

# MAINE STATE LEGISLATURE

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SMG  
R.O.S

Date: 5/18/17

Majority

(Filing No. H- 221)

**JOINT SELECT COMMITTEE ON MARIJUANA LEGALIZATION  
IMPLEMENTATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
128TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 176, L.D. 243, Bill, "An Act To Change the Oversight Agency for Recreational Marijuana from the Department of Agriculture, Conservation and Forestry to the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations and To Allocate Funds for Implementation"

Amend the bill by striking out the title and substituting the following:

**'An Act To Amend the Marijuana Legalization Act to Provide Licensing, Rulemaking and Regulatory and Enforcement Authority within the Department of Administrative and Financial Services; Assign Rulemaking, Regulatory and Enforcement Authority Related to Agricultural Purposes to the Department of Agriculture, Conservation and Forestry; and Allocate Funds for Implementation'**

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:

**'Sec. 1. 7 MRSA §1-C is enacted to read:**

**§1-C. Rules and regulatory and enforcement authority regarding the Marijuana Legalization Act**

**1. Rules and regulatory and enforcement authority.** The department shall adopt rules and exercise regulatory and enforcement authority regarding retail marijuana cultivation facilities, retail marijuana manufacturing facilities and retail marijuana testing facilities licensed by the Department of Administrative and Financial Services pursuant to section 2444. This authority pertains to marijuana cultivation, including, but not limited to, all aspects of marijuana seeds, clones, seedlings and plants, use of pesticides, harvesting and storage, and the preparation, manufacturing, testing, packaging and labeling of retail marijuana under the Marijuana Legalization Act.

**2. Effective administration and enforcement.** For the purposes of the effective administration and enforcement of chapter 417, the department and the Department of

**COMMITTEE AMENDMENT**

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1 Administrative and Financial Services shall work cooperatively to ensure that rules are  
2 adopted and the Marijuana Legalization Act is implemented and enforced in a manner  
3 that is consistent with the requirements of chapter 417.

4 **Sec. 2. 7 MRSA §2442, sub-§7**, as enacted by IB 2015, c. 5, §1, is amended to  
5 read:

6 **7. Commissioner.** "Commissioner" means the Commissioner of ~~Agriculture,~~  
7 ~~Conservation and Forestry~~ Administrative and Financial Services.

8 **Sec. 3. 7 MRSA §2442, sub-§9**, as enacted by IB 2015, c. 5, §1, is amended to  
9 read:

10 **9. Department.** "Department" means the Department of ~~Agriculture, Conservation~~  
11 ~~and Forestry~~ Administrative and Financial Services.

12 **Sec. 4. 7 MRSA §2444**, as amended by PL 2017, c. 1, §6, is further amended to  
13 read:

14 **§2444. State licensing authority**

15 For the purpose of regulating and controlling the licensing of the cultivation,  
16 manufacture, distribution, testing, tracking from seed or clone to sale and sale of retail  
17 marijuana and retail marijuana products and the licensing of retail marijuana social clubs  
18 in this State, the state licensing authority is the ~~Department of Agriculture, Conservation~~  
19 ~~and Forestry~~ department.

20 **1. Commissioner is chief administrative officer.** ~~The Commissioner of~~  
21 ~~Agriculture, Conservation and Forestry~~ commissioner is the chief administrative officer  
22 of the state licensing authority and may employ such officers and employees as may be  
23 determined to be necessary. The state licensing authority has the authority to:

24 A. Grant or refuse licenses for the cultivation, manufacture, distribution, sale and  
25 testing of retail marijuana and retail marijuana products and licenses for the operation  
26 of retail marijuana social clubs as provided by this chapter;

27 B. Suspend, fine, restrict or revoke licenses under paragraph A upon a violation of  
28 this chapter or any rule adopted pursuant to this chapter; and

