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SMJ
10/20/17

Report B

L.D. 1650

Date: 10/20/17

(Filing No. H-570)

JOINT SELECT COMMITTEE ON MARIJUANA LEGALIZATION IMPLEMENTATION

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STATE OF MAINE HOUSE OF REPRESENTATIVES 128TH LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1139, L.D. 1650, Bill, "An Act To Amend the Marijuana Legalization Act"

Amend the bill by striking out everything after the title and before the summary and inserting the following:

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the people of the State of Maine in November 2016 passed into law the Marijuana Legalization Act, which establishes a system of licensing for the cultivation, manufacture, testing and retail sale of adult use marijuana and adult use marijuana products in the State and which enables persons 21 years of age or older to legally acquire, possess and consume adult use marijuana and adult use marijuana products and to cultivate marijuana for personal use; and

Whereas, amendments to the Marijuana Legalization Act are necessary to provide clarity in the licensing and regulation of adult use marijuana establishments and in the oversight and enforcement of the laws regarding the personal use and home cultivation of marijuana; and

Whereas, to facilitate the timely implementation of a retail marketplace in the State for adult use marijuana and adult use marijuana products, the agencies charged by law with the implementation, administration and enforcement of the Marijuana Legalization Act must adopt rules in accordance with that Act and the Legislature must review those rules in accordance with the Maine Administrative Procedure Act as soon as is practicable; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

2 **PART A**

3 **Sec. A-1. 5 MRSA §12004-I, sub-§52-C** is enacted to read:

4 **52-C.**

5 <u>Judiciary:</u>	<u>Marijuana Advisory</u>	<u>Expenses Only</u>	<u>28-B MRSA §901</u>
6 <u>Marijuana</u>	<u>Commission</u>		

7
8 **Sec. A-2. 7 MRSA §1-C**, as enacted by PL 2017, c. 278, §1, is repealed.

9 **Sec. A-3. 7 MRSA c. 417**, as amended, is repealed.

10 **Sec. A-4. 22 MRSA §3763, sub-§11, ¶J**, as enacted by PL 2017, c. 208, §2, is
11 amended to read:

12 J. ~~Retail~~ Adult use marijuana and ~~retail~~ adult use marijuana products, as defined by
13 Title ~~7 28-B~~, section ~~2442 102~~.

14 **Sec. A-5. 26 MRSA §772, sub-§2**, as amended by PL 2017, c. 286, §2, is further
15 amended to read:

16 **2. Rules; list of employment and occupations.** The director shall adopt rules to
17 develop and maintain a list of employment and occupations not suitable for a minor. The
18 rules must conform as far as practicable to the child labor provisions of the federal Fair
19 Labor Standards Act of 1938, 29 United States Code, Section 212 and any associated
20 regulations. The rules must also contain provisions prohibiting the employment of
21 minors in places having nude entertainment and in registered dispensaries of marijuana
22 for medical use authorized under Title 22, chapter 558-C and in establishments that
23 cultivate, produce or sell marijuana or products in which marijuana is an ingredient or in
24 ~~recreational~~ marijuana social clubs authorized under Title ~~7 28-B~~, chapter ~~417 1~~.

25 **Sec. A-6. 28-B MRSA** is enacted to read:

26 **TITLE 28-B**

27 **ADULT USE MARIJUANA**

28 **CHAPTER 1**

29 **MARIJUANA LEGALIZATION ACT**

30 **SUBCHAPTER 1**

31 **GENERAL PROVISIONS**

32 **§101. Short title**

33 This chapter may be known and cited as "the Marijuana Legalization Act."

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§102. Definitions

As used in this Title, unless the context otherwise indicates, the following terms have the following meanings.

1. Adult use marijuana. "Adult use marijuana" means marijuana cultivated, manufactured, distributed or sold by a marijuana establishment.

2. Adult use marijuana product. "Adult use marijuana product" means a marijuana product that is manufactured, distributed or sold by a marijuana establishment.

3. Another jurisdiction. "Another jurisdiction" means the Federal Government, the United States military, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa and each of the several states of the United States except Maine.

4. Applicant. "Applicant" means a person that submits an application for a license under this chapter to the department for review that department has not yet approved or denied.

5. Batch. "Batch" means:

A. A specific quantity of adult use marijuana harvested during a specified period of time from a specified cultivation area within a cultivation facility; or

B. A specific quantity of adult use marijuana or adult use marijuana products produced during a specified period of time in a specified manufacturing area within a products manufacturing facility.

6. Batch number. "Batch number" means a distinct group of numbers, letters or symbols, or any combination thereof, assigned to a specific batch of adult use marijuana by a cultivation facility or to a specific batch of adult use marijuana or adult use marijuana products by a products manufacturing facility.

7. Business entity. "Business entity" means a partnership, association, company, corporation, limited liability company or other entity incorporated or otherwise formed or organized by law. "Business entity" does not include a federal, state or municipal government organization.

8. Child-resistant. "Child-resistant" means, with respect to packaging or a container:

A. Specially designed or constructed to be significantly difficult for a typical child under 5 years of age to open and not to be significantly difficult for a typical adult to open and reseal; and

B. With respect to any product intended for more than a single use or that contains multiple servings, resealable.

9. Commissioner. "Commissioner" means the Commissioner of Administrative and Financial Services.

10. Container. "Container" means a sealed package in which adult use marijuana or an adult use marijuana product is placed by a marijuana store or marijuana social club

1 prior to sale to a consumer and that meets all applicable packaging, labeling and health
2 and safety requirements of this chapter and the rules adopted pursuant to this chapter.

3 **11. Criminal justice agency.** "Criminal justice agency" has the same meaning as in
4 Title 16, section 803, subsection 4.

5 **12. Cultivation or cultivate.** "Cultivation" or "cultivate" means the planting,
6 propagation, growing, harvesting, drying, curing, grading, trimming or other processing
7 of marijuana for use or sale. "Cultivation" or "cultivate" does not include manufacturing,
8 testing or marijuana extraction.

9 **13. Cultivation facility.** "Cultivation facility" means a facility licensed under this
10 chapter to cultivate, prepare and package adult use marijuana and to sell adult use
11 marijuana to products manufacturing facilities, to marijuana stores and to other
12 cultivation facilities and to sell immature marijuana plants and seedlings to marijuana
13 stores.

14 **14. Department.** "Department" means the Department of Administrative and
15 Financial Services.

16 **15. Disqualifying drug offense.** "Disqualifying drug offense" means a conviction
17 for a violation of a state or federal controlled substance law that is a crime punishable by
18 imprisonment for one year or more, except that "disqualifying drug offense" does not
19 include:

20 A. An offense for which the sentence, including any term of probation, incarceration
21 or supervised release, was completed 10 or more years prior to the submission of an
22 application for a license under this chapter; or

23 B. An offense that consisted of conduct that is authorized under chapter 3.

24 **16. Edible marijuana product.** "Edible marijuana product" means a marijuana
25 product intended to be consumed orally, including, but not limited to, any type of food,
26 drink or pill containing marijuana or marijuana concentrate.

27 **17. Flowering.** "Flowering" means, with respect to a marijuana plant, the
28 gametophytic or reproductive state of a female marijuana plant during which the plant is
29 in a light cycle intended to produce flowers, trichomes and cannabinoids characteristic of
30 marijuana.

31 **18. Identity statement.** "Identity statement" means the name of a business entity as
32 it is commonly known and used in any advertising or marketing by the business entity.

33 **19. Immature marijuana plant.** "Immature marijuana plant" means a marijuana
34 plant that is not a mature marijuana plant or a seedling.

35 **20. Inherently hazardous substance.** "Inherently hazardous substance" means a
36 liquid chemical, compressed gas or commercial product that has a flash point at or lower
37 than 38 degrees Celsius or 100 degrees Fahrenheit, including, but not limited to, butane,
38 propane and diethyl ether. "Inherently hazardous substance" does not include any form
39 of alcohol or ethanol.

40 **21. Intoxication.** "Intoxication" means a substantial impairment of an individual's
41 mental or physical faculties as a result of drug or alcohol use.

1 **22. Law enforcement officer.** "Law enforcement officer" has the same meaning as
2 in Title 17-A, section 2, subsection 17.

3 **23. Licensed premises.** "Licensed premises" means the premises specified in a
4 license to operate a marijuana establishment within which the licensee is authorized under
5 this chapter and the rules adopted pursuant to this chapter to cultivate, manufacture,
6 distribute, test or sell adult use marijuana or adult use marijuana products or, in the case
7 of a marijuana social club, allow the consumption of adult use marijuana products by a
8 consumer. "Licensed premises" includes, but is not limited to, a limited access area and a
9 restricted access area.

10 **24. Licensee.** "Licensee" means a person licensed pursuant to this chapter to operate
11 a marijuana establishment.

12 **25. Limited access area.** "Limited access area" means a building, room or other
13 area within the licensed premises of a marijuana establishment where a licensee is
14 authorized to cultivate, store, weigh, manufacture, package or sell adult use marijuana
15 and adult use marijuana products in accordance with the provisions of this chapter and the
16 rules adopted pursuant to this chapter.

17 **26. Manufacturing or manufacture.** "Manufacturing" or "manufacture" means the
18 production, blending, infusing, compounding or other preparation of marijuana
19 concentrate and marijuana products, including, but not limited to, marijuana extraction or
20 preparation by means of chemical synthesis. "Manufacturing" or "manufacture" does not
21 include cultivation or testing.

22 **27. Marijuana.** "Marijuana" means the leaves, stems, flowers and seeds of a
23 marijuana plant, whether growing or not. "Marijuana" includes marijuana concentrate but
24 does not include industrial hemp as defined in Title 7, section 2231, subsection 1 or a
25 marijuana product.

26 **28. Marijuana concentrate.** "Marijuana concentrate" means the resin extracted
27 from any part of a marijuana plant and every compound, manufacture, salt, derivative,
28 mixture or preparation from such resin, including, but not limited to, hashish. In
29 determining the weight of marijuana concentrate in a marijuana product, the weight of
30 any other ingredient combined with marijuana or marijuana concentrate to prepare the
31 marijuana product may not be included.

32 **29. Marijuana establishment.** "Marijuana establishment" means a cultivation
33 facility, a products manufacturing facility, a testing facility, a marijuana store or a
34 marijuana social club licensed under this chapter.

35 **30. Marijuana extraction.** "Marijuana extraction" means the process of extracting
36 marijuana concentrate from marijuana using water, lipids, gases, solvents or other
37 chemicals or chemical processes.

38 **31. Marijuana plant.** "Marijuana plant" means all species of the plant genus
39 cannabis, including, but not limited to, a mother plant, a mature marijuana plant, an
40 immature marijuana plant or a seedling.

41 **32. Marijuana product.** "Marijuana product" means a product composed of
42 marijuana or marijuana concentrate and other ingredients that is intended for use or
43 consumption. "Marijuana product" includes, but is not limited to, an edible marijuana

1 product, a marijuana ointment and a marijuana tincture. "Marijuana product" does not
2 include marijuana concentrate.

3 **33. Marijuana social club.** "Marijuana social club" means a facility licensed under
4 this chapter to purchase adult use marijuana products from a products manufacturing
5 facility and to sell adult use marijuana products to consumers for consumption on the
6 licensed premises of the marijuana social club.

7 **34. Marijuana store.** "Marijuana store" means a facility licensed under this chapter
8 to purchase adult use marijuana, immature marijuana plants and seedlings from a
9 cultivation facility, to purchase adult use marijuana and adult use marijuana products
10 from a products manufacturing facility and to sell adult use marijuana, adult use
11 marijuana products, immature marijuana plants and seedlings to consumers.

12 **35. Mature marijuana plant.** "Mature marijuana plant" means a marijuana plant
13 that is flowering.

14 **36. Mother plant.** "Mother plant" means a mature marijuana plant that is used
15 solely for the taking of seedling cuttings.

16 **37. Municipality.** "Municipality" means a city, town or plantation in this State.

17 **38. Opaque.** "Opaque" means, with respect to packaging or a container, that any
18 product inside of the packaging or container cannot be seen from outside the packaging or
19 container.

20 **39. Person.** "Person" means a natural person or a business entity.

21 **40. Plant canopy.** "Plant canopy" means the total area within the licensed premises
22 of a cultivation facility that is dedicated to the live cultivation of mature marijuana plants,
23 measured horizontally starting from the outermost point of the farthest mature marijuana
24 plant within a designated cultivation area and continuing around the outside of all mature
25 marijuana plants located within the designated cultivation area. "Plant canopy" does not
26 include the areas within the licensed premises of a cultivation facility that are not
27 dedicated to the live cultivation of mature marijuana plants, including, but not limited to,
28 the areas in which marijuana plants are cloned; vegetative areas for immature marijuana
29 plants and seedlings; the areas in which fertilizers, pesticides or other products are stored;
30 and general office space, work areas and walkways.

31 **41. Primary caregiver.** "Primary caregiver" has the same meaning as in Title 22,
32 section 2422, subsection 8-A.

33 **42. Products manufacturing facility.** "Products manufacturing facility" means a
34 facility licensed under this chapter to purchase adult use marijuana from a cultivation
35 facility or another products manufacturing facility; to manufacture, label and package
36 adult use marijuana and adult use marijuana products; and to sell adult use marijuana and
37 adult use marijuana products to marijuana stores, to marijuana social clubs and to other
38 products manufacturing facilities.

39 **43. Propagation.** "Propagation" means the process of reproducing marijuana plants
40 through the use of marijuana seeds, cuttings or grafting.

41 **44. Qualifying patient.** "Qualifying patient" means a person who possesses a valid
42 certification for the medical use of marijuana pursuant to Title 22, section 2423-B.

