendum of the voters of the municipality after public notice  
25 has been given and a public hearing has been held. The municipal officers shall within 5  
26 business days of a vote taken pursuant to this subsection notify the bureau of the results  
27 of the vote.

28 2. Approval in an unorganized place. Pursuant to Title 30-A, section 102-A, the  
29 county commissioners may, on behalf of an unorganized place, vote to approve or hold a  
30 referendum at which the voters of an unorganized place may approve the imposition of a  
31 local option marijuana sales tax of up to 2% after public notice has been given and a  
32 public hearing has been held. The county commissioners shall within 5 business days of  
33 a vote taken pursuant to this subsection notify the bureau of the results of the vote.

34 3. Approval in a plantation. Pursuant to Title 30-A, section 7051, a plantation may  
35 approve the imposition of a local option marijuana sales tax of up to 2% by a vote of the  
36 assessors of the plantation or a referendum of the voters of the plantation after public  
37 notice has been given and a public hearing has been held. The assessors of a plantation  
38 shall within 5 business days of a vote pursuant to this subsection notify the bureau of the  
39 results of the vote.

40 The bureau shall maintain a list of votes held under subsections 1, 2 and 3 and the  
41 results of the votes and make the list available to the public for inspection.'

42 Amend the bill in Part D by striking out all of section 2 and inserting the following:



Sec. D-2. 30-A MRSA §102-A is enacted to read:

**§102-A. Marijuana establishments and marijuana transportation providers approval; local sales tax**

Pursuant to Title 28-A, section 2604, the county commissioners may vote or hold a referendum at which the residents of an unorganized place vote on whether to approve the operation of any type of marijuana establishment or the operation of a marijuana transportation provider and whether to set a limit on the operation of a type of marijuana establishment or the operation of a marijuana transportation provider in the unorganized place after public notice has been given and a public hearing has been held.

Pursuant to Title 28-A, section 2614, the county commissioners may vote or hold a referendum at which the residents of an unorganized place vote on whether to impose a local option marijuana sales tax of up to 2% on sales of marijuana and marijuana products from a retail marijuana store to a consumer within the unorganized place after public notice has been given and a public hearing has been held.

Sec. D-3. 30-A MRSA c. 183, sub-c. 9 is enacted to read:

**SUBCHAPTER 9**

**MARIJUANA ESTABLISHMENTS AND MARIJUANA TRANSPORTATION PROVIDERS**

**§3991. Marijuana establishments and marijuana transportation providers**

Pursuant to its home rule authority and for the purpose of protecting the safety, health and welfare of the general public, a municipality, by a vote of the municipal officers or a referendum of the voters of the municipality, after public notice has been given and a public hearing has been held, may:

1. Approval of operation. Determine whether to approve the operation within the municipality of any type of marijuana establishment or the operation of a marijuana transportation provider; or

2. Imposition of local sales tax. Determine whether to impose a sales tax of up to 2% on sales of marijuana and marijuana products from a retail marijuana store to a consumer.

Sec. D-4. 30-A MRSA §7051, sub-§10, as amended by PL 2007, c. 35, §2, is further amended to read:

**10. Tax base sharing.** Chapter 223, subchapter 5; and

Sec. D-5. 30-A MRSA §7051, sub-§11, as enacted by PL 2007, c. 35, §3, is amended to read:

**11. Animal control ordinances.** Chapter 141, but only with respect to animal control ordinances and subject to Title 7, section 3950; and

Sec. D-6. 30-A MRSA §7051, sub-§12 is enacted to read:

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**12. Economic regulation. Chapter 183, subchapter 9.**

**Sec. D-7. Rulemaking.** By January 31, 2018, the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations shall adopt major substantive rules, as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A, for the administration and the enforcement of laws regulating and licensing marijuana establishments and marijuana transportation providers pursuant to Title 28-A, chapter 111. The rules must be developed by the bureau and may not be contracted out to an entity outside the bureau. The rules, except as required by Title 28-A, section 2604, may not prohibit the operation of marijuana establishments and marijuana transportation providers, either expressly or through restrictions that make the operation of marijuana establishments and marijuana transportation providers unreasonably impracticable. As used in this section, "unreasonably impracticable" means that the measures necessary to comply with the rules require such a high investment of risk, money, time or other resource or asset that the operation of a marijuana establishment or a marijuana transportation provider is not worthy of being carried out in practice by a reasonably prudent businessperson. Notwithstanding the limits on retail marijuana stores specified in Title 28-A, section 2603, subsection 9, until the initial rules of the bureau have been reviewed by the Legislature, the bureau may issue one license per municipality, but must issue one per municipality if a qualified application is received from an applicant to locate in a municipality, unorganized place or plantation that has approved the operation of that type of marijuana establishment or the operation of a marijuana transportation provider. Rules adopted pursuant to this section may not prohibit a municipality from limiting the number of each type of licensee that may operate in the municipality or from enacting reasonable regulations applicable to licensees.'