29 C. Impose any penalty authorized by this chapter or any rule adopted pursuant to this  
30 chapter.

31 **2. Adoption of rules by commissioner.** The state licensing authority shall adopt  
32 rules for the proper regulation and control of the ~~cultivation, manufacture,~~ distribution,  
33 tracking and sale and testing by retail marijuana stores of retail marijuana and retail  
34 marijuana products; for the licensing and operation of retail marijuana social clubs; and  
35 for the enforcement of this chapter, ~~not later than 9 months after the effective date of this~~  
36 ~~Act, and shall adopt amended amend rules and such special rules and make findings~~ as  
37 necessary. For the purpose of adopting and amending rules pursuant to this subsection,  
38 the commissioner may delegate rule-making authority granted under this section to the  
39 Commissioner of ~~Administrative and Financial Services~~ Agriculture, Conservation and  
40 Forestry, the Commissioner of Labor or the Commissioner of Public Safety, ~~or both,~~ if  
41 the commissioner determines that the expertise and resources of those other departments

1 would be beneficial in the development of the rules and the enforcement of those rules.  
2 These rules are major substantive rules pursuant to Title 5, chapter 375, subchapter 2-A.  
3 Rules must address but are not limited to the following issues:

4 ~~A. The hearing of contested state license denials~~ appeal of the denial of a license  
5 issued pursuant to this chapter at a public hearing, employing full due process,  
6 including the subpoena power, the taking of oaths, the calling of witnesses and the  
7 maintaining of the confidentiality of customer records. Provision must be made for  
8 the conduct of appeal hearings following license actions, including, but not limited to,  
9 the denial of a license renewal or of an initial license and license revocation and  
10 suspension, and hearings contesting the imposition of a fine;

11 B. The development of such forms, licenses, identification cards and applications as  
12 necessary for the administration of this chapter or of any of the rules adopted under  
13 this chapter;

14 C. The preparation and transmission annually, in the form and manner prescribed by  
15 this chapter, of a report to the Legislature accounting for the efficient discharge of all  
16 responsibilities assigned by law or rules to the state licensing authority;

17 D. Procedures consistent with this chapter for the issuance, renewal, suspension and  
18 revocation of licenses to operate retail marijuana establishments and retail marijuana  
19 social clubs;

20 ~~E. Limits on the concentration of THC and other cannabinoids per serving in any~~  
21 ~~retail marijuana product~~;

22 F. Qualifications for licensure including, but not limited to, the requirement for a  
23 fingerprint-based criminal history record check for all owners, officers, managers,  
24 employees and other support staff of entities licensed pursuant to this chapter; and

25 G. Security requirements for any ~~licensed~~ premises licensed as retail marijuana  
26 stores, retail marijuana testing facilities and retail marijuana social clubs under this  
27 chapter including, at a minimum, lighting, physical security, alarm requirements and  
28 other minimum procedures for internal control as determined necessary by the state  
29 licensing authority to properly administer and enforce the provisions of this chapter,  
30 including reporting requirements for changes, alterations or modifications to the  
31 licensed premises. Security requirements may not be unreasonably impracticable;  
32 and.

33 ~~H. Securing and recording permission for a local fire department or the State Fire~~  
34 ~~Marshal to conduct an annual fire inspection of a retail marijuana cultivation facility.~~

35 **3. Adoption of rules by Commissioner of Agriculture, Conservation and**  
36 **Forestry.** The Commissioner of Agriculture, Conservation and Forestry shall adopt rules  
37 for the proper regulation and control of the cultivation, manufacture and testing of retail  
38 marijuana and retail marijuana products and shall amend rules as necessary. For the  
39 purpose of adopting and amending rules pursuant to this subsection, the Commissioner of  
40 Agriculture, Conservation and Forestry may delegate rule-making authority granted under  
41 this section to the Commissioner of Administrative and Financial Services, the  
42 Commissioner of Labor or the Commissioner of Public Safety if the Commissioner of  
43 Agriculture, Conservation and Forestry determines that the expertise and resources of