- 1 **45. Registered dispensary.** "Registered dispensary" means a nonprofit dispensary
2 that is registered by the Department of Health and Human Services pursuant to Title 22,
3 section 2428.
- 4 **46. Registered primary caregiver.** "Registered primary caregiver" has the same
5 meaning as in Title 22, section 2422, subsection 11.
- 6 **47. Restricted access area.** "Restricted access area" means a designated and secure
7 area within the licensed premises of a marijuana store or a marijuana social club where
8 adult use marijuana or adult use marijuana products are stored, displayed for sale, offered
9 for sale, sold or, in the case of a marijuana social club, consumed by a consumer.
- 10 **48. Sale or sell.** "Sale" or "sell" means a transfer or delivery of marijuana or
11 marijuana products for consideration.
- 12 **49. Sample.** "Sample" means:
- 13 A. An amount of marijuana or an amount of a marijuana product provided to a
14 testing facility by a marijuana establishment or other person for testing or research
15 and development purposes in accordance with subchapter 6;
- 16 B. An amount of adult use marijuana or an amount of an adult use marijuana product
17 collected from a licensee by the Department of Agriculture, Conservation and
18 Forestry for the purposes of testing the marijuana or marijuana product for product
19 quality control purposes pursuant to section 512, subsection 2;
- 20 C. An amount of adult use marijuana provided by a cultivation facility to another
21 licensee for business or marketing purposes pursuant to section 501, subsection 8; or
- 22 D. An amount of adult use marijuana or an amount of an adult use marijuana product
23 provided to another licensee by a products manufacturing facility for business or
24 marketing purposes pursuant to section 502, subsection 6.
- 25 **50. Seedling.** "Seedling" means a marijuana plant that is:
- 26 A. Not flowering;
- 27 B. Less than 6 inches in height; and
- 28 C. Less than 6 inches in width.
- 29 **51. Tamper-evident.** "Tamper-evident" means, with respect to a device or process,
30 bearing a seal, a label or a marking that makes unauthorized access to or tampering with a
31 package, product or container easily detectable.
- 32 **52. Testing or test.** "Testing" or "test" means the research and analysis of
33 marijuana, marijuana products or other substances for contaminants, safety or potency.
34 "Testing" or "test" does not include cultivation or manufacturing.
- 35 **53. Testing facility.** "Testing facility" means a facility licensed under this chapter to
36 develop, research and test marijuana, marijuana products and other substances.
- 37 **54. THC.** "THC" means tetrahydrocannabinol.

1 **55. Universal symbol.** "Universal symbol" means an image developed by the
2 department, and made available to licensees, that indicates that a container, package or
3 product contains marijuana or contains or is a marijuana product.

4 **56. Visibly intoxicated.** "Visibly intoxicated" means in a state of intoxication
5 accompanied by a perceptible act, a series of acts or the appearance of an individual that
6 clearly demonstrates the state of intoxication.

7 **§103. Unauthorized conduct; penalties**

8 **1. Unauthorized conduct.** Except as otherwise provided in this chapter, in the rules
9 adopted pursuant to this chapter, in chapter 3 or in the Maine Medical Use of Marijuana
10 Act or as specifically authorized pursuant to a license issued under this chapter, a person
11 may not:

12 A. Cultivate, manufacture or test marijuana or marijuana products;

13 B. Sell or offer for sale marijuana or marijuana products; or

14 C. Use, possess, transport, transfer, furnish or purchase marijuana or marijuana
15 products.

16 **2. Penalties.** In addition to any penalties that may be imposed pursuant to this
17 chapter or chapter 3, a person that violates any other provision of law or rule governing
18 the conduct prohibited under subsection 1 is subject to any criminal or civil penalties that
19 may be imposed pursuant to that other law or rule.

20 **§104. Administration and enforcement; rulemaking**

21 **1. State licensing authority.** The department has the sole authority under this
22 chapter to:

23 A. Grant or deny applications for the licensure of marijuana establishments under
24 this chapter; and

25 B. Impose on a licensee any penalty authorized under this chapter or the rules
26 adopted pursuant this chapter, including, but not limited to, a monetary penalty or a
27 suspension or revocation of the licensee's license, upon a determination that the
28 licensee has committed a violation of this chapter, a rule adopted pursuant to this
29 chapter or a condition of licensure.

30 **2. Implementation, administration and enforcement.** The department shall
31 implement, administer and enforce this chapter and the rules adopted pursuant to this
32 chapter, except that the Department of Agriculture, Conservation and Forestry shall
33 implement, administer and assist the department in the enforcement of this chapter and
34 the rules adopted pursuant to this chapter in any matters concerning the regulation of the
35 cultivation, manufacture and testing of adult use marijuana and adult use marijuana
36 products at cultivation facilities, products manufacturing facilities and testing facilities,
37 including, but not limited to, matters concerning the regulation of marijuana seeds and
38 clones and marijuana plants; security requirements for cultivation facilities, products
39 manufacturing facilities and testing facilities, including, but not limited to, lighting
40 requirements, physical security requirements, alarm requirements and other minimum
41 procedures for internal control and security; the use of pesticides, fungicides and

1 herbicides in cultivation; the harvesting and storage of marijuana; the imposition of limits
2 on the concentration of THC and other cannabinoids per serving in adult use marijuana
3 products; odor control standards, sanitary standards, refrigeration requirements and
4 storage and warehousing standards for licensees; and the preparation, manufacture,
5 testing, packaging and labeling of adult use marijuana and adult use marijuana products.

6 **3. Staffing; department to employ law enforcement personnel.** The department
7 and the Department of Agriculture, Conservation and Forestry may employ personnel as
8 necessary to implement, administer and enforce this chapter and the rules adopted
9 pursuant to this chapter. A portion of the overall personnel employed by the department
10 to implement, administer and enforce this chapter and the rules adopted pursuant to this
11 chapter must be sworn law enforcement officers. The number of sworn law enforcement
12 officers employed by the department pursuant to this subsection must be sufficient, as
13 determined by the commissioner, to conduct inspections of the licensed premises of
14 licensees, to ensure compliance by licensees with the requirements of this chapter and the
15 rules adopted pursuant to this chapter and to otherwise enforce this chapter and the rules
16 adopted pursuant to this chapter.

17 **4. Rules; consultation.** This subsection governs the adoption of rules under this
18 chapter by the department and the Department of Agriculture, Conservation and Forestry.
19 Except as otherwise provided in this chapter, all rules adopted pursuant to this chapter are
20 major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

21 A. Except as provided in paragraph B, the department shall adopt all rules
22 concerning the licensing and operation of marijuana establishments, including, but
23 not limited to, the initial license and license renewal application processes,
24 qualification for licensure, the payment of licensing fees, the appeals process for a
25 denial of an application for licensure and the conduct of appeals and hearings
26 consistent with the Maine Administrative Procedure Act; the distribution, tracking
27 and sale of adult use marijuana and adult use marijuana products; security
28 requirements for marijuana stores and marijuana social clubs, including, but not
29 limited to, lighting requirements, physical security requirements, alarm requirements
30 and other minimum procedures for internal control and security; the enforcement of
31 this chapter, including, but not limited to, the process for the imposition of a
32 monetary penalty or license suspension or revocation for a violation of this chapter or
33 rules adopted under this chapter and the conduct of hearings involving such penalties
34 consistent with the Maine Administrative Procedure Act; and any other matter
35 necessary for the consistent and effective administration of this chapter.

36 (1) The department shall consult with the Department of Labor prior to the
37 adoption of any rules concerning workplace, employment or other labor matters
38 involved in the regulation of adult use marijuana and adult use marijuana
39 products under this chapter.

40 (2) The department shall consult with the Department of Public Safety prior to
41 the adoption of any rules concerning public safety or law enforcement matters
42 involved in the regulation of adult use marijuana and adult use marijuana
43 products under this chapter.

1 B. The Department of Agriculture, Conservation and Forestry shall adopt rules
2 concerning the regulation of the cultivation, manufacture and testing of adult use
3 marijuana and adult use marijuana products at cultivation facilities, products
4 manufacturing facilities and testing facilities, including, but not limited to, matters
5 concerning the regulation of marijuana seeds and clones and marijuana plants;
6 security requirements for cultivation facilities, products manufacturing facilities and
7 testing facilities, including, but not limited to, lighting requirements, physical security
8 requirements, alarm requirements and other minimum procedures for internal control
9 and security; the use of pesticides, fungicides and herbicides in cultivation; the
10 harvesting and storage of marijuana; the imposition of limits on the concentration of
11 THC and other cannabinoids per serving in adult use marijuana products; odor
12 control standards, sanitary standards, refrigeration requirements and storage and
13 warehousing standards for licensees; and the preparation, manufacture, testing,
14 packaging and labeling of adult use marijuana and adult use marijuana products.

15 (1) The Department of Agriculture, Conservation and Forestry shall consult with
16 the Department of Labor prior to the adoption of any rules concerning workplace,
17 employment or other labor matters involved in the regulation of adult use
18 marijuana and adult use marijuana products under this chapter.

19 (2) The Department of Agriculture, Conservation and Forestry shall consult with
20 the Department of Public Safety prior to the adoption of any rules concerning
21 public safety or law enforcement matters involved in the regulation of adult use
22 marijuana and adult use marijuana products under this chapter.

23 5. Coordination. The department and the Department of Agriculture, Conservation
24 and Forestry, when necessary and practicable, shall coordinate implementation,
25 administrative, enforcement and rule-making activities under this chapter to ensure that
26 this chapter and the rules adopted pursuant to this chapter are implemented, administered
27 and enforced in a consistent and effective manner.

28 §105. Tracking system

29 The department shall implement and administer a system, referred to in this section
30 as "the tracking system," for the tracking of adult use marijuana and adult use marijuana
31 products from immature marijuana plant to the point of retail sale, disposal or destruction.

32 1. Data submission requirements. The tracking system must allow licensees to
33 submit tracking data for adult use marijuana or adult use marijuana products to the
34 department through manual data entry or through the use of tracking system software
35 commonly used within the marijuana industry as determined by the department.

36 2. Rules. The department shall adopt rules regarding the implementation and
37 administration of the tracking system and tracking requirements for licensees.

38 §106. Individual identification cards

39 The department shall issue individual identification cards to natural persons licensed
40 under this chapter and, upon the request of a licensee, shall issue individual identification
41 cards to owners, officers, managers, contractors, employees or other support staff of the

1 licensee who meet the requirements of this section for the issuance of an individual
2 identification card.

3 **1. Rules.** The department shall adopt rules regarding the issuance and format of and
4 the information to be included on individual identification cards issued pursuant to this
5 section.

6 **2. Criminal history record check.** Prior to issuing an individual identification card
7 to a natural person pursuant to this section, the department shall require the person to
8 submit to a criminal history record check in accordance with section 204.

9 **§107. Collection and analysis of public health and safety data**

10 The department shall develop programs or initiatives to facilitate the collection and
11 analysis of data regarding the effects of the use of marijuana in the State, including, but
12 not limited to, youth and adult marijuana use; school suspension and discipline relating to
13 the use of marijuana; poison center calls, emergency department visits and
14 hospitalizations relating to the use of or exposure to marijuana; operating under the
15 influence citations or arrests relating to the use of marijuana; motor vehicle accidents,
16 including information on fatalities, relating to the use of marijuana; violent crime relating
17 to the use of marijuana generally; violent crime and property crime relating to the
18 regulated and unregulated adult use marijuana markets; and marijuana-related citations or
19 arrests. The department may adopt rules to implement this section.

20 **§108. Awareness and education on public health and safety matters**

21 The department shall develop and implement or facilitate the development and
22 implementation by a public or private entity of programs, initiatives and campaigns
23 focused on increasing the awareness and education of the public on health and safety
24 matters relating to the use of marijuana and marijuana products, including, but not limited
25 to, programs, initiatives and campaigns focused on preventing and deterring the use of
26 marijuana and marijuana products by persons under 21 years of age. Programs,
27 initiatives and campaigns developed and implemented pursuant to this section may be
28 funded with revenue from the Adult Use Marijuana Public Health and Safety Fund
29 established in section 1001. The department may adopt rules to implement this section.

30 **§109. Enhanced training for criminal justice agencies**

31 The department shall develop and implement or facilitate the development and
32 implementation by a public or private entity of programs or initiatives providing
33 enhanced training for criminal justice agencies in the requirements and enforcement of
34 this chapter and the rules adopted pursuant to this chapter, including, but not limited to,
35 programs providing grants to regional or local criminal justice agencies to train law
36 enforcement officers in inspections, investigations, searches, seizures, forfeitures and
37 personal use and home cultivation allowances under this chapter and chapter 3 and the
38 rules adopted pursuant to those chapters and in drug recognition procedures and the
39 general enforcement of the State's motor vehicle and criminal laws relating to the use of
40 marijuana. Training programs or initiatives for criminal justice agencies developed and
41 implemented pursuant to this section may be funded with revenue from the Adult Use
42 Marijuana Public Health and Safety Fund established in section 1001. The department
43 may adopt rules to implement this section.

1 **§110. Investigation by a criminal justice agency of unlawful activity**

2 A criminal justice agency may investigate unlawful activity in relation to a marijuana
3 establishment and may conduct a criminal history record check of a licensee or its
4 employees during an investigation of unlawful activity in relation to a marijuana
5 establishment.

6 A criminal justice agency may investigate unlawful activity in relation to the personal
7 adult use of marijuana or marijuana products or the home cultivation of marijuana for
8 personal adult use as authorized under chapter 3.

9 **§111. Cultivation, care or sale of marijuana by state or local agency prohibited**

10 A state, county or local agency or department, including, but not limited to, the
11 department, the Department of Agriculture, Conservation and Forestry and a criminal
12 justice agency, may not:

13 **1. Cultivation or care of marijuana or marijuana products prohibited.** Cultivate
14 or otherwise care for or be required to cultivate or otherwise care for any marijuana or
15 marijuana products belonging to, forfeited by or seized from any licensee or person
16 pursuant to this chapter or chapter 3 or pursuant to any other applicable criminal or civil
17 laws or rules; or

18 **2. Sale of marijuana or marijuana products prohibited.** Sell or be required to sell
19 marijuana or marijuana products belonging to, forfeited by or seized from any licensee or
20 person pursuant to this chapter or chapter 3 or pursuant to any other applicable criminal
21 or civil laws or rules or that are otherwise in the possession of the agency or department.