Amend the bill in Part E by striking out all of section 5.

Amend the bill in Part F in section 4 in §2176 in subsection 1 in paragraph A in subparagraph (1) in the 3rd line (page 34, line 39 in L.D.) by striking out the following: "marijuana product" and inserting the following: 'marijuana product'

Amend the bill in Part F in section 4 in §2176 in subsection 1 in paragraph B in the 4th line (page 35, line 10 in L.D.) by striking out the following: "commerical marijuana" and inserting the following: 'commercial marijuana'

Amend the bill in Part F in section 4 in §2176 by striking out all of subsection 3 (page 36, lines 34 to 38 and page 37, lines 1 to 31 in L.D.) and inserting the following:

**3. Labeling requirements.** All marijuana and marijuana products sold, transferred or otherwise provided to a consumer must be in a container that is labeled with all required information.

A. Labeling text on a container may not make any false or misleading statements regarding health or physical benefits to the consumer, must be no smaller than 1/16 inch, must be unobstructed and conspicuous and must be clearly written or printed in the English language.

B. A marijuana establishment may affix multiple labels to a container if the information required by these rules is not obstructed.

2 C. The minimum print size is 1/16 inch. The size of the characters in the net weight  
3 statement is determined by the area of the principal display panel and may be greater  
4 than 1/16 inch.

5 D. The label must at a minimum list the cannabidiol and THC content of the  
6 marijuana or marijuana product, which must be verified by a licensed marijuana  
7 testing facility.

8 E. For marijuana, the label must contain a list of ingredients, including all chemical  
9 additives, including but not limited to nonorganic pesticides, herbicides and  
10 fertilizers, that were used in the cultivation and production of the marijuana or  
11 marijuana product.

12 F. For marijuana, the label must list the batch number or numbers assigned by the  
13 commercial marijuana cultivation facility to the marijuana plant or plants from which  
14 the marijuana within the container was harvested; and, for marijuana products, the  
15 label must contain a complete list of solvents and chemicals used in the creation of  
16 any marijuana concentrate.

17 G. For marijuana, the label must list the license number of the commercial marijuana  
18 cultivation facility where the marijuana was grown. For marijuana products, the label  
19 must list the license number of the marijuana product manufacturing facility. For  
20 marijuana and marijuana products, the label must list the name and license number of  
21 the retail marijuana store where the items will be sold.

22 H. For marijuana and marijuana products, the label must include the following  
23 statement: "This product contains marijuana. There may be health risks associated  
24 with the consumption of the product." A label may refer the purchaser to online  
25 information for additional product information.

26 I. For a marijuana product, the label must include a list of ingredients, the product  
27 identity and a net weight statement.

28 J. If nutritional claims are made on the label of any marijuana product, the label must  
29 contain a nutrition facts panel.'

30 Amend the bill by inserting after Part I the following:

## 31 'PART J

32 **Sec. J-1. 15 MRSA §3103, sub-§1, ¶G,** as repealed and replaced by PL 2003, c.  
33 688, Pt. A, §12, is amended to read:

34 G. A violation of section 393, subsection 1, paragraph C or section 393, subsection  
35 1-A; and

36 **Sec. J-2. 15 MRSA §3103, sub-§1, ¶H,** as amended by PL 2005, c. 328, §5, is  
37 further amended to read:

38 H. If a juvenile has been convicted of a crime for a violation of a provision of Title  
39 12 or 29-A not specifically included in paragraph E or F, willful refusal to pay a  
40 resulting fine or willful violation of the terms of a resulting administrative release or  
willful failure to comply with the terms of any other resulting court order; and

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**Sec. J-3. 15 MRSA §3103, sub-§1, ¶I** is enacted to read:

I. A violation of Title 22, section 2430-G by a person under 18 years of age.

**Sec. J-4. 15 MRSA §3103, sub-§2**, as amended by PL 2007, c. 96, §1, is further amended to read:

**2. Dispositional powers.** All of the dispositional powers of the Juvenile Court provided in section 3314 apply to a juvenile who is adjudicated to have committed a juvenile crime, except that no commitment to a Department of Corrections juvenile correctional facility or period of confinement may be imposed for conduct described in subsection 1, paragraphs B and C and I.