1 those other departments would be beneficial in the development of the rules and the  
2 enforcement of those rules. Rules adopted pursuant to this subsection are major  
3 substantive rules as defined in Title 5, chapter 375, subchapter 2-A. Rules must address  
4 but are not limited to the following issues:

5 A. The appeal of the denial of a license issued pursuant to this chapter at a public  
6 hearing, employing full due process, including the subpoena power, the taking of  
7 oaths, the calling of witnesses and the maintaining of the confidentiality of customer  
8 records. Provision must be made for the conduct of appeal hearings following license  
9 actions, including, but not limited to, the denial of a license renewal or of an initial  
10 license and license revocation and suspension, and hearings contesting the imposition  
11 of a fine;

12 B. The development of any forms, licenses, identification cards and applications that  
13 are necessary for the administration of this chapter or of any of the rules adopted  
14 under this chapter;

15 C. The preparation and transmission annually, in the form and manner prescribed by  
16 this chapter, of a report to the Legislature accounting for the efficient discharge of all  
17 responsibilities assigned by law or rules to the Department of Agriculture,  
18 Conservation and Forestry;

19 D. Procedures consistent with this chapter for the issuance, renewal, suspension and  
20 revocation of licenses to operate retail marijuana cultivation facilities, retail  
21 marijuana production facilities and retail marijuana testing facilities;

22 E. Limits on the concentration of THC and other cannabinoids per serving in any  
23 retail marijuana product;

24 F. Security requirements for any premises licensed as a retail marijuana cultivation  
25 facility, retail marijuana products manufacturing facility or retail marijuana testing  
26 facility under this chapter including, at a minimum, lighting, physical security, alarm  
27 requirements and other minimum procedures for internal control as determined  
28 necessary by the state licensing authority to properly administer and enforce the  
29 provisions of this chapter, including reporting requirements for changes, alterations  
30 or modifications to the licensed premises. Security requirements may not be  
31 unreasonably impracticable; and

32 G. Securing and recording permission for a local fire department or the State Fire  
33 Marshal to conduct an annual fire inspection of a retail marijuana cultivation facility.

34 **Sec. 5. 7 MRSA §2445, first ¶,** as amended by PL 2017, c. 1, §7, is further  
35 amended to read:

36 Beginning February 1, 2018, the state licensing authority shall establish, within a  
37 specific time frame, a retail marijuana and retail marijuana products independent testing  
38 and certification program. This program must require licensees to test retail marijuana  
39 and retail marijuana products to ensure at a minimum that products sold for human  
40 consumption do not contain contaminants that are injurious to health and to ensure  
41 correct labeling. The Commissioner of Agriculture, Conservation and Forestry shall  
42 adopt rules regarding retail marijuana testing facilities as authorized by sections 1-C and

1 2444, subsection 2. Rules adopted pursuant to this section are major substantive rules as  
2 defined in Title 5, chapter 375, subchapter 2-A.

3 **Sec. 6. 7 MRSA §2446, sub-§2**, as enacted by IB 2015, c. 5, §1, is amended to  
4 read:

5 **2. Health and safety rules.** The state licensing authority and the Department of  
6 Agriculture, Conservation and Forestry, as provided in section 2444, subsections 2 and 3,  
7 shall adopt health and safety rules, which are major substantive rules pursuant to Title 5,  
8 chapter 375, subchapter 2-A, and standards for the manufacture of retail marijuana  
9 products, the sale of retail marijuana by a retail marijuana store and the cultivation of  
10 retail marijuana, which must include:

- 11 A. Limitations on the display of retail marijuana and retail marijuana products;  
12 B. Regulation of the storage of, warehouses for and transportation of retail marijuana  
13 and retail marijuana products; and  
14 C. Sanitary requirements for retail marijuana establishments, including but not  
15 limited to sanitary requirements for the preparation of retail marijuana products.