22 **§112. Employment policies**

23 Notwithstanding any provision of this chapter or chapter 3 to the contrary, an
24 employer:

25 **1. Marijuana in workplace.** Is not required to permit or accommodate the use,
26 consumption, possession, trade, display, transportation, sale or cultivation of marijuana or
27 marijuana products in the workplace;

28 **2. Workplace policies regarding marijuana use.** May enact and enforce
29 workplace policies restricting the use of marijuana and marijuana products by employees;
30 and

31 **3. Discipline of employees.** May discipline employees who are under the influence
32 of marijuana in the workplace in accordance with the employer's workplace policies
33 regarding the use of marijuana and marijuana products by employees.

34 **§113. Report to Legislature**

35 **1. Report required.** By February 15, 2019, and annually thereafter, the department
36 and the Department of Agriculture, Conservation and Forestry shall jointly submit a
37 report to the joint standing committee of the Legislature having jurisdiction over adult use
38 marijuana matters as provided in this section.

39 **2. Report contents.** The report required under subsection 1 must, at a minimum,
40 include the following information:

- 1 A. The number of applications for each type of license submitted to the department
2 pursuant to this chapter during the prior calendar year, including, if applicable, the
3 number of applications for license renewals, and the number of each type of license
4 conditionally approved by the department during the prior calendar year;
- 5 B. The total number of each type of active license issued by the department pursuant
6 to this chapter in the prior calendar year following municipal authorization of a
7 conditionally approved licensee;
- 8 C. The total square footage of plant canopy approved by the department for active
9 cultivation facilities licensed in the prior calendar year, the percentage of active
10 cultivation facility licenses by cultivation tier and, if applicable, the number of
11 approved increases in the maximum plant canopy allowed under a tier 4 cultivation
12 facility license in the prior calendar year pursuant to section 304;
- 13 D. The total amount of application fees and license fees collected pursuant to this
14 chapter and the total amount of the sales tax revenue collected on the sale of adult use
15 marijuana and adult use marijuana products during the prior calendar year and the
16 total amount of the sales tax revenue returned to municipalities pursuant to Title 36,
17 section 1818;
- 18 E. An overview of current adult use marijuana-related staffing at the department and
19 at the Department of Agriculture, Conservation and Forestry and the cost to each
20 department to regulate the adult use marijuana industry in the State during the prior
21 fiscal year and cost projections for the upcoming fiscal year;
- 22 F. The total reported volume and value of adult use marijuana produced and sold by
23 all cultivation facilities in the prior calendar year, if such information is available;
- 24 G. The total reported volume and value of adult use marijuana and adult use
25 marijuana products sold by all marijuana stores and marijuana social clubs in the
26 prior calendar year, if such information is available;
- 27 H. The number of inspections of the licensed premises of licensees performed by the
28 department and the Department of Agriculture, Conservation and Forestry during the
29 prior calendar year and the results of those inspections, including, but not limited to,
30 the number of inspections resulting in license violations and the percentage of all
31 licensees inspected during the prior calendar year;
- 32 I. The number of license violations committed by licensees during the prior calendar
33 year and a breakdown of those violations into specific categories based on the type of
34 violation and the outcome of the violation, including, but not limited to, the total
35 amount of monetary penalties imposed and collected by the department and the
36 percentage of total license violations resulting in the imposition of a monetary
37 penalty, license suspension or license revocation;
- 38 J. Public health and safety data collected, received or analyzed by the department
39 pursuant to section 107 in the prior calendar year; and
- 40 K. Recommendations, including any suggested legislation, to address any issues with
41 the regulation of the adult use marijuana industry in the State encountered by the
42 department or the Department of Agriculture, Conservation and Forestry in the prior
43 calendar year.

1 A. Every officer, director, manager and general partner of the business entity must be
2 a natural person who is a resident of the State; and

3 B. A majority of the shares, membership interests, partnership interests or other
4 equity ownership interests as applicable to the business entity must be held or owned
5 by natural persons who are residents of the State or business entities whose owners
6 are all natural persons who are residents of the State.

7 This subsection does not apply to an applicant for a testing facility license.

8 **3. Two-year residency required.** If the applicant is a natural person, the applicant
9 must have been a resident of the State for a period of not less than the 2 years
10 immediately preceding the date of the application. If the applicant is a business entity:

11 A. Every officer, director, manager and general partner of the business entity must be
12 a natural person who has been a resident of the State for a period of not less than the
13 2 years immediately preceding the date of the application; and

14 B. A majority of the shares, membership interests, partnership interests or other
15 equity ownership interests as applicable to the business entity must be held or owned
16 by natural persons who have been residents of the State for a period of not less than
17 the 2 years immediately preceding the date of the application or by business entities
18 whose owners are all natural persons who have been residents of the State for a
19 period of not less than the 2 years immediately preceding the date of the application.

20 This subsection does not apply to an applicant for a testing facility license. This
21 subsection is repealed June 1, 2020.

22 **4. Incorporated in State.** If the applicant is a business entity, the business entity
23 must be incorporated in the State or otherwise formed or organized under the laws of the
24 State.

25 **5. No disqualifying drug offense.** The applicant may not have been previously
26 convicted of a disqualifying drug offense.

27 **6. Not employee of state agency.** The applicant may not be employed by the
28 department, the Department of Agriculture, Conservation and Forestry or any other state
29 agency with regulatory authority under this chapter or the rules adopted pursuant to this
30 chapter.

31 **7. Not law enforcement officer or corrections officer.** The applicant may not be a
32 law enforcement officer; a corrections officer as defined in Title 25, section 2801-A,
33 subsection 2; or any other natural person subject to the certification requirements of Title
34 25, chapter 341.

35 **8. No license revocation.** The applicant may not have had a license previously
36 issued under this chapter revoked.

37 **9. No medical registry identification card or registration certificate revocation.**
38 The applicant may not have had a registry identification card or registration certificate
39 previously issued pursuant to the Maine Medical Use of Marijuana Act revoked.

40 **10. No revocation of other state marijuana license, permit, certificate or other**
41 **government-issued authorization.** The applicant may not have had a license, permit,

1 certificate or other government-issued authorization issued in another jurisdiction
2 allowing the cultivation, manufacture, testing or sale of marijuana or marijuana products
3 revoked.

4 **11. No outstanding court-ordered payments.** A license may not be issued to an
5 applicant that has any outstanding payments due in this State on court-ordered fines,
6 court-appointed attorney's fees or court-ordered restitution.

7 **12. Criminal history record check.** The applicant must have submitted to a
8 criminal history record check in accordance with the requirements of section 204.

9 **13. Compliance with application process; no false statement of material fact.**
10 The applicant must have completed all application forms required by the department fully
11 and truthfully and complied with all information requests of the department and the
12 Department of Agriculture, Conservation and Forestry relating to the license application.
13 A license may not be issued to an applicant that has knowingly or recklessly made any
14 false statement of material fact to the department or the Department of Agriculture,
15 Conservation and Forestry in applying for a license under this chapter.

16 **§203. Additional licensing considerations**

17 An applicant for a license to operate a marijuana establishment shall submit, and the
18 department shall consider in determining whether to grant the license, the following
19 additional information. If the applicant is a business entity, the applicant must submit the
20 information required by this section for every officer, director, manager and general
21 partner of the business entity.

22 **1. Other convictions.** The applicant shall submit information regarding the
23 applicant's criminal convictions in this State or in another jurisdiction for any offense
24 involving dishonesty, deception, misappropriation or fraud. The applicant may submit
25 and the department shall consider if submitted any information regarding the applicant's
26 criminal history record, including, but not limited to, evidence of rehabilitation, character
27 references and educational achievements, with special consideration given to the time
28 between the applicant's last criminal conviction and the consideration by the department
29 of the application for licensure.

30 **2. Tax compliance.** The applicant shall submit information regarding:

31 A. The applicant's history of paying income and other taxes owed to the State, to
32 another jurisdiction, if applicable, and to the United States Internal Revenue Service
33 over the 2 years immediately preceding the year in which the application is filed; and

34 B. Any outstanding tax liens imposed or levied against the applicant within the 5
35 years immediately preceding the year in which the application is filed.

36 **3. Other state marijuana-related violations or penalties.** If the applicant has held
37 a license, permit, certificate or other government-issued authorization in another
38 jurisdiction allowing the cultivation, manufacture, testing or sale of marijuana or
39 marijuana products, the applicant shall submit information regarding any violations by or
40 penalties imposed on the applicant in that other jurisdiction.

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§204. Criminal history record check

The department shall request a criminal history record check for each applicant for a license under this chapter and may at any time require a licensee to submit to a criminal history record check in accordance with this section. If the applicant is a business entity, every officer, director, manager and general partner of the business entity is required to submit to a criminal history record check in accordance with this section. A criminal history record check conducted pursuant to this section must include criminal history record information obtained from the Maine Criminal Justice Information System established in Title 16, section 631 and the Federal Bureau of Investigation.

1. Record of public criminal history information required. Criminal history record information obtained from the Maine Criminal Justice Information System pursuant to this section must include a record of public criminal history record information as defined in Title 16, section 703, subsection 8.

2. Other state and national criminal history record information required. Criminal history record information obtained from the Federal Bureau of Investigation pursuant to this section must include other state and national criminal history record information.

3. Fingerprinting. An individual required to submit to a criminal history record check under this section shall submit to having the individual's fingerprints taken. The State Police, upon payment by the individual of the fee required under subsection 4, shall take or cause to be taken the individual's fingerprints and shall forward the fingerprints to the Department of Public Safety, Bureau of State Police, State Bureau of Identification. The State Bureau of Identification shall conduct the state and national criminal history record checks required under this section. Except for the portion of a payment, if any, that constitutes the processing fee for a criminal history record check charged by the Federal Bureau of Investigation, all money received by the State Police under this section must be paid to the Treasurer of State, who shall apply the money to the expenses incurred by Department of Public Safety in the administration of this section.

4. Fees. The department shall by rule set the amount of the fee to be paid by an individual under subsection 3 for each criminal history record check required to be performed under this section.

5. Availability of criminal history record information. The subject of a Federal Bureau of Investigation criminal history record check may obtain a copy of the criminal history record check by following the procedures outlined in 28 Code of Federal Regulations, Sections 16.32 and 16.33. The subject of a state criminal history record check may inspect and review the criminal history record information pursuant to Title 16, section 709.

6. Use of criminal history record information. State and national criminal history record information obtained by the department under this section may be used only for the purpose of screening an applicant for a license or a licensee under this chapter or as necessary for the issuance of an individual identification card under section 106.

7. Confidentiality. All criminal history record information obtained by the department pursuant to this section is confidential, is for the official use of the department

1 only and may not be disseminated outside of the department or disclosed to any other
2 person or entity except as provided in subsection 5.

3 **8. Rules.** The department, after consultation with the Department of Public Safety,
4 Bureau of State Police, State Bureau of Identification, shall adopt rules to implement this
5 section.

6 **§205. Application process; issuance of license**

7 **1. Forms; payment of fees.** An applicant shall file an application on forms prepared
8 and furnished by the department for the type of license sought along with the appropriate
9 application fee as determined by the department pursuant to section 207.

10 **2. Applications for multiple licenses.** An applicant may apply for and be granted
11 multiple licenses of any license type under this chapter, except that:

12 A. If the applicant has applied for the issuance or renewal of a cultivation facility
13 license, the issuance or renewal of the cultivation facility license may not result in the
14 applicant or a person with a direct or indirect financial interest in that license holding
15 or having a direct or indirect financial interest in:

16 (1) More than 3 cultivation facility licenses; or

17 (2) Multiple cultivation facility licenses with a combined total licensed amount
18 of plant canopy exceeding 30,000 square feet, except when that exceedance is
19 solely attributable to approved increases in the maximum licensed area of plant
20 canopy authorized under a tier 4 cultivation facility license pursuant to section
21 304;

22 B. If the applicant has applied for the issuance or renewal of a testing facility license,
23 the applicant may not be a primary caregiver or registered primary caregiver or have
24 an interest in a registered dispensary, in a cultivation facility license, a products
25 manufacturing facility license, a marijuana store license or a marijuana social club
26 license. If the applicant has applied for the issuance or renewal of any license under
27 this chapter that is not a testing facility license, the applicant may not have an interest
28 in a testing facility license. An applicant that meets the requirements for the issuance
29 of a testing facility license under this chapter and the requirements of this paragraph
30 may apply for and be issued multiple testing facility licenses. For purposes of this
31 paragraph, "interest" means an equity ownership interest or a partial equity ownership
32 interest or any other type of financial interest, including, but not limited to, being an
33 investor or serving in a management position; and

34 C. If the applicant has applied for the issuance or renewal of a marijuana store
35 license, the issuance or renewal of the marijuana store license may not result in the
36 applicant or a person with a direct or indirect financial interest in that license holding
37 or having a direct or indirect financial interest in more than 4 marijuana store
38 licenses.

39 This paragraph is repealed January 1, 2021.

40 **3. Issuance of conditional license.** Within 90 days of receipt of an application for a
41 license to operate a marijuana establishment or for renewal of an existing license to
42 operate a marijuana establishment, the department either shall issue to the applicant a

1 conditional license to operate the marijuana establishment if the applicant meets all
2 applicable requirements for licensure under this chapter and the rules adopted pursuant to
3 this chapter or shall deny the application in accordance with section 206.

4 A. A licensee that has been issued a conditional license by the department may not
5 engage in the cultivation, manufacture, testing or sale of adult use marijuana or adult
6 use marijuana products until the department has issued an active license to the
7 licensee pursuant to subsection 4.

8 B. A conditional license issued by the department pursuant to this subsection is
9 effective for a period of one year from the date of issuance and may not be renewed.
10 If a licensee issued a conditional license by the department fails to obtain an active
11 license from the department pursuant to subsection 4 within one year from the date of
12 issuance of the conditional license, the conditional license expires.