## PART K

**Sec. K-1. 36 MRSA §§1811-C and 1811-D** are enacted to read:

### **§1811-C. Local option marijuana sales tax**

A municipality, an unorganized place or a plantation may vote, as provided in subsection 11 and Title 28-A, section 2614, to approve the imposition of a local sales tax of up to 2% on sales of marijuana and marijuana products from a retail marijuana store to a consumer, except that a tax may not be imposed on sales from a registered dispensary or registered primary caregivers to qualifying patients and primary caregivers pursuant to Title 22, chapter 558-C.

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Participating municipality" means a municipality, unorganized place or plantation that has imposed a local option marijuana sales tax pursuant to this section.

B. "Retail marijuana store" has the same meaning as in Title 28, section 2601, subsection 10.

**2. Authorization to impose local option marijuana sales tax.** A municipality, unorganized place or plantation by referendum conducted pursuant to subsection 11 may impose a local option marijuana sales tax of no more than 2% on sales of marijuana and marijuana products from retail marijuana stores.

**3. Notify assessor.** A participating municipality that imposes a local option marijuana sales tax under this section shall notify the assessor at least 90 days before the local option marijuana sales tax is effective.

**4. Administration.** Retail marijuana stores in a participating municipality shall transfer the revenue from the local option marijuana sales tax at the time and in the manner provided in section 1951-A for the transfer of state sales tax revenue. The tax is subject to the same enforcement provisions, interest, penalties and administrative actions as other taxes assessed under this Part.

**5. Adding tax to sale price.** A retail marijuana store shall add the sales tax imposed pursuant to this section, or the average equivalent of that tax, to the sale price of marijuana and marijuana products except as exempt under this subsection. When added,

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the sales tax constitutes part of the price, is a debt from the purchaser to the retail marijuana store until paid and is recoverable at law in the same manner as the sale price. When the sale price involves a fraction of a dollar, the tax must be added to the sale price according to the formula provided in section 1812.

**6. Payment required.** A retail marijuana store shall file, on or before the last day of each month, a return on a form prescribed and furnished by the assessor together with payment of the tax due under this section. The return must report all sales of marijuana and marijuana products subject to the tax. A retail marijuana store shall keep a complete and accurate record at its principal place of business to substantiate all receipts and sales as required to comply with its obligations under this section and Title 28-A, chapter 111.

**7. Penalties.** The following penalties apply to violations of this section.

A. A retail marijuana store and a person who is responsible for the operation of a retail marijuana store who violates a provision of this section commits a Class E crime.

B. A retail marijuana store and a person who is responsible for the operation of a retail marijuana store who violates paragraph A and who, at the time of the offense, has one or more prior convictions for a violation of this section commits a Class D crime. Title 17-A, section 9-A governs the use of prior convictions when determining a sentence.

**8. Distribution of revenue.** Each month, the assessor shall identify the amount of revenue attributable to each municipality, unorganized place or plantation under this section, shall subtract 2% of total revenue for the costs of administering this section and shall certify the amount due to each municipality, unorganized place or plantation to the Treasurer of State. The Treasurer of State shall make monthly payments in accordance with the certification of the assessor.

**9. Use of revenue by participating municipality.** The revenue raised by the imposition of a local option marijuana sales tax under this section must be held by the participating municipality in a special revenue account established for that purpose. Revenue from that account may be expended only if specifically authorized by an appropriation of the local legislative body.

**10. Effect on revenue sharing and other state aid programs.** Revenue received by the State pursuant to subsection 6 may not be considered to be receipts from the taxes imposed under this Part for the purpose of transfers to the Local Government Fund under Title 30-A, section 5681. Revenue received pursuant to subsection 6 may not be used to reduce or eliminate any funding otherwise due the county or participating municipality under any provision of law providing aid to the county or participating municipality, including, but not limited to, aid for schools, roads, public assistance or jails.

**11. Referendum.** The question of whether to impose a local option marijuana sales tax must be submitted to the legal voters of a municipality, unorganized place or plantation that seeks to impose the local option marijuana sales tax. The petition process in a municipality subject to the provisions of Title 30-A, chapter 121 and voting must be held and conducted in accordance with Title 30-A, sections 2528, 2529 and 2532 even if the municipality has not accepted the provisions of Title 30-A, section 2528. The voting at elections must be held and conducted in accordance with Title 21-A. The official

responsible for conducting the election shall prepare the required ballots, which must contain substantially the following question:

"Do you favor a local option marijuana sales tax of up to 2% to be imposed by ..... [insert name of municipality, unorganized place or plantation]?"