16 **Sec. 7. 7 MRSA §2448, sub-§4**, as enacted by IB 2015, c. 5, §1, is amended to  
17 read:

18 **4. Retail marijuana cultivation facility license.** The state licensing authority shall  
19 create a statewide licensure class system for retail marijuana cultivation facilities. The  
20 Commissioner of Agriculture, Conservation and Forestry shall adopt rules to implement  
21 the statewide licensure class system. Rules adopted pursuant to this subsection are major  
22 substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

23 A. The following provisions govern retail marijuana cultivation facilities.

24 (1) A retail marijuana cultivation facility licensee is permitted to cultivate retail  
25 marijuana for sale and distribution only to licensed retail marijuana stores, retail  
26 marijuana products manufacturing facilities, other retail marijuana cultivation  
27 facilities or retail marijuana social clubs.

28 (2) A retail marijuana cultivation facility may have a retail marijuana store if it is  
29 located on the same licensed premises as the retail marijuana cultivation facility.  
30 If the retail marijuana cultivation facility chooses the option to have a retail  
31 marijuana store, it must meet all requirements set by the state licensing authority,  
32 the Department of Agriculture, Conservation and Forestry and the municipality in  
33 which it is located. A retail marijuana store located on the licensed premises of a  
34 retail marijuana cultivation facility does not count against any municipal limits  
35 on the number of retail marijuana stores.

36 (3) A retail marijuana cultivation facility shall track the marijuana it cultivates  
37 from seed, clone or immature plant to wholesale purchase. ~~The state licensing~~  
38 ~~authority~~ Commissioner of Agriculture, Conservation and Forestry may not make  
39 rules that are unreasonably impracticable concerning the tracking of marijuana  
40 from seed, clone or immature plant to wholesale purchase.

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1 (4) A retail marijuana cultivation facility may provide, except as required by  
2 subsection 6, a sample of its products to a retail marijuana testing facility for  
3 testing and research purposes. A retail marijuana cultivation facility shall  
4 maintain a record of what was provided to the retail marijuana testing facility, the  
5 identity of the retail marijuana testing facility and the testing results.

6 B. Retail marijuana may be transported between a licensed retail marijuana  
7 cultivation facility and retail marijuana stores, other retail marijuana cultivation  
8 facilities, retail marijuana products manufacturing facilities, retail marijuana social  
9 clubs and retail marijuana testing facilities.

10 **Sec. 8. 7 MRSA §2448, sub-§6**, as enacted by IB 2015, c. 5, §1, is amended to  
11 read:

12 **6. Retail marijuana testing facility license.** A retail marijuana testing facility  
13 license may be issued to a person who performs testing and research on retail marijuana.  
14 The facility may develop and test retail marijuana products.

15 ~~The state licensing authority~~ Department of Agriculture, Conservation and Forestry shall  
16 adopt rules pursuant to its authority in section 2445 related to acceptable testing and  
17 research practices, including but not limited to testing, standards, quality control analysis,  
18 equipment certification and calibration, chemical identification and other practices used  
19 in bona fide research methods. Rules adopted pursuant to this subsection are major  
20 substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

21 A. A person that has an interest in a retail marijuana testing facility license from the  
22 state licensing authority for testing purposes may not have any interest in a registered  
23 dispensary, a registered caregiver, a licensed retail marijuana store, a licensed retail  
24 marijuana social club, a licensed retail marijuana cultivation facility or a licensed  
25 retail marijuana products manufacturing facility. A person that has an interest in a  
26 registered dispensary, a registered caregiver, a licensed retail marijuana store, a  
27 licensed retail marijuana social club, a licensed retail marijuana cultivation facility or  
28 a licensed retail marijuana products manufacturing facility may not have an interest  
29 in a facility that has a retail marijuana testing facility license. For purposes of this  
30 paragraph, "interest" includes an ownership interest or partial ownership interest or  
31 any other type of financial interest, such as being an investor or serving in a  
32 management position.