13 **4. Issuance of active license upon certification of municipal authorization and**
14 **payment of applicable license fee.** The department shall issue an active license to an
15 applicant that has been issued a conditional license pursuant to subsection 3 and that
16 meets all applicable requirements of this subsection.

17 A. Within 10 days of receiving certification of municipal authorization as required
18 by section 402, subsection 3, paragraph B, the department shall notify the applicant
19 that certification of municipal authorization has been confirmed and that, in order for
20 the department to issue an active license, the applicant must:

21 (1) Pay the applicable license fee required pursuant to section 207;

22 (2) Submit a facility plan that designates the location within the municipality in
23 which the marijuana establishment will be located and that details the size and
24 layout of the marijuana establishment;

25 (3) If the application is for a license to operate a cultivation facility, submit
26 updated operating and cultivation plans as required under section 302 based upon
27 the actual premises to be licensed, except that, if no changes to the original
28 operating and cultivation plans submitted by the applicant are necessary based
29 upon the actual premises to be licensed, then the applicant may satisfy this
30 requirement by resubmitting the original operating and cultivation plans and
31 noting on those plans that no changes are necessary; and

32 (4) If the application is for a license to operate a nursery cultivation facility, as
33 described in section 301, subsection 5, a marijuana store or a marijuana social
34 club, register with the State Tax Assessor pursuant to Title 36, section 1754-B to
35 collect and remit the sales tax imposed pursuant to Title 36, section 1811.

36 B. The department shall prepare and furnish to applicants and municipalities a
37 certification form by which a municipality may certify to the department that the
38 applicant has obtained municipal authorization as required by section 402, subsection
39 3, paragraph B.

40 C. Upon receipt of payment of the applicable license fee and any other
41 documentation required under paragraph A, the department shall issue an active
42 license to the applicant. The license must specify the date of issuance of the license,

1 the period of licensure, the date of expiration of the license, the name of the licensee
2 and the address of the licensed premises.

3 **5. Each license separate.** Each license issued by the department to an applicant
4 under this chapter is separate and distinct from any other license issued by the department
5 to that same applicant under this chapter. A person must obtain a separate license under
6 this chapter for each proposed geographical location of any type of marijuana
7 establishment.

8 **6. Licensee must maintain possession of premises.** As a condition of licensure, a
9 licensee must at all times maintain possession of the licensed premises of the marijuana
10 establishment that the licensee is licensed to operate, whether pursuant to a lease, rental
11 agreement or other arrangement for possession of the premises or by virtue of ownership
12 of the premises. If a licensee fails to maintain possession of the licensed premises, the
13 licensee shall immediately cease all activities relating to the operation of the marijuana
14 establishment and may apply to the department for relocation of the licensed premises
15 pursuant to section 211 or may terminate its license pursuant to section 212.

16 **§206. Denial of license**

17 **1. Denial for good cause.** The department, for good cause, may deny an application
18 for an initial license, a license renewal, a transfer of ownership interests or a relocation of
19 licensed premises. Denial of an application by the department pursuant to this section
20 constitutes a final agency action as defined in Title 5, section 8002, subsection 4.

21 **2. Good cause defined.** As used in this section, "good cause" means a finding by
22 the department that:

23 A. An applicant or licensee has violated, does not meet or has failed to comply with
24 any of the terms, conditions or provisions of this chapter, the rules adopted pursuant
25 to this chapter or any other applicable state or local law, rule or regulation; or

26 B. An applicant or licensee has failed to comply with any special terms, consent
27 decree or conditions placed upon the previously issued license pursuant to an order of
28 the department or the municipality in which the licensed premises are located.

29 **3. Notification of denial and right to appeal.** Upon the department's determination
30 to deny a license application, the department shall notify the applicant in writing of the
31 denial, the basis for the denial and the applicant's right to appeal the denial to the Superior
32 Court in accordance with Rule 80C of the Maine Rules of Civil Procedure.

33 **§207. Application fees; license fees**

34 The department, in accordance with the provisions of this section, shall adopt by rule
35 a licensing fee schedule establishing fees that are designed to meet, but not to exceed, the
36 estimated licensing, enforcement and administrative costs of the department and the
37 Department of Agriculture, Conservation and Forestry under this chapter.

38 **1. Fees for cultivation facilities.** For a cultivation facility license, the department
39 shall require payment of an application fee and a license fee as follows:

40 A. For a tier 1 cultivation facility license, as described in section 301, subsection 1,
41 an application fee of \$100 and a license fee as follows:

1 (1) If the applicant has applied for a plant-count-based tier 1 cultivation facility
2 license as described in section 301, subsection 1, paragraph A, a license fee of
3 not more than \$9 per mature marijuana plant for an outdoor cultivation facility
4 and not more than \$17 per mature marijuana plant for an indoor cultivation
5 facility or a cultivation facility with both indoor and outdoor cultivation areas; or

6 (2) If the applicant has applied for a plant-canopy-based tier 1 cultivation facility
7 license as described in section 301, subsection 1, paragraph B, a license fee of not
8 more than \$250 for an outdoor cultivation facility and not more than \$500 for an
9 indoor cultivation facility or a cultivation facility with both indoor and outdoor
10 cultivation areas;

11 B. For a tier 2 cultivation facility license, as described in section 301, subsection 2,
12 an application fee of \$500 and a license fee of not more than \$1,500 for an outdoor
13 cultivation facility and not more than \$3,000 for an indoor cultivation facility or a
14 cultivation facility with both indoor and outdoor cultivation areas;

15 C. For a tier 3 cultivation facility license, as described in section 301, subsection 3,
16 an application fee of \$500 and a license fee of not more than \$5,000 for an outdoor
17 cultivation facility and not more than \$10,000 for an indoor cultivation facility or a
18 cultivation facility with both indoor and outdoor cultivation areas;

19 D. For a tier 4 cultivation facility license, as described in section 301, subsection 4,
20 an application fee of \$500 and a license fee of not more than \$15,000 for an outdoor
21 cultivation facility and not more than \$30,000 for an indoor cultivation facility or a
22 cultivation facility with both indoor and outdoor cultivation areas, except that, for a
23 tier 4 cultivation facility license for which an increased amount of licensed plant
24 canopy has been approved by the department pursuant to section 304, for each
25 approved increase in the amount of licensed plant canopy, the department may
26 increase the maximum license fee by not more than \$5,000 for an outdoor cultivation
27 facility and by not more than \$10,000 for an indoor cultivation facility or a
28 cultivation facility with both indoor and outdoor cultivation areas; and

29 E. For a nursery cultivation facility license, as described in section 301, subsection 5,
30 an application fee of \$60 and a license fee of \$350.

31 **2. Fees for products manufacturing facilities, marijuana stores and marijuana**
32 **social clubs.** For a products manufacturing facility license, a marijuana store license or a
33 **marijuana social club license, the department shall require payment of an application fee**
34 **of \$250 and a license fee of not more than \$2,500.**

35 **3. Fees for testing facilities.** For a testing facility license, the department shall
36 require payment of an application fee of \$250 and a license fee of not more than \$1,000.

37 **4. Payment of fees; fees to be deposited into Adult Use Marijuana Regulatory**
38 **Coordination Fund.** An applicant shall pay the application fee required by the
39 department at the time that the applicant submits an application for licensure to the
40 department for processing. An applicant shall pay the license fee required by the
41 department in accordance with section 205, subsection 4. All fees collected by the
42 department pursuant to this section must be deposited into the Adult Use Marijuana
43 Regulatory Coordination Fund established in section 1102.

1 **5. Return of fees prohibited.** The department may not return to an applicant or
2 licensee or reimburse an applicant or licensee for any portion of an application or license
3 fee paid by the applicant or licensee, regardless of whether the applicant withdraws its
4 application prior to a final decision of the department on the application, the licensee
5 voluntarily terminates its license pursuant to section 212 or the department suspends or
6 revokes the licensee's license in accordance with the provisions of subchapter 8.

7 **§208. License term**

8 An active license issued by the department pursuant to section 205, subsection 4 is
9 effective for a period of one year from the date of issuance and may be renewed pursuant
10 to section 209.

11 **§209. License renewal**

12 **1. Notification of expiration date.** Ninety days prior to the expiration of an existing
13 license issued under section 205, subsection 4, the department shall notify the licensee of
14 the expiration date and the opportunity for renewal. Except as otherwise provided in this
15 section, a licensee seeking to renew an existing license must file an application for
16 renewal with the department, on forms prepared and furnished by the department, not less
17 than 30 days prior to the date of expiration of the license.

18 **2. Extension for good cause shown; late applications.** Notwithstanding subsection
19 1, the department may for good cause shown accept an application for renewal of an
20 existing license less than 30 days prior to the date of expiration of the license upon the
21 payment of a late application fee to the department. The department may not accept an
22 application for renewal of a license after the date of expiration of that license.

23 **3. Operation under expired license.** A licensee that files an application for renewal
24 of its existing license and pays all required fees under this section prior to the expiration
25 of the license may continue to operate the marijuana establishment under that license
26 notwithstanding its expiration until such time as the department takes final action on the
27 renewal application, except when the department suspends or revokes the license in
28 accordance with the provisions of subchapter 8 prior to taking final action on the renewal
29 application.

30 **4. Expired license; cessation of activity and forfeiture of marijuana and**
31 **marijuana products.** Except as provided in subsection 3, a person whose license has
32 expired shall immediately cease all activities relating to the operation of the marijuana
33 establishment previously authorized under that license and ensure that all adult use
34 marijuana and adult use marijuana products cultivated, manufactured or otherwise in the
35 possession of the person pursuant to that license are forfeited to the department for
36 destruction in accordance with section 803.

37 **5. Renewal application process; fees; rules.** An applicant seeking renewal of a
38 license to operate a marijuana establishment must pay to the department a renewal
39 application fee or, if applicable, a late renewal application fee, and must demonstrate
40 continued compliance with all applicable licensing criteria under this chapter, including,
41 but not limited to, obtaining municipal authorization as required by section 402,
42 subsection 3, paragraph B, except that an applicant seeking renewal of a license is not

1 required to submit to a criminal history record check under section 204 unless specifically
2 required to do so by the department.

3 A. The department may not issue an active license to a licensee seeking renewal of a
4 license until the licensee obtains municipal authorization as required by section 402,
5 subsection 3, paragraph B, pays the applicable license fee required under section 207
6 and meets all other applicable requirements for the issuance of an active license under
7 section 205, subsection 4.

8 B. The department shall by rule set forth requirements for the submission, processing
9 and approval of a renewal application, which must include, but are not limited to,
10 setting of a reasonable renewal application fee and a reasonable late renewal
11 application fee.

12 **§210. Transfer of ownership interests**

13 **1. Transfer application.** A licensee may apply to the department, on forms
14 prepared and furnished by the department, for approval to transfer ownership interests in
15 the license, including, but not limited to, a transfer of only a portion of the ownership
16 interests in the license.

17 **2. Compliance with licensure requirements; rules.** A person seeking to assume an
18 ownership interest pursuant to this section in a license must demonstrate to the
19 department compliance with all applicable requirements for licensure under this chapter
20 and the rules adopted under this chapter. The department shall by rule adopt
21 requirements for the submission of a license transfer application and standards for the
22 approval of a license transfer application, including, but not limited to, provisions relating
23 to municipal authorization of a transfer of ownership interests in a license.

24 **§211. Relocation of licensed premises**

25 **1. Relocation application.** A licensee may apply to the department, on forms
26 prepared and furnished by the department, for approval to relocate the licensed premises
27 of the marijuana establishment that the licensee is licensed to operate.

28 **2. Municipal authorization required.** In accordance with the requirements of
29 section 402, subsection 3, paragraph B, the department shall, within 10 days of receiving
30 certification of municipal authorization from the municipality in which the relocated
31 premises are to be located, notify the licensee that municipal authorization has been
32 confirmed for the relocation and that the licensee may proceed with relocation, and the
33 department shall issue to the licensee an updated license specifying the address of the
34 new premises.

35 **3. Effect on license term.** A relocation of licensed premises pursuant to this section
36 does not extend or otherwise modify the license term of the license subject to relocation.

37 **4. Rules.** The department shall by rule adopt requirements for the submission of a
38 license relocation application and standards for the approval of a relocation application.

39 **§212. Termination of license**

40 **1. Notification of termination required.** A licensee may not permanently abandon
41 the licensed premises of the licensee or otherwise permanently cease all activities relating

1 to the operation of the marijuana establishment under its license, whether voluntarily or
2 pursuant to a license revocation in accordance with subchapter 8, without notifying the
3 department and the municipality in which the licensed premises are located at least 48
4 hours in advance of the abandonment or termination.

5 **2. Forfeiture and destruction of marijuana and marijuana products.** Prior to
6 abandoning the licensed premises of the licensee or terminating operations, a licensee
7 shall provide the department and the municipality in which the licensed premises are
8 located with a full accounting of all adult use marijuana and adult use marijuana products
9 located within the licensed premises and forfeit the marijuana and marijuana products to
10 the department for destruction in accordance with section 803.

11 **§213. Notice of new owner, officer, manager or employee**

12 Before any proposed new owner, officer, manager or employee may own, manage,
13 work for or otherwise associate with a licensee, the licensee shall notify the department in
14 writing of the name, address and date of birth of the proposed new owner, officer,
15 manager or employee and the proposed new owner, officer, manager or employee shall
16 submit to a criminal history record check pursuant to section 204, obtain an individual
17 identification card pursuant to section 106 and, in the case of a new owner or other person
18 assuming an equity ownership interest or a partial equity ownership interest in the license,
19 obtain approval for the transfer of ownership interests pursuant to section 210.

20 **§214. Inactive licenses**

21 The department may revoke or refuse to renew any license if it determines that the
22 licensed premises have been inactive without good cause for a period of one year or
23 more.

24 **§215. Notification to municipality; sharing of information with Bureau of Revenue**
25 **Services**

26 The department shall notify a municipality within 14 days of the date the department
27 approves, renews, denies, suspends or revokes the license of a licensee whose licensed
28 premises are located or proposed to be located in the municipality; imposes a monetary
29 penalty on a licensee located within the municipality; approves relocation of the licensed
30 premises of a marijuana establishment to or from the municipality; or approves a transfer
31 of ownership interest in a license with respect to which the licensed premises are located
32 within the municipality.

33 The department shall provide the Bureau of Revenue Services with the same
34 information provided to a municipality under this section at the time that the department
35 notifies the municipality.

36 **SUBCHAPTER 3**

37 **LICENSING REQUIREMENTS FOR CULTIVATION FACILITIES**

1 **§301. Cultivation facility license types**

2 Subject to the requirements and restrictions of this subchapter and the requirements
3 of subchapter 2, the department may issue to an applicant any of the following types of
4 cultivation facility licenses:

5 **1. Tier 1 cultivation facility license.** A tier 1 cultivation facility license, which
6 allows cultivation by a licensee of:

7 A. Not more than 30 mature marijuana plants and an unlimited number of immature
8 marijuana plants and seedlings; or

9 B. Not more than 335 square feet of plant canopy.

10 An applicant for a tier 1 cultivation facility license shall designate in its cultivation plan
11 whether the license sought is a plant-count-based tier 1 cultivation facility license under
12 paragraph A or a plant-canopy-based tier 1 cultivation facility license under paragraph B.

13 **2. Tier 2 cultivation facility license.** A tier 2 cultivation facility license, which
14 allows cultivation by a licensee of not more than 2,010 square feet of plant canopy;

15 **3. Tier 3 cultivation facility license.** A tier 3 cultivation facility license, which
16 allows cultivation by a licensee of not more than 6,700 square feet of plant canopy;

17 **4. Tier 4 cultivation facility license.** A tier 4 cultivation facility license, which
18 allows cultivation by a licensee of not more than 20,100 square feet of plant canopy,
19 except as provided in section 304; or

20 **5. Nursery cultivation facility license.** A nursery cultivation facility license, which
21 allows cultivation by a licensee of not more than 1,000 square feet of plant canopy,
22 subject to the requirements and restrictions of section 501, subsection 3.

23 For the purposes of this subsection, "plant canopy" means the total area within the
24 licensed premises of a nursery cultivation facility that is dedicated to the live cultivation
25 of marijuana plants, including, but not limited to, the areas in which mother plants are
26 grown and maintained, the areas in which marijuana plants are propagated from seed to
27 plant tissue, the areas in which marijuana plants are cloned, vegetative or flowering areas
28 for marijuana plants and quarantine areas. "Plant canopy" does not include the areas
29 within the licensed premises of a nursery cultivation facility that are not dedicated to the
30 live cultivation of marijuana plants, including, but not limited to, the areas in which
31 fertilizers, pesticides or other products are stored; and general office space, work areas
32 and walkways.

33 **§302. Additional information required for application for cultivation facility license**

34 In addition to the information required to be submitted to the department pursuant to
35 subchapter 2 and the rules relating to licensure of a cultivation facility adopted pursuant
36 to this chapter, an applicant for a cultivation facility license shall submit to the
37 department the following information.

38 **1. Operating plan.** The applicant shall submit an operating plan demonstrating the
39 proposed size and layout of the cultivation facility; plans for wastewater and waste
40 disposal for the cultivation facility; plans for providing electricity, water and other
41 utilities necessary for the normal operation of the cultivation facility; plans for securing

1 the proposed facility and otherwise meeting applicable security requirements under this
2 chapter and the rules adopted pursuant to this chapter; and plans for compliance with
3 applicable building code and federal and state environmental requirements.

4 **2. Cultivation plan.** The applicant shall submit a cultivation plan demonstrating the
5 proposed size and layout of the cultivation areas at the cultivation facility and
6 designating:

7 A. The total amount of plant canopy or, in the case of a plant-count-based tier 1
8 cultivation facility license, the number of mature marijuana plants proposed under the
9 license;

10 B. The total square footage of the areas within the cultivation facility that the
11 applicant proposes to dedicate to the cultivation of mother plants, seedlings and
12 immature marijuana plants; and

13 C. The total square footage of the areas within the cultivation facility that the
14 applicant proposes to dedicate to the cultivation of mature marijuana plants. An
15 applicant for a nursery cultivation facility license shall meet the requirements of this
16 paragraph by designating on the cultivation plan the areas within the cultivation
17 facility in which mature marijuana plants are to be cultivated, demonstrating the
18 physical separation of such areas from the areas in which immature marijuana plants
19 and seedlings are to be cultivated in accordance with section 501, subsection 3,
20 paragraph B.

21 **§303. Increase in cultivation tier upon renewal**

22 A licensee seeking renewal of a cultivation facility license may, if applicable and in
23 accordance with this section, apply for a tier of cultivation facility license with a greater
24 area of authorized plant canopy than is authorized under the licensee's current cultivation
25 facility license.

26 **1. Approval criteria.** The department may issue the applied-for tier of cultivation
27 facility license if the licensee otherwise meets all applicable requirements for continued
28 licensure under this chapter and the rules adopted pursuant to this chapter and the licensee
29 has demonstrated to the department's satisfaction that:

30 A. The licensee has over the current period of licensure sold at least 85% of the adult
31 use marijuana cultivated by the licensee at its cultivation facility; and

32 B. The approval of the applied-for tier of cultivation facility license will not cause
33 the licensee to exceed the combined plant canopy limitation in section 205,
34 subsection 2, paragraph A.

35 **2. Consideration of renewal of current license tier if approval criteria not met.**
36 If the department determines that the licensee has failed to satisfy the requirements of this
37 section for the applied-for tier of cultivation facility license, the department shall consider
38 renewing the licensee's license at the current tier.

39 This section does not apply to a nursery cultivation facility licensee.

- 1 **§304. Increase in maximum licensed plant canopy upon renewal of tier 4 license**
- 2 In accordance with the requirements of this section, not more than once every 2
3 years, a licensee seeking renewal of a tier 4 cultivation facility license may apply to
4 increase by 6,700 square feet the maximum area of plant canopy authorized under its
5 current tier 4 cultivation facility license.
- 6 **1. Approval criteria.** The department may approve the requested increase if the
7 licensee otherwise meets all applicable requirements for continued licensure under this
8 chapter and the rules adopted pursuant to this chapter and the licensee has demonstrated
9 to the department's satisfaction that the licensee has over the past 2-year period of
10 licensure sold at least 85% of the adult use marijuana cultivated by the licensee at its
11 cultivation facility.
- 12 **2. Consideration of renewal of current licensed amount of plant canopy if**
13 **approval criteria not met.** If the department determines that the licensee has failed to
14 satisfy the requirements of this section for the requested increase, the department shall
15 consider renewing the licensee's license at the current tier and currently authorized
16 maximum area of plant canopy.

17 **SUBCHAPTER 4**

18 **MUNICIPAL REGULATION OF MARIJUANA ESTABLISHMENTS**

- 19 **§401. Municipal regulation of marijuana establishments generally**
- 20 In accordance with this subchapter and pursuant to the home rule authority granted
21 under the Constitution of Maine, Article VIII, Part Second and Title 30-A, section 3001, a
22 municipality may regulate marijuana establishments within the municipality, including,
23 but not limited to, adoption of the following types of regulations and restrictions.
- 24 **1. Land use regulations.** A municipality may adopt an ordinance providing land
25 use regulations applicable to marijuana establishments within the municipality.
- 26 **2. General authorization or limitation of marijuana establishments.** A
27 municipality may adopt an ordinance generally authorizing the operation of some or all
28 types of marijuana establishments within the municipality. A municipality may adopt an
29 ordinance limiting the number of any type of marijuana establishment that may be
30 authorized to operate within the municipality.
- 31 **3. Municipal licensing requirements.** A municipality may adopt an ordinance
32 providing licensing requirements applicable to marijuana establishments within the
33 municipality, which may include, but are not limited to, provisions establishing a
34 municipal licensing fee schedule pursuant to Title 30-A, section 3702.
- 35 Notwithstanding any other provision of law to the contrary, a municipal ordinance
36 regulating marijuana establishments within the municipality adopted pursuant to this
37 subchapter is not subject to the requirements or limitations of Title 7, chapter 6 or Title 7-
38 A, section 201-B.

1 **§402. Municipal authorization of marijuana establishments**

2 **1. Request for municipal authorization to operate marijuana establishment**
3 **within municipality prohibited unless generally authorized by municipality. A**
4 **person seeking to operate a marijuana establishment within a municipality may not**
5 **request municipal authorization to operate the marijuana establishment and a municipality**
6 **may not accept as complete the person's request for municipal authorization unless:**

7 **A. The legislative body of the municipality has voted to generally authorize some or**
8 **all types of marijuana establishments within the municipality, including the type of**
9 **marijuana establishment the person seeks to operate; and**

10 **B. The person has been issued by the department a conditional license to operate the**
11 **marijuana establishment pursuant to section 205, subsection 3.**

12 **2. Minimum authorization criteria. A municipality may not authorize the**
13 **operation of a marijuana establishment within the municipality if:**

14 **A. The marijuana establishment is proposed to be located within 1,000 feet of the**
15 **property line of a preexisting public or private school, except that, if a municipality**
16 **chooses to prohibit the location of marijuana establishments at distances less than**
17 **1,000 feet but not less than 500 feet from the property line of a preexisting public or**
18 **private school, that lesser distance applies. For the purposes of this paragraph,**
19 **"school" includes a public school, as defined in Title 20-A, section 1, subsection 24, a**
20 **private school, as defined in Title 20-A, section 1, subsection 22, a public preschool**
21 **program, as defined in Title 20-A, section 1, subsection 23-A or any other**
22 **educational facility that serves children from prekindergarten to grade 12; or**

23 **B. The person requesting municipal authorization to operate the marijuana**
24 **establishment fails to demonstrate possession or entitlement to possession of the**
25 **proposed licensed premises of the marijuana establishment pursuant to a lease, rental**
26 **agreement or other arrangement for possession of the premises or by virtue of**
27 **ownership of the premises.**

28 **3. Municipal authorization required for operation of marijuana establishment.**
29 **A person may not operate a marijuana establishment within a municipality unless:**

30 **A. The legislative body of the municipality has voted to generally authorize some or**
31 **all types of marijuana establishments within the municipality, including that type of**
32 **marijuana establishment;**

33 **B. The person has obtained all applicable municipal approvals, permits or licenses**
34 **required by the municipality for the operation of that type of marijuana**
35 **establishment; and**

36 **C. The person has been issued by the department an active license to operate the**
37 **marijuana establishment pursuant to section 205, subsection 4.**

38 **A municipality may certify a person's compliance with the requirements of paragraph B**
39 **on the form prepared and furnished by the department pursuant to section 205, subsection**
40 **4, paragraph B.**

41 **4. Municipal failure to act on request for municipal authorization. If a**
42 **municipality whose legislative body has voted to generally authorize some or all types of**

1 marijuana establishments within the municipality fails to act on a person's request for
2 municipal authorization to operate a marijuana establishment within the municipality, the
3 municipality's failure to act does not satisfy the municipal authorization requirement of
4 subsection 3, paragraph B.

5 **5. Appeal of municipal failure to act on request for municipal authorization.** If
6 a municipality whose legislative body has voted to generally authorize some or all types
7 of marijuana establishments within the municipality fails to act on a person's request for
8 municipal authorization to operate a marijuana establishment within the municipality
9 within 90 days after the date the person submitted the request to the municipality, the
10 request is deemed denied and the denial constitutes a final government action that may be
11 appealed to the Superior Court in accordance with Rule 80B of the Maine Rules of Civil
12 Procedure, except that, if the municipality notifies the person in writing prior to the
13 expiration of the 90-day period that the request cannot be processed prior to the
14 expiration of the 90-day period, the request is deemed denied and the denial constitutes a
15 final government action only if the municipality fails to act on the request within 180
16 days after the date the person submitted the request to the municipality.

17 **6. Withdrawal of municipal authorization.** If a municipality at any time
18 withdraws the municipality's authorization for the operation of a marijuana establishment
19 within the municipality based upon a violation by the licensee operating the marijuana
20 establishment of the terms or conditions of a municipal license or a municipal regulation
21 governing the operation of marijuana establishments within the municipality, or for other
22 good cause, the licensee shall immediately cease all activities relating to the operation of
23 the marijuana establishment and may:

24 A. Apply to the department for relocation of the licensed premises pursuant to
25 section 211;

26 B. Terminate its license pursuant to section 212; or

27 C. If the licensee timely appeals the decision of the municipality to withdraw the
28 municipality's authorization, continue operation within the municipality until the
29 earliest of the date on which the licensee exhausts all appeals, the date the licensee's
30 department-issued license expires and is not renewed or the date the licensee's
31 department-issued license is suspended or revoked by the department pursuant to
32 subchapter 8.

33 **§403. Information requests**

34 A municipality may request that the department provide any information obtained by
35 the department pursuant to the provisions of subchapter 2 or 3 that the municipality
36 determines necessary for the administration of the municipality's authorization process for
37 marijuana establishments under this subchapter. Unless the information is confidential
38 pursuant to law or rule, the department, in a timely manner, shall provide to the
39 municipality the information requested pursuant to this section.

40 **§404. Notification to department**

41 A municipality shall notify the department within 14 days of the date the municipality
42 authorizes the operation of a marijuana establishment within the municipality; issues or
43 renews a license for the operation of a marijuana establishment within the municipality;

1 withdraws authorization or suspends or revokes a license for the operation of a marijuana
2 establishment within the municipality; approves relocation of the licensed premises of a
3 marijuana establishment to the municipality; or approves a transfer of ownership interests
4 in a license the licensed premises of which are located within the municipality.

5 The department shall provide the Bureau of Revenue Services with any information
6 received from a municipality pursuant to this section within 14 days of the date the
7 department receives that information.

8 **SUBCHAPTER 5**

9 **OPERATING REQUIREMENTS FOR MARIJUANA ESTABLISHMENTS**

10 **§501. Operation of cultivation facilities**

11 A cultivation facility must be operated in accordance with the provisions of this
12 section and the rules adopted pursuant to this chapter.

13 **1. Cultivation of adult use marijuana only for sale and distribution to other**
14 **licensees.** Except as otherwise provided in this section, a cultivation facility may
15 cultivate adult use marijuana only for sale and distribution to products manufacturing
16 facilities, marijuana stores or other cultivation facilities.

17 **2. Retail sale of adult use marijuana without separate marijuana store license**
18 **prohibited.** Except as provided in subsection 3, a cultivation facility may not sell or
19 offer to sell adult use marijuana, immature marijuana plants or seedlings to consumers
20 unless the cultivation facility licensee obtains from the department a separate license to
21 operate a marijuana store and otherwise complies with all applicable requirements under
22 this chapter and the rules adopted pursuant to this chapter concerning the operation of
23 marijuana stores. A cultivation facility may not give away adult use marijuana, adult use
24 marijuana products or marijuana plants to a consumer.

25 **3. Operation of nursery cultivation facilities.** A nursery cultivation facility as
26 described in section 301, subsection 5 must be operated in accordance with the provisions
27 of this subsection and must comply with all other applicable requirements of this chapter
28 and the rules adopted pursuant to this chapter.

29 A. A nursery cultivation facility may cultivate immature marijuana plants, seedlings
30 and marijuana seeds only for sale and distribution to marijuana stores and to other
31 cultivation facilities pursuant to paragraph C and to consumers pursuant to paragraph
32 D.

33 B. A nursery cultivation facility may cultivate mature marijuana plants only for the
34 propagation of those mature marijuana plants or for the production of marijuana
35 seeds by those mature marijuana plants, but the area within a nursery cultivation
36 facility in which mature marijuana plants are cultivated must be physically separated
37 from the area within the facility in which immature marijuana plants and seedlings
38 are cultivated. A nursery cultivation facility may not sell, distribute or otherwise
39 transfer to any person mature marijuana plants, marijuana flower or marijuana trim.

40 C. A nursery cultivation facility may sell and distribute to marijuana stores and other
41 cultivation facilities only immature marijuana plants, seedlings and marijuana seeds.

- 1 D. A nursery cultivation facility may sell to consumers only immature marijuana
2 plants, seedlings, marijuana seeds and agricultural or gardening supplies relating to
3 the cultivation of marijuana. Sales to consumers by a nursery cultivation facility:
- 4 (1) Must be conducted within a portion of the licensed premises of the nursery
5 cultivation facility that is dedicated to consumer sales of immature marijuana
6 plants, seedlings, marijuana seeds and agricultural or gardening supplies relating
7 to the cultivation of marijuana. A nursery cultivation facility licensee shall
8 ensure that the portion of the licensed premises of the nursery cultivation facility
9 that is dedicated to consumer sales complies with all applicable requirements of
10 this chapter and the rules adopted pursuant to this chapter concerning the
11 operation of marijuana stores; and
- 12 (2) Are subject to the sales tax imposed pursuant to Title 36, section 1811 and
13 must be collected and remitted as required by subsection 9.
- 14 E. The Department of Agriculture, Conservation and Forestry, after consultation
15 with the department, shall adopt rules regulating the operation of nursery cultivation
16 facilities.
- 17 4. Marijuana extraction without separate products manufacturing facility
18 license prohibited. A cultivation facility may not engage in the manufacture of
19 marijuana concentrate by marijuana extraction unless the cultivation facility licensee has
20 obtained from the department a separate license to operate a products manufacturing
21 facility and otherwise meets the requirements under this chapter and the rules adopted
22 pursuant to this chapter concerning the operation of a products manufacturing facility and
23 concerning marijuana extraction.
- 24 5. Use of shared facility for cultivation of adult use marijuana and marijuana
25 for medical use prohibited. A cultivation facility licensee that is also a registered
26 primary caregiver or a registered dispensary may not cultivate adult use marijuana
27 pursuant to this chapter within the same facility in which the licensee also cultivates
28 marijuana for medical use pursuant to the Maine Medical Use of Marijuana Act.
- 29 6. Change to operating plan or cultivation plan. A cultivation facility licensee
30 shall submit to the department in writing any material change to the cultivation facility's
31 operating plan or cultivation plan as described under section 302.
- 32 7. Requirements for outdoor cultivation. This subsection governs outdoor
33 cultivation operations by a cultivation facility licensee.
- 34 A. An outdoor cultivation area within the licensed premises of a cultivation facility
35 may not share a common wall or fence with an outdoor cultivation area within the
36 licensed premises of a different cultivation facility.
- 37 B. The outer boundary of an outdoor cultivation area within the licensed premises of
38 a cultivation facility must be separated by at least 20 feet from the outer boundary of
39 an outdoor cultivation area within the licensed premises of a different cultivation
40 facility.
- 41 C. The Department of Agriculture, Conservation and Forestry shall adopt rules
42 regarding the outdoor cultivation of adult use marijuana by a cultivation facility

1 licensee, including, but not limited to, security requirements specific to outdoor
2 cultivation operations and requirements for shielding outdoor cultivation operations
3 from public view.

4 **8. Sampling by other licensees.** A cultivation facility licensee may provide samples
5 of adult use marijuana cultivated at the licensed premises to a products manufacturing
6 facility licensee, a marijuana store licensee or a marijuana social club licensee for
7 business or marketing purposes only. Samples provided by a cultivation facility licensee
8 to another licensee under this subsection may not be consumed within the licensed
9 premises of the cultivation facility. This subsection does not apply to a nursery
10 cultivation facility licensee.

11 **9. Sales tax.** A nursery cultivation facility licensee shall ensure that the tax imposed
12 on the sale of adult use marijuana and adult use marijuana products to a consumer
13 pursuant to Title 36, section 1811 is collected and remitted in accordance with the
14 requirements of Title 36, Part 3 and the rules adopted pursuant to Title 36, Part 3.

15 **10. Tracking.** A cultivation facility licensee shall track the adult use marijuana it
16 cultivates from immature marijuana plant to the point at which the marijuana is delivered
17 or transferred to a products manufacturing facility, a testing facility, a marijuana store or
18 another cultivation facility or is disposed of or destroyed, in accordance with the
19 requirements of section 105.

20 **§502. Operation of products manufacturing facilities**

21 A products manufacturing facility must be operated in accordance with the provisions
22 of this section and the rules adopted pursuant to this chapter.

23 **1. Manufacture only for sale or distribution to other licensees.** Except as
24 otherwise provided in this section, a products manufacturing facility may manufacture
25 adult use marijuana and adult use marijuana products only for sale or distribution to
26 marijuana stores, marijuana social clubs or other products manufacturing facilities.

27 **2. Retail sale of adult use marijuana without separate marijuana store or**
28 **marijuana social club license prohibited.** A products manufacturing facility may not
29 sell or offer to sell adult use marijuana or adult use marijuana products to consumers
30 unless the products manufacturing facility licensee obtains from the department a
31 separate license to operate a marijuana store or a marijuana social club and otherwise
32 complies with all applicable requirements under this chapter and the rules adopted
33 pursuant to this chapter concerning the operation of marijuana stores or marijuana social
34 clubs. A products manufacturing facility may not give away adult use marijuana, adult
35 use marijuana products or marijuana plants to a consumer.

36 **3. Cultivation of marijuana without separate cultivation facility license**
37 **prohibited.** A products manufacturing facility shall purchase all marijuana necessary for
38 its manufacturing processes from a cultivation facility and may not engage in the
39 cultivation of marijuana unless the products manufacturing facility licensee obtains from
40 the department a separate license to operate a cultivation facility and otherwise meets all
41 applicable requirements under this chapter and under the rules adopted pursuant to this
42 chapter concerning the operation of cultivation facilities.

1 **4. Use of shared facility for manufacture of adult use marijuana or adult use**
2 **marijuana products and marijuana concentrate or marijuana products for medical**
3 **use prohibited.** A products manufacturing facility licensee that is also a registered
4 primary caregiver or a registered dispensary may not manufacture adult use marijuana or
5 adult use marijuana products pursuant to this chapter within the same facility in which the
6 licensee also manufactures marijuana concentrate or marijuana products for medical use
7 pursuant to the Maine Medical Use of Marijuana Act.

8 **5. Sampling by employees.** A products manufacturing facility licensee and its
9 employees may sample adult use marijuana and adult use marijuana products
10 manufactured at the licensed premises for the purposes of product quality control and
11 product research and development only and the licensee may not otherwise allow the
12 consumption of adult use marijuana or adult use marijuana products within the licensed
13 premises.

14 **6. Sampling by other licensees.** A products manufacturing facility licensee may
15 provide samples of adult use marijuana and adult use marijuana products manufactured at
16 the licensed premises to another products manufacturing facility licensee, to a marijuana
17 store licensee or to a marijuana social club licensee for business or marketing purposes
18 only. Samples provided by a products manufacturing facility to other licensees under this
19 subsection may not be consumed within the licensed premises of the products
20 manufacturing facility.

21 **7. Marijuana extraction.** Subject to the requirements and restrictions of this
22 subsection, a products manufacturing facility licensee may manufacture marijuana
23 concentrate by marijuana extraction using water, lipids, gases, solvents or other chemicals
24 or chemical processes.

25 **A.** A products manufacturing facility licensee may engage in marijuana extraction
26 using a solvent or other chemical or chemical process that is not and does not involve
27 an inherently hazardous substance if:

28 **(1)** The solvent or other chemical or chemical process is listed by the department
29 by rule as approved for use in marijuana extraction; or

30 **(2)** The products manufacturing facility licensee requests and obtains from the
31 department written approval to engage in marijuana extraction using a solvent or
32 other chemical or chemical process that is not and does not involve an inherently
33 hazardous substance and that is not listed by the department by rule as approved
34 for use in marijuana extraction.

35 The department shall adopt by rule a list of those solvents or other chemicals or
36 chemical processes that are not and do not contain an inherently hazardous substance
37 that the department approves for use in marijuana extraction by products
38 manufacturing facilities.

39 **B.** A products manufacturing facility licensee may not engage in marijuana
40 extraction involving the use of any inherently hazardous substance unless:

41 **(1)** The licensee submits to the department a request for approval of the
42 marijuana extraction method the facility plans to engage in that includes a
43 description of the proposed marijuana extraction method and a certification from

1 an industrial hygienist or professional engineer following a review of the
2 facility's storage, preparation, electrical, gas monitoring, fire suppression and
3 exhaust systems; and

4 (2) The department approves in writing the proposed marijuana extraction
5 method.

6 The department, within 14 days of receipt of a request for approval under this
7 paragraph, shall notify the products manufacturing facility licensee in writing
8 whether the request is approved or denied.

9 **8. Compliance with packaging, labeling and health and safety requirements.** All
10 adult use marijuana and adult use marijuana products sold or distributed by a products
11 manufacturing facility must meet all applicable packaging, labeling and health and safety
12 requirements of subchapter 7 and the rules adopted pursuant to subchapter 7.

13 **9. Compliance with sanitary standards.** All areas within the licensed premises of
14 a products manufacturing facility in which adult use marijuana and adult use marijuana
15 products are manufactured must meet all sanitary standards specified in rules adopted by
16 the Department of Agriculture, Conservation and Forestry.

17 **10. Commercial kitchen license.** A products manufacturing facility licensee must
18 obtain a commercial kitchen license for any area within the licensed premises of the
19 products manufacturing facility in which adult use marijuana and adult use marijuana
20 products are manufactured and for which the Department of Agriculture, Conservation
21 and Forestry requires a products manufacturing facility licensee to obtain a commercial
22 kitchen license. The Department of Agriculture, Conservation and Forestry shall adopt
23 rules requiring certain areas within the licensed premises of a products manufacturing
24 facility to be licensed as commercial kitchens based upon the types of manufacturing
25 processes conducted within those areas.

26 **11. Refrigeration.** A products manufacturing facility licensee shall store and
27 transport in a refrigerated environment all adult use marijuana and adult use marijuana
28 products that require refrigeration to prevent spoilage. The Department of Agriculture,
29 Conservation and Forestry shall adopt rules regarding the storage and transportation of
30 adult use marijuana and adult use marijuana products that require refrigeration to prevent
31 spoilage.

32 **12. Testing.** A products manufacturing facility may test marijuana and marijuana
33 products within its licensed premises for research and development purposes, quality
34 control purposes and health and safety purposes. Testing performed by a products
35 manufacturing facility within its licensed premises is not subject to the requirements for
36 testing facilities under section 503 but does not satisfy the mandatory testing
37 requirements of subchapter 6.

38 **13. Tracking.** A products manufacturing facility licensee shall track the adult use
39 marijuana it uses in its manufacturing processes from the point the marijuana is delivered
40 or transferred to the products manufacturing facility by a cultivation facility to the point
41 the marijuana or marijuana concentrate or an adult use marijuana product produced from
42 the marijuana is delivered or transferred to another products manufacturing facility, a

1 testing facility, a marijuana store or a marijuana social club or is disposed of or destroyed,
2 in accordance with the requirements of section 105.

3 **§503. Operation of testing facilities**

4 A testing facility must be operated in accordance with the provisions of this section
5 and the rules adopted pursuant to this chapter.

6 **1. Development, research and testing of marijuana, marijuana products and**
7 **other substances.** A testing facility may develop, research and test marijuana and
8 marijuana products for:

9 A. That facility;

10 B. Another licensee;

11 C. A person who intends to use the marijuana or marijuana product for personal use
12 as authorized under chapter 3; or

13 D. A qualifying patient, a primary caregiver, a registered primary caregiver or a
14 registered dispensary.

15 Neither this chapter nor the rules adopted pursuant to this chapter prevent a testing
16 facility from developing, researching or testing substances that are not marijuana or
17 marijuana products for that facility or for another person.