The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion of the same. The official responsible for conducting the referendum shall make a return of the results, certify the results and send them to the Secretary of State. The Secretary of State shall forward the results to the assessor.

The local option marijuana sales tax may be discontinued by referendum conducted in the same manner as the referendum adopting the local option marijuana sales tax under this section.

**12. Effective date of local option marijuana sales tax; acceptance by voters.** The local option marijuana sales tax authorized by this section takes effect 120 days after the referendum vote under subsection 11 if it is accepted by a majority of the legal voters voting at the election and the total number of votes cast equals or exceeds 20% of the total number of votes cast in that jurisdiction in the most recent gubernatorial election.

**§1811-D. Additional sales tax on marijuana and marijuana products**

An additional tax in the amount of 10% is imposed on the retail sale of marijuana and marijuana products from a retail marijuana store to a consumer except that a tax may not be imposed on sales from a registered dispensary or registered primary caregivers to qualifying patients and primary caregivers pursuant to Title 22, chapter 558-C. For the purposes of this section, "retail marijuana store" has the same meaning as in Title 28, section 2601, subsection 10.

**1. Adding additional tax to sale price.** A retail marijuana store shall add the additional sales tax imposed pursuant to this section, or the average equivalent of that tax, to the sale price of marijuana and marijuana products except as exempt under this subsection. When added, the sales tax constitutes part of the price, is a debt from the purchaser to the retail marijuana store until paid and is recoverable at law in the same manner as the sale price. When the sale price involves a fraction of a dollar, the tax must be added to the sale price according to the formula provided in section 1812.

**2. Payment required.** A retail marijuana store shall file, on or before the last day of each month, a return on a form prescribed and furnished by the assessor together with payment of the additional sales tax due under this section. The return must report all sales of marijuana and marijuana products subject to the additional sales tax. A retail marijuana store shall keep a complete and accurate record at its principal place of business to substantiate all receipts and sales as required to comply with its obligations under this section and Title 28-A, chapter 111.

**3. Penalties.** The following penalties apply to violations of this section.

A. A retail marijuana store and a person who is responsible for the operation of a retail marijuana store who violates a provision of this section commits a Class E crime.

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B. A retail marijuana store and a person who is responsible for the operation of a retail marijuana store who violates paragraph A and who, at the time of the offense, has one or more prior convictions for a violation of this section commits a Class D crime. Title 17-A, section 9-A governs the use of prior convictions when determining a sentence.

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

## SUMMARY

This amendment is the minority committee amendment to the bill. It retains the structure of the bill that legalizes personal use of marijuana by adults 21 years of age and older, that establishes a system of regulation of marijuana establishments and marijuana transportation providers within the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations and that imposes a tax of 10% on retail sales of marijuana and marijuana products. The amendment does the following.

1. It amends taxation provisions in the bill to provide the structure for the payment of taxes and administration by the Bureau of Revenue Services.

2. It corrects the confusing use of the term "minor" in the bill, which was intended to cover persons through 20 years of age, by referring to persons too young to be allowed personal use of marijuana as "underage persons."

3. It provides maximum penalties for underage persons with respect to the purchase, consumption and possession of marijuana and with respect to other prohibited acts related to marijuana. It allows a judge to assign an underage person to perform specified work for a public entity or charitable institution as an alternative to these penalties.

4. In the provisions on possession of marijuana it reduces from 6 to 3 the number of marijuana seedlings that a person may transfer to another person, clarifies that the limit of 6 plants applies to all plants and requires that the reasonable precautions that must be taken to keep marijuana plants from underage persons apply to storing and securing marijuana.

5. It amends the provision prohibiting marijuana sales from vending machines by allowing sales from vending machines inside a retail marijuana store.

6. It amends the provisions on applications for marijuana establishments and marijuana transportation providers to comply with the requirement that the location of the business be a municipality, unorganized place or plantation that has voted to allow such businesses and provides the option of that jurisdiction to limit the number of businesses.

7. It amends the provisions on operation of a retail marijuana store, a marijuana product manufacturing facility and a commercial marijuana cultivation facility.

8. The amendment makes technical editing and typographic corrections in the bill.

9. It amends the bill's labeling requirements for retail sales of marijuana and marijuana products.

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COMMITTEE AMENDMENT "A" to H.P. 935, L.D. 1380

1           10. It allows municipalities, unorganized places and plantations to impose a local  
2 marijuana sales tax of up to 2%.

3           11. It changes from 15% to 5% the excise tax imposed in the bill on marijuana that is  
4 sold or transferred from a commercial marijuana cultivation facility.