33 B. Retail marijuana and retail marijuana products may be transported between the  
34 licensed retail marijuana testing facility and retail marijuana cultivation facilities,  
35 retail marijuana products manufacturing facilities, retail marijuana stores and retail  
36 marijuana social clubs.

37 **Sec. 9. 7 MRSA §2448, sub-§8**, as enacted by IB 2015, c. 5, §1, is amended to  
38 read:

39 **8. Inspection of books and records.** Each licensee shall keep a complete set of all  
40 records necessary to show fully the business transactions of the licensee, all of which  
41 must be open at all times during business hours for the inspection and examination by the  
42 state licensing authority or its duly authorized representatives and the Department of  
43 Agriculture, Conservation and Forestry and its duly authorized representatives. The state

1 licensing authority and the Department of Agriculture, Conservation and Forestry may  
2 require any licensee to furnish such information as ~~#~~ the department considers necessary  
3 for the proper administration of this chapter and may require an audit to be made of the  
4 books of account and records on such occasions as ~~#~~ the department may consider  
5 necessary by an auditor to be selected by the state licensing authority. The auditor must  
6 have access to all books and records of the licensee, and the cost of the audit must be paid  
7 by the licensee.

8 The licensed premises, including any places of storage, where retail marijuana or retail  
9 marijuana products are stored, cultivated, sold, dispensed or tested are subject to  
10 inspection by the State or the municipality in which the licensed premises are located and  
11 by the investigators of the State or municipality during all business hours and other times  
12 of apparent activity for the purpose of inspection or investigation. Access must be  
13 granted during business hours for examination of any inventory or books and records  
14 required to be kept by a licensee. When any part of the licensed premises consists of a  
15 locked area, upon demand to the licensee this area must be made available for inspection,  
16 and, upon request by authorized representatives of the State or municipality, the licensee  
17 shall open the area for inspection.

18 Each licensee shall retain all books and records necessary to show fully the business  
19 transactions of the licensee for a period comprising the current tax year and the 2  
20 immediately preceding tax years.

21 **Sec. 10. 7 MRS §2455** is enacted to read:

22 **§2455. Retail Marijuana Regulatory Coordination Fund**

23 The Retail Marijuana Regulatory Coordination Fund, referred to in this section as  
24 "the fund," is established as a dedicated, nonlapsing Other Special Revenue Funds  
25 account in the department. The fund is administered and used by the commissioner for  
26 the purposes of adopting rules as required by this chapter by the department and by any  
27 other department of State Government that is authorized to adopt rules under this chapter.  
28 The commissioner may expend funds to enter into contracts with consultants and employ  
29 staff, as determined necessary by the commissioner, conduct meetings with stakeholders  
30 and conduct other activities related to the operation of this chapter.

31 **Sec. 11. Transfer from General Fund unappropriated surplus; Retail**  
32 **Marijuana Regulatory Coordination Fund, Other Special Revenue Funds**  
33 **account; fiscal year 2016-17.** Notwithstanding any other provision of law to the  
34 contrary, the State Controller shall transfer \$1,400,000 from the General Fund  
35 unappropriated surplus to the Retail Marijuana Regulatory Coordination Fund program,  
36 Other Special Revenue Funds account within the Department of Administrative and  
37 Financial Services no later than 10 days after the effective date of this Act.

38 **Sec. 12. Progress reports.** The Department of Administrative and Financial  
39 Services shall report to the Joint Select Committee on Marijuana Legalization  
40 Implementation 60 days after the effective date of this Act and every 60 days thereafter  
41 until final adjournment of the Second Regular Session of the 128th Legislature. The  
42 report must provide information on the progress of the Department of Administrative and



1 Financial Services, the Department of Agriculture, Conservation and Forestry and all  
 2 other state departments involved with implementing the Marijuana Legalization Act.

3 **Sec. 13. Appropriations and allocations.** The following appropriations and  
 4 allocations are made.

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

6 **Retail Marijuana Regulatory Coordination Fund N233**

7 Initiative: Allocates funds to establish the Retail Marijuana Regulatory Coordination  
 8 Fund.

9	<b>OTHER SPECIAL REVENUE</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
10	<b>FUNDS</b>			
11	All Other	\$1,400,000	\$0	\$0
12				
13	OTHER SPECIAL REVENUE	<u>\$1,400,000</u>	<u>\$0</u>	<u>\$0</u>
14	FUNDS TOTAL			

15	<b>ADMINISTRATIVE AND</b>			
16	<b>FINANCIAL SERVICES,</b>			
17	<b>DEPARTMENT OF</b>			
18	<b>DEPARTMENT TOTALS</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
19				
20	<b>OTHER SPECIAL REVENUE</b>	<b>\$1,400,000</b>	<b>\$0</b>	<b>\$0</b>
21	<b>FUNDS</b>			
22				
23	<b>DEPARTMENT TOTAL - ALL</b>	<b><u>\$1,400,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
24	<b>FUNDS</b>			

25 **LEGISLATURE**

26 **Legislature 0081**

27 Initiative: Appropriates funds on a one-time basis to the Legislature to provide resources  
 28 for the Joint Select Committee on Marijuana Legalization Implementation for the  
 29 purposes of covering the costs of consultant services and necessary travel and expenses  
 30 and any other purposes determined to be appropriate by the Joint Select Committee on  
 31 Marijuana Legalization Implementation to assist the committee in the performance of its  
 32 duties.

33	<b>GENERAL FUND</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
34	All Other	\$200,000	\$0	\$0
35				
36	GENERAL FUND TOTAL	<u>\$200,000</u>	<u>\$0</u>	<u>\$0</u>

1	<b>LEGISLATURE</b>			
2	<b>DEPARTMENT TOTALS</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
3				
4	<b>GENERAL FUND</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>
5				
6	<b>DEPARTMENT TOTAL - ALL</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>
7	<b>FUNDS</b>			
8	<b>SECTION TOTALS</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
9				
10	<b>GENERAL FUND</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>
11	<b>OTHER SPECIAL REVENUE</b>	<b>\$1,400,000</b>	<b>\$0</b>	<b>\$0</b>
12	<b>FUNDS</b>			
13				
14	<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$1,600,000</b>	<b>\$0</b>	<b>\$0</b>
15				

**SUMMARY**

This amendment is the majority report of the committee. The amendment changes the title, strikes the bill and does the following.

1. The amendment assigns to the Department of Administrative and Financial Services authority to license the distribution, tracking and sale of retail marijuana and retail marijuana products and the licensure of retail marijuana social clubs.

2. The amendment assigns to the Department of Administrative and Financial Services rule-making, regulatory and enforcement authority regarding the tracking, distribution and sale of retail marijuana and retail marijuana products and the licensing and operation of retail marijuana social clubs.

3. The amendment assigns to the Department of Agriculture, Conservation and Forestry rule-making, regulatory and enforcement authority regarding marijuana cultivation, including, but not limited to, all aspects of marijuana seeds, clones, seedlings and plants, use of pesticides, harvesting and storage, and the preparation, manufacturing, production, packaging, labeling and testing of retail marijuana. The amendment authorizes the Commissioner of Agriculture, Conservation and Forestry to delegate rule-making authority to the Commissioner of Administrative and Financial Services, the Commissioner of Labor or the Commissioner of Public Safety if the Commissioner of Agriculture, Conservation and Forestry determines the expertise and resources of those other departments would be beneficial to the development and enforcement of rules.

4. The amendment directs the Department of Administrative and Financial Services and the Department of Agriculture, Conservation and Forestry to work cooperatively to ensure that rules are adopted and the Marijuana Legalization Act is implemented and enforced in a manner that is consistent with the requirements of that Act.

RD 07-9

COMMITTEE AMENDMENT "A" to H.P. 176, L.D. 243

1           5. The amendment establishes the Retail Marijuana Regulatory Coordination Fund to  
2 provide funding for rulemaking, entering into contracts with consultants and employing  
3 staff, conducting meetings with stakeholders and conducting other activities related to  
4 retail marijuana.

5           6. The amendment appropriates funds for consultant services and necessary travel  
6 and expenses and other purposes determined to be appropriate by the Joint Select  
7 Committee on Marijuana Legalization Implementation in the amount of \$200,000 to the  
8 Legislature for use by the committee and in the amount of \$1,400,000 for use by the  
9 Department of Administrative and Financial Services. The appropriation to the  
10 Legislature is a nonlapsing appropriation. The Retail Marijuana Regulatory Coordination  
11 Fund is a nonlapsing Other Special Revenue Funds account. The amendment requires the  
12 Department of Administrative and Financial Services to report to the Joint Select  
13 Committee on Marijuana Legalization Implementation 60 days after the effective date of  
14 the Act and every 60 days thereafter until final adjournment of the Second Regular  
15 Session of the 128th Legislature. The report must provide information on the progress of  
16 the Department of Administrative and Financial Services and all other state departments  
17 involved with implementing the Marijuana Legalization Act.

18           7. The amendment corrects and separates references to the Department of  
19 Administrative and Financial Services and the Department of Agriculture, Conservation  
20 and Forestry in order for the 2 departments to perform the roles in the implementation of  
21 marijuana legalization that are assigned by the Maine Revised Statutes, Title 7, section  
22 1-C and section 2444, subsection 1.

**FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**



# 128th MAINE LEGISLATURE

LD 243

LR 2223(02)

**An Act To Change the Oversight Agency for Recreational Marijuana from the Department of Agriculture, Conservation and Forestry to the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations and To Allocate Funds for Implementation**

**Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-221)**

**Committee: Marijuana Legalization Implementation**

**Fiscal Note Required: Yes**

## Fiscal Note

	FY 2016-17	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
<b>Net Cost (Savings)</b>					
General Fund	\$1,600,000	\$0	\$0	\$0	\$0
<b>Appropriations/Allocations</b>					
General Fund	\$200,000	\$0	\$0	\$0	\$0
Other Special Revenue Funds	\$1,400,000	\$0	\$0	\$0	\$0
<b>Transfers</b>					
General Fund	(\$1,400,000)	\$0	\$0	\$0	\$0
Other Special Revenue Funds	\$1,400,000	\$0	\$0	\$0	\$0

### Fiscal Detail and Notes

This bill establishes the Retail Marijuana Regulatory Coordination Fund within the Department of Administrative and Financial Services (DAFS). It provides for a \$1,400,000 transfer from the unappropriated surplus of the General Fund in fiscal year 2016-17 to the fund and includes an Other Special Revenue Funds allocation of \$1,400,000 in fiscal year 2016-17 for use by the Bureau of Alcoholic Beverages and Lottery Operations (BABLO) within DAFS and the Department of Agriculture, Conservation and Forestry (DACF) to conduct rulemaking, enter into contracts with consultants, hire staff and implement other activities of this bill. The BABLO is assigned as the state licensing authority to regulate and control the licensing of the cultivation, manufacture, distribution, testing and sale of retail marijuana and the licensure of retail marijuana social clubs. The bill retains the DACF as the state regulatory authority regarding marijuana cultivation, marijuana seeds, clones, seedlings, plants, use of pesticides, harvesting, storage, preparation, manufacturing, production, labeling and testing of retail marijuana.

The bill also includes a one-time General Fund appropriation of \$200,000 in 2016-17 to the Legislature to provide resources for the Joint Select Committee on Marijuana Legalization Implementation for the costs of consultant services and necessary travel and expenses and any other purposes determined to be appropriate to assist the committee in the performance of its duties.

Both BABLO and DACF have indicated that additional positions are required to implement the provisions of the bill. Additional appropriations or allocations may be required in the intermediary period between this bill and the full program implementation of marijuana legalization.