18 **2. Certification; accreditation and provisional licensure; compliance with**
19 **operational and technical requirements.** A testing facility may not commence or
20 continue operation unless the testing facility:

21 A. Is certified for operation by the Department of Health and Human Services,
22 Maine Center for Disease Control and Prevention, in accordance with rules adopted
23 by the Department of Agriculture, Conservation and Forestry after consultation with
24 the Department of Health and Human Services, Maine Center for Disease Control
25 and Prevention, which must allow for inspection of the proposed or operational
26 testing facility by the Department of Agriculture, Conservation and Forestry and the
27 Department of Health and Human Services, Maine Center for Disease Control and
28 Prevention;

29 B. Except as otherwise provided in this paragraph, is accredited pursuant to standard
30 ISO/IEC 17025 of the International Organization for Standardization by a 3rd-party
31 accrediting body or is certified, registered or accredited by an organization approved
32 by the Department of Agriculture, Conservation and Forestry. The Department of
33 Agriculture, Conservation and Forestry shall adopt rules regarding the scope of
34 certification, registration or accreditation required for licensure of a testing facility.

35 (1) The department may issue a full testing facility license to an applicant that
36 meets all applicable requirements of this chapter and rules adopted pursuant to
37 this chapter and that has obtained accreditation pursuant to standard ISO/IEC
38 17025 of the International Organization for Standardization from a 3rd-party
39 accrediting body or that is certified, registered or accredited by an approved
40 organization.

1 (2) The department may issue a provisional testing facility license to an
2 applicant that otherwise meets all applicable requirements of this chapter and
3 rules adopted pursuant to this chapter and that has applied for but not yet
4 obtained accreditation from a 3rd-party accrediting body or that has applied for
5 but not yet obtained certification, registration or accreditation from an approved
6 organization. The department may not renew a provisional testing facility license
7 more than once.

8 An active full or provisional testing facility license may not be issued by the
9 department to an applicant until the applicant satisfies all applicable requirements of
10 section 205, subsection 4; and

11 C. Is determined by the Department of Agriculture, Conservation and Forestry to
12 meet all operational and technical requirements for testing facilities under this chapter
13 and the rules adopted under this chapter.

14 **3. Compliance with testing protocols, standards and criteria.** A testing facility
15 shall follow all testing protocols, standards and criteria adopted by rule by the
16 Department of Agriculture, Conservation and Forestry for the testing of different forms of
17 marijuana and marijuana products; determining batch size; sampling; testing validity; and
18 approval and disapproval of tested marijuana and marijuana products.

19 **4. Remediation and retesting.** If a testing facility determines that a sample of adult
20 use marijuana or an adult use marijuana product has failed a mandatory test required
21 under section 602, the testing facility shall offer to the owner of that sample an
22 opportunity for remediation and retesting in accordance with rules adopted by the
23 Department of Agriculture, Conservation and Forestry.

24 **5. Record keeping.** A testing facility shall maintain records of all business
25 transactions and testing results in accordance with the record-keeping requirements of
26 section 511 and section 602, subsection 2 and in accordance with applicable standards for
27 licensing and accreditation under subsection 2 and testing protocols, standards and
28 criteria adopted by the Department of Agriculture, Conservation and Forestry under
29 subsection 3.

30 **6. Disposal of marijuana and marijuana products.** A testing facility shall dispose
31 of or destroy used, unused and waste marijuana and marijuana products in accordance
32 with rules adopted by the Department of Agriculture, Conservation and Forestry.

33 **7. Notification of test results.** A testing facility shall notify the Department of
34 Agriculture, Conservation and Forestry of test results in accordance with section 603.

35 **8. Independence of testing facility interest.** A person with an interest in a testing
36 facility may not be a primary caregiver or a registered primary caregiver or have an
37 interest in a registered dispensary, a marijuana store license, a marijuana social club
38 license, a cultivation facility license or a products manufacturing facility license, but may
39 hold or have an interest in multiple testing facility licenses. A person who is a primary
40 caregiver or a registered primary caregiver or who has an interest in a registered
41 dispensary, a marijuana store license, a marijuana social club license, a cultivation facility
42 license or a products manufacturing facility license may not have an interest in a testing
43 facility license. As used in this subsection, "interest" has the same meaning as in section
44 205, subsection 2, paragraph B.

1 **9. Tracking.** A testing facility licensee shall track all adult use marijuana and adult
2 use marijuana products it receives from a licensee for testing purposes from the point at
3 which the marijuana or marijuana products are delivered or transferred to the testing
4 facility to the point at which the marijuana or marijuana products are disposed of or
5 destroyed, in accordance with the requirements of section 105.

6 **10. Rules.** The Department of Agriculture, Conservation and Forestry shall adopt
7 rules regarding the testing of marijuana and marijuana products by testing facilities
8 pursuant to this chapter, including, but not limited to, rules establishing acceptable testing
9 and research practices for testing facilities, including, but not limited to, provisions
10 relating to testing practices, methods and standards; remediation and retesting procedures;
11 quality control analysis; equipment certification and calibration; chemical identification;
12 testing facility record-keeping, documentation and business practices; disposal of used,
13 unused and waste marijuana and marijuana products; and reporting of test results. Rules
14 adopted pursuant to this section are routine technical rules as defined in Title 5, chapter
15 375, subchapter 2-A.

16 **§504. Operation of marijuana stores**

17 A marijuana store must be operated in accordance with the provisions of this section
18 and the rules adopted pursuant to this chapter.

19 **1. Products authorized for sale.** Except as provided in subsection 2, a marijuana
20 store may sell:

21 A. Adult use marijuana, adult use marijuana products and marijuana paraphernalia;

22 B. Immature marijuana plants and seedlings;

23 C. Consumable products not containing marijuana, including, but not limited to,
24 sodas, candies and baked goods; and

25 D. Any other nonconsumable products, including, but not limited to, apparel and
26 marijuana-related products.

27 **2. Prohibitions.** A marijuana store may not:

28 A. Give away adult use marijuana, adult use marijuana products or marijuana plants
29 or sell or give away mature marijuana plants or consumable products containing
30 tobacco or alcohol that do not contain marijuana;

31 B. Except for nonedible adult use marijuana products that do not contain THC, sell
32 to any person in any individual sales transaction an amount of adult use marijuana,
33 adult use marijuana products or immature marijuana plants or seedlings that exceeds
34 the personal use limitations of section 1501, subsection 1;

35 C. Sell adult use marijuana, adult use marijuana products or marijuana plants using:

36 (1) An automated dispensing or vending machine;

37 (2) A drive-through sales window;

38 (3) An Internet-based sales platform; or

39 (4) A delivery service; or

1 D. Sell adult use marijuana or adult use marijuana products to a person who is
2 visibly intoxicated.

3 **3. Compliance with packaging, labeling and health and safety requirements.** All
4 adult use marijuana and adult use marijuana products sold or offered for sale at a
5 marijuana store must meet all applicable packaging, labeling and health and safety
6 requirements of subchapter 7 and the rules adopted under subchapter 7.

7 **4. Restricted access areas.** A person under 21 years of age may not enter a
8 restricted access area within a marijuana store. A marijuana store licensee shall ensure
9 that persons under 21 years of age do not enter a restricted access area within the
10 marijuana store.

11 **5. Verification of purchaser's age.** A person must be 21 years of age or older to
12 make a purchase in a marijuana store. A marijuana store may not sell any item to a
13 person under 21 years of age.

14 A. Prior to initiating a sale, an employee of the marijuana store licensee shall verify
15 that the purchaser has a valid government-issued photographic identification card, or
16 other acceptable photographic identification, demonstrating that the purchaser is 21
17 years of age or older.

18 B. The department shall by rule determine the forms of photographic identification
19 that a marijuana store licensee may accept when verifying a purchaser's age.

20 **6. Use of shared facility for retail sale of adult use marijuana and adult use**
21 **marijuana products and marijuana and marijuana products for medical use**
22 **prohibited.** A marijuana store licensee that is also a registered primary caregiver or a
23 registered dispensary may not sell or offer for sale to consumers adult use marijuana and
24 adult use marijuana products pursuant to this chapter within the same facility in which the
25 licensee also sells or offers for sale to qualifying patients marijuana and marijuana
26 products for medical use pursuant to the Maine Medical Use of Marijuana Act.

27 **7. Signs, marketing and advertising.** All signs used by and all marketing and
28 advertising conducted by or on behalf of a marijuana store must comply with the
29 requirements of section 704, subsection 2 and the rules adopted pursuant to section 704,
30 subsection 2.

31 **8. Sales tax.** A marijuana store licensee shall ensure that the tax imposed on the sale
32 of adult use marijuana and adult use marijuana products to a consumer pursuant to Title
33 36, section 1811 is collected and remitted in accordance with the requirements of Title
34 36, Part 3 and the rules adopted pursuant to Title 36, Part 3.

35 **9. Tracking.** A marijuana store licensee shall track all adult use marijuana and adult
36 use marijuana products from the point at which the marijuana or marijuana products are
37 delivered or transferred to the marijuana store by a cultivation facility or a products
38 manufacturing facility to the point at which the marijuana or marijuana products are sold
39 to a consumer, delivered or transferred to a testing facility or disposed of or destroyed, in
40 accordance with the requirements of section 105.

1 **§505. Operation of marijuana social clubs**

2 A marijuana social club must be operated in accordance with the provisions of this
3 section and the rules adopted pursuant to this chapter.

4 **1. Products authorized for sale.** Except as provided in subsection 2, a marijuana
5 social club may sell:

6 A. Adult use marijuana products and marijuana paraphernalia;

7 B. Consumable products not containing marijuana, including, but not limited to,
8 sodas, candies and baked goods; and

9 C. Any other nonconsumable products, including, but not limited to, apparel and
10 marijuana-related products.

11 **2. Prohibitions.** A marijuana social club may not:

12 A. Give away adult use marijuana products or sell or give away adult use marijuana,
13 marijuana plants or consumable products containing tobacco or alcohol that do not
14 contain marijuana;

15 B. Except for nonedible adult use marijuana products that do not contain THC, sell
16 to any person in any individual sales transaction an amount of adult use marijuana
17 products that exceeds the personal use limitations of section 1501, subsection 1;

18 C. Allow the smoking of marijuana or marijuana products on the licensed premises
19 of the marijuana social club in violation of the provisions of Title 22, chapter 262;

20 D. Allow a person to consume marijuana or marijuana products not purchased from
21 the marijuana social club on the licensed premises of the marijuana social club;

22 E. Allow a person to remove from the licensed premises of the marijuana social club
23 adult use marijuana products purchased by the person at the marijuana social club;

24 F. Sell adult use marijuana products using an automated dispensing or vending
25 machine; or

26 G. Sell adult use marijuana products to a person who is visibly intoxicated.

27 **3. Consumption of marijuana products on premises.** All adult use marijuana
28 products purchased by a consumer at a marijuana social club must be consumed or
29 disposed of on the licensed premises and may not be removed from the licensed premises.
30 A person may not consume marijuana or marijuana products not purchased from the
31 marijuana social club on the licensed premises of the marijuana social club.

32 **4. Compliance with packaging, labeling and health and safety requirements.** All
33 adult use marijuana products sold or offered for sale at a marijuana social club must meet
34 all applicable packaging, labeling and health and safety requirements of subchapter 7 and
35 the rules adopted under subchapter 7.

36 **5. Restricted access areas.** A person under 21 years of age may not enter a
37 restricted access area within a marijuana social club. A marijuana social club licensee
38 shall ensure that persons under 21 years of age do not enter a restricted access area within
39 the marijuana social club.

1 **6. Verification of purchaser's age.** A person must be 21 years of age or older to
2 make a purchase in a marijuana social club. A marijuana social club may not sell any
3 item to a person under 21 years of age.

4 A. Prior to initiating a sale, an employee of the marijuana social club licensee shall
5 verify that the purchaser has a valid government-issued photographic identification
6 card, or other acceptable photographic identification, demonstrating that the
7 purchaser is 21 years of age or older.

8 B. The department shall by rule determine the forms of photographic identification
9 that a marijuana social club licensee may accept when verifying a purchaser's age.

10 **7. Use of shared facility for retail sale of adult use marijuana products and**
11 **marijuana and marijuana products for medical use prohibited.** A marijuana social
12 club licensee that is also a registered primary caregiver or a registered dispensary may not
13 sell or offer for sale to consumers adult use marijuana products pursuant to this chapter
14 within the same facility in which the licensee also sells or offers for sale to qualifying
15 patients marijuana and marijuana products for medical use pursuant to the Maine Medical
16 Use of Marijuana Act.

17 **8. Signs, marketing and advertising.** All signs used by and all marketing and
18 advertising conducted by or on behalf of a marijuana social club must comply with the
19 requirements of section 704, subsection 2 and the rules adopted pursuant to section 704,
20 subsection 2.

21 **9. Sales tax.** A marijuana social club licensee shall ensure that the tax imposed on
22 the sale of adult use marijuana and adult use marijuana products to a consumer pursuant
23 to Title 36, section 1811 is collected and remitted in accordance with the requirements of
24 Title 36, Part 3 and the rules adopted pursuant to Title 36, Part 3.

25 **10. Tracking.** A marijuana social club licensee shall track all adult use marijuana
26 products from the point at which the marijuana products are delivered or transferred to
27 the marijuana social club by a products manufacturing facility to the point at which the
28 marijuana products are sold to a consumer, delivered or transferred to a testing facility or
29 disposed of or destroyed, in accordance with the requirements of section 105.

30 **§506. Transportation of adult use marijuana and adult use marijuana products**

31 A licensee and its employees may transport adult use marijuana and adult use
32 marijuana products between the licensed premises of the licensee and the licensed
33 premises of any other marijuana establishment. All transportation of adult use marijuana
34 and adult use marijuana products must be documented by the licensee or the employee of
35 the licensee in accordance with rules adopted by the department. The department shall
36 adopt rules regarding the transportation of adult use marijuana and adult use marijuana
37 products by licensees under this chapter.

38 **§507. Employment of persons under 21 years of age prohibited**

39 A licensee may not employ any person under 21 years of age.

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§508. Use of adult use marijuana and adult use marijuana products within licensed premises

1. Employee use of marijuana or marijuana products for medical use. A licensee may allow an employee who is a qualifying patient to privately consume marijuana and marijuana products for medical use within its licensed premises.

2. Employee use of adult use marijuana or adult use marijuana products. Except as otherwise provided in this chapter, a licensee may not allow an employee to consume adult use marijuana or adult use marijuana products within its licensed premises or while the employee is on work duty.

3. Other use of adult use marijuana or adult use marijuana products. Except as otherwise provided in this chapter:

A. A person may not consume adult use marijuana or adult use marijuana products within the licensed premises of a marijuana establishment; and

B. A licensee may not allow any person to consume adult use marijuana or adult use marijuana products within its licensed premises.

§509. License to be conspicuously displayed

A licensee shall ensure that the licensee's license, or a copy of that license, is at all times conspicuously displayed within its licensed premises, including, but not limited to, in all restricted access areas and limited access areas.

§510. Limited access areas

A person may not enter or remain in any limited access area unless the person displays an individual identification card issued by the department pursuant to section 106. A licensee shall ensure that all areas of ingress and egress to limited access areas within the licensed premises are conspicuously marked and that a person is not allowed to enter or remain in any limited access area without displaying the person's individual identification card issued by the department pursuant to section 106.

§511. Record keeping and inspection of records; audits

1. Record keeping; inspection of records. A licensee shall maintain a complete set of all records of the licensee's business transactions, which must be open to inspection and examination by the department and the Department of Agriculture, Conservation and Forestry upon demand and without notice during all business hours. Records must be maintained by a licensee at a minimum for a period comprising the current tax year and the 2 immediately preceding tax years.

2. Additional information may be required. The department or the Department of Agriculture, Conservation and Forestry may require a licensee to furnish any additional information necessary for the proper administration of this chapter.

3. Audit. The department may require a licensee to submit to an audit of the licensee's business records. If the department requires a licensee to submit to an audit, the licensee shall provide the auditor selected by the department with access to all business records of the licensee and the cost of the audit must be paid by the licensee.

1 marijuana products. Except as otherwise provided in this subchapter, the program must
2 require a licensee, prior to selling or distributing adult use marijuana or an adult use
3 marijuana product to a consumer or to another licensee, to submit the marijuana or
4 marijuana product to a testing facility for testing to ensure that the marijuana or marijuana
5 product does not exceed the maximum level of allowable contamination for any
6 contaminant that is injurious to health and for which testing is required and to ensure
7 correct labeling. The Department of Agriculture, Conservation and Forestry shall adopt
8 rules establishing a testing program pursuant to this section, rules identifying the types of
9 contaminants that are injurious to health for which marijuana and marijuana products
10 must be tested under this subchapter and rules regarding the maximum level of allowable
11 contamination for each contaminant. Rules adopted pursuant to this subchapter are
12 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

13 **§602. Mandatory testing**

14 A licensee may not sell or distribute adult use marijuana or an adult use marijuana
15 product to a consumer or to another licensee under this chapter unless the marijuana or
16 marijuana product has been tested pursuant to this subchapter and the rules adopted
17 pursuant to this subchapter and that mandatory testing has demonstrated that the
18 marijuana or marijuana product does not exceed the maximum level of allowable
19 contamination for any contaminant that is injurious to health and for which testing is
20 required.

21 **1. Scope of mandatory testing.** Mandatory testing of adult use marijuana and adult
22 use marijuana products under this section must include, but is not limited to, testing for:

- 23 A. Residual solvents, poisons and toxins;
- 24 B. Harmful chemicals;
- 25 C. Dangerous molds and mildew;
- 26 D. Harmful microbes, including, but not limited to, Escherichia coli and salmonella;
- 27 E. Pesticides, fungicides and insecticides; and
- 28 F. THC potency, homogeneity and cannabinoid profiles to ensure correct labeling.

29 The Department of Agriculture, Conservation and Forestry may, after consultation with
30 the department, temporarily waive mandatory testing requirements under this section for
31 any contaminant or factor for which the Department of Agriculture, Conservation and
32 Forestry has determined that there exists no licensed testing facility in the State capable
33 of and certified to perform such testing.

34 **2. Record keeping.** A licensee shall maintain a record of all mandatory testing that
35 includes a description of the adult use marijuana or adult use marijuana product provided
36 to the testing facility, the identity of the testing facility and the results of the mandatory
37 test.

38 **3. Testing process, protocols and standards.** The Department of Agriculture,
39 Conservation and Forestry shall establish by rule processes, protocols and standards for
40 mandatory and other testing of marijuana and marijuana products that conform with the
41 best practices generally used within the marijuana industry.

1 **§603. Notification requirements**

2 **1. Notification required.** If the results of a mandatory test conducted pursuant to
3 section 602 indicate that the tested adult use marijuana or adult use marijuana product
4 exceeds the maximum level of allowable contamination for any contaminant that is
5 injurious to health and for which testing is required, the testing facility immediately shall
6 quarantine, document and properly destroy the marijuana or marijuana product, except
7 when the owner of the tested marijuana or marijuana product has successfully undertaken
8 remediation and retesting, and within 30 days of completing the test shall notify the
9 Department of Agriculture, Conservation and Forestry of the test results.

10 **2. Notification not required.** A testing facility is not required to notify the
11 Department of Agriculture, Conservation and Forestry of the results of any test:

12 A. Conducted on adult use marijuana or an adult use marijuana product at the
13 direction of a licensee pursuant to section 602 that demonstrates that the marijuana or
14 marijuana product does not exceed the maximum level of allowable contamination
15 for any contaminant that is injurious to health and for which testing is required;

16 B. Conducted on adult use marijuana or an adult use marijuana product at the
17 direction of a licensee for research and development purposes only, so long as the
18 licensee notifies the testing facility prior to the performance of the test that the testing
19 is for research and development purposes only;

20 C. Conducted on marijuana or a marijuana product at the direction of a person who is
21 not a licensee; or

22 D. Conducted on a substance that is not marijuana or a marijuana product.

23 **§604. Sampling for testing**

24 If a test to be performed by a testing facility is a mandatory test under section 602, an
25 employee or designee of the testing facility must perform the sampling required for the
26 test. If a test to be performed by a testing facility is not a mandatory test, the owner of the
27 marijuana or marijuana product, or a designee of the owner, may perform the sampling
28 required for the test.

29 **§605. Additional testing not required**

30 Notwithstanding section 602, a licensee may sell or furnish to a consumer or to
31 another licensee adult use marijuana or an adult use marijuana product that the licensee
32 has not submitted for testing in accordance with this subchapter and rules adopted
33 pursuant to this subchapter if:

34 **1. Prior testing.** The marijuana or marijuana product has previously undergone
35 testing in accordance with this subchapter and rules adopted pursuant to this subchapter at
36 the direction of another licensee and that testing demonstrated that the marijuana or
37 marijuana product does not exceed the maximum level of allowable contamination for
38 any contaminant that is injurious to health and for which testing is required;

39 **2. Proper documentation.** The mandatory testing process and the test results for
40 the marijuana or marijuana product are documented in accordance with the requirements
41 of this chapter and all applicable rules adopted pursuant to this chapter;

- 1 H. Instructions on usage;
- 2 I. For adult use marijuana products:
- 3 (1) The amount of marijuana concentrate per serving of the product, as measured
4 in grams, and the amount of marijuana concentrate per package of the product, as
5 measured in grams;
- 6 (2) A list of ingredients and possible allergens; and
- 7 (3) A recommended use date or expiration date;
- 8 J. For edible marijuana products, a nutritional fact panel; and
- 9 K. Any other information required by rule by the Department of Agriculture,
10 Conservation and Forestry.
- 11 **2. Packaging requirements.** Adult use marijuana and adult use marijuana products
12 to be sold or offered for sale by a licensee to a consumer in accordance with this chapter
13 must be packaged in the following manner, as applicable based on the marijuana or
14 marijuana product to be sold:
- 15 A. Adult use marijuana and adult use marijuana products must be prepackaged in
16 child-resistant and tamper-evident packaging or must be placed in child-resistant and
17 tamper-evident packaging at the final point of sale to a consumer;
- 18 B. Adult use marijuana and adult use marijuana products must be prepackaged in
19 opaque packaging or an opaque container or must be placed in opaque packaging or
20 an opaque container at the final point of sale to a consumer;
- 21 C. Packaging for multiserving liquid adult use marijuana products must include an
22 integral measurement component and a child-resistant cap; and
- 23 D. Packaging must conform to all other applicable requirements and restrictions
24 imposed by rule by the Department of Agriculture, Conservation and Forestry.
- 25 **3. Other approved labeling and packaging.** Adult use marijuana and adult use
26 marijuana products to be sold or offered for sale by a licensee to a consumer in
27 accordance with this chapter may include on the label or the packaging of the marijuana
28 or marijuana product:
- 29 A. A statement of compatibility with dietary practices;
- 30 B. Depictions of geometric shapes or marijuana leaves; and
- 31 C. Any other information that has been preapproved by the Department of
32 Agriculture, Conservation and Forestry.
- 33 **4. Labeling and packaging prohibitions.** Adult use marijuana and adult use
34 marijuana products to be sold or offered for sale by a licensee to a consumer in
35 accordance with this chapter:
- 36 A. May not be labeled or packaged in violation of a federal trademark law or
37 regulation or in a manner that would cause a reasonable consumer confusion as to
38 whether the marijuana or marijuana product was a trademarked product;

- 1 B. May not be labeled or packaged in a manner that is specifically designed to appeal
- 2 particularly to a person under 21 years of age;
- 3 C. May not be labeled or packaged in a manner that obscures identifying information
- 4 on the label or uses a false or deceptive label;
- 5 D. May not be sold or offered for sale using a label or packaging that depicts a
- 6 human, animal or fruit; and
- 7 E. May not be labeled or packaged in violation of any other labeling or packaging
- 8 requirement or restriction imposed by rule by the Department of Agriculture,
- 9 Conservation and Forestry.

10 **§702. Signs, advertising and marketing**

11 **1. Prohibitions. Signs, advertising and marketing used by or on behalf of a licensee:**

- 12 A. May not be misleading, deceptive or false;
- 13 B. May not involve mass-market advertising or marketing campaigns that have a
- 14 high likelihood of reaching persons under 21 years of age or that are specifically
- 15 designed to appeal particularly to persons under 21 years of age;
- 16 C. May not be placed or otherwise used within 1,000 feet of the property line of a
- 17 preexisting public or private school, except that, if a municipality chooses to prohibit
- 18 the placement or use of signs or advertising by or on behalf of a marijuana
- 19 establishment at distances greater than or less than 1,000 feet but not less than 500
- 20 feet from the property line of a preexisting public or private school, that greater or
- 21 lesser distance applies. As used in this paragraph, "school" has the same meaning as
- 22 in section 402, subsection 2, paragraph A; and
- 23 D. May not violate any other requirement or restriction on signs, advertising and
- 24 marketing imposed by the department by rule pursuant to subsection 2.

25 **2. Rules on signs, advertising and marketing. The department shall adopt rules**

26 **regarding the placement and use of signs, advertising and marketing by or on behalf of a**

27 **licensee, which may include, but are not limited to:**

- 28 A. A prohibition on health or physical benefit claims in advertising or marketing,
- 29 including, but not limited to, health or physical benefit claims on the label or
- 30 packaging of adult use marijuana or an adult use marijuana product;
- 31 B. A prohibition on unsolicited advertising or marketing on the Internet, including,
- 32 but not limited to, banner advertisements on mass-market websites;
- 33 C. A prohibition on opt-in advertising or marketing that does not permit an easy and
- 34 permanent opt-out feature; and
- 35 D. A prohibition on advertising or marketing directed toward location-based devices,
- 36 including, but not limited to, cellular telephones, unless the marketing is a mobile
- 37 device application installed on the device by the owner of the device who is 21 years
- 38 of age or older and includes a permanent and easy opt-out feature.

1 **§703. Other health and safety requirements and restrictions; rules**

2 **1. Requirements and restrictions for edible marijuana products.** In addition to
3 all other applicable provisions of this subchapter, edible marijuana products to be sold or
4 offered for sale by a licensee to a consumer in accordance with this chapter:

5 A. May be manufactured in geometric shapes or in the shape of a marijuana leaf;

6 B. Must be manufactured in a manner that results in the cannabinoid content within
7 the product being homogeneous throughout the product or throughout each element
8 of the product that has a cannabinoid content;

9 C. Must be manufactured in a manner that results in the amount of marijuana
10 concentrate within the product being homogeneous throughout the product or
11 throughout each element of the product that contains marijuana concentrate;

12 D. Must have a universal symbol stamped or embossed on each serving of the
13 product;

14 E. May not be manufactured in the distinct shape of a human, animal or fruit;

15 F. May not contain more than 10 milligrams of THC per serving of the product and
16 may not contain more than 100 milligrams of THC per package of the product;

17 G. May not contain additives that are:

18 (1) Toxic or harmful to human beings;

19 (2) Specifically designed to make the product more addictive or that are
20 misleading to consumers; or

21 (3) Specifically designed to make the product appeal particularly to a person
22 under 21 years of age; and

23 H. May not involve the addition of marijuana to a trademarked food or drink
24 product, except when the trademarked product is used as a component of or
25 ingredient in the edible marijuana product and the edible marijuana product is not
26 advertised or described for sale as containing the trademarked product.

27 **2. Health and safety rules.** The Department of Agriculture, Conservation and
28 Forestry, after consultation with the department, shall adopt labeling, packaging and other
29 necessary health and safety rules for adult use marijuana and adult use marijuana
30 products to be sold or offered for sale by a licensee to a consumer in accordance with this
31 chapter. Rules adopted pursuant to this subsection must establish mandatory health and
32 safety standards applicable to the cultivation of adult use marijuana, the manufacture of
33 adult use marijuana products and the packaging and labeling of adult use marijuana and
34 adult use marijuana products sold by a licensee