5           12. It clarifies that the 10% sales tax on the retail sale of marijuana is in addition to  
6 the regular state sales tax.

7                                   **FISCAL NOTE REQUIRED**

8                                   **(See attached)**



**127th MAINE LEGISLATURE****LD 1380****LR 10(02)****An Act To Legalize, Tax and Regulate Marijuana****Fiscal Note for Bill as Amended by Committee Amendment "A" (H-488)****Committee: Criminal Justice and Public Safety****Fiscal Note Required: Yes**

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**Fiscal Note**

Current biennium cost increase - General Fund

Contingent current biennium cost increase - General Fund

Contingent current biennium revenue increase - General Fund

**Correctional and Judicial Impact Statements**

Eliminates Class D crimes, Class E crimes and civil violations.

Establishes new Class D crimes, Class E crimes and civil violations.

The net impact on General Fund fine revenue can not be estimated at this time.

**Referendum Costs**

<b>Month/Year</b>	<b>Election Type</b>	<b>Question</b>	<b>Length</b>
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Nov-15

General

Referendum

Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.

**Fiscal Detail and Notes**

If this legislation is approved by the voters, General Fund revenue would increase by \$2,185,500 in fiscal year 2015-16 and \$5,463,750 in fiscal year 2016-17 and Local Government Fund revenue would increase by \$93,000 in fiscal year 2015-16 and \$232,500 in fiscal year 2016-17. The Department of Administrative and Financial Services would require a General Fund appropriation of \$222,904 in fiscal year 2015-16 and \$292,266 in fiscal year 2016-17 for one Tax Examiner position and 2 Revenue Agent positions and related computer programming and administrative costs to implement and administer the new excise tax and audit the increased number of facilities and retailers. The Regulation and Enforcement program within the Department of Labor will also 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 associated with an increase in enforcement activity.

The legislation also establishes a process for a municipality to hold a referendum to vote for an imposition of a local sales tax of 2%. The tax collected would be remitted to the municipalities. Since it is unknown if, or how many, municipalities would elect to enact this tax, an estimate of the revenue has not been made.

The legislation provides that an estimated \$46,500 in fiscal year 2015-16 and \$116,250 in fiscal year 2016-17 must be credited to a statewide sheriff's association for enforcement activities for deterring underage sales of marijuana and alcohol. It also provides that \$93,000 in fiscal year 2015-16 and \$232,500 in fiscal year 2016-17 must be credited to fund up to 14 Investigative Agent positions in the Department of Public Safety, up to 4 Assistant Attorney General positions that will be dedicated to prosecuting drug crimes and up to 4 District Court Judges to hear criminal drug cases.

The legislation provides that \$46,500 in fiscal year 2015-16 and \$116,250 in fiscal year 2016-17 must be credited to a new Youth Marijuana Prevention and Control program within the Maine Center for Disease Control and Prevention for the purpose of an ongoing public awareness campaign to reduce youth marijuana, alcohol and tobacco consumption, including the creation of the Youth Marijuana Prevention and Control Advisory Council. It also provides that \$93,000 in fiscal year 2015-16 and \$232,500 in fiscal year 2016-17 must be credited to the Office of Substance Abuse and Mental Health Services for the purpose of providing addiction treatment services.

This legislation designates the Bureau of Alcoholic Beverages and Lottery Operations (BABLO) as the regulating authority for marijuana and marijuana products. BABLO will require General Fund appropriations of \$1,152,559 and \$1,667,384 in fiscal years 2015-16 and 2016-17, respectively, for 14 Marijuana Inspector positions, 5 Office Associate II positions and certain one-time and ongoing IT costs. Licenses issued by BABLO for marijuana establishments will generate estimated General Fund revenues of \$1,133,000 in fiscal year 2015-16 and \$423,500 in fiscal year 2016-17. The bill directs 25% of license application fees to go to the municipalities that applicants operate in. Municipalities will receive an estimated \$81,000 in fiscal year 2015-16. The bill also establishes the Marijuana Regulation and Licensing Fund within BABLO and the Low-income Marijuana Patient Access Program Fund within the Department of Administrative and Financial Services. Both funds will receive \$46,500 and \$116,250 in fiscal years 2015-16 and 2016-17, respectively.

Finally, the legislation requires that the first \$30,000,000 in sales tax revenue from the sales tax on marijuana and marijuana products each year be used to fund school construction or renovation. Sales tax revenue from this source is estimated to be \$3,720,000 in fiscal year 2015-16 and \$9,300,000 in fiscal year 2016-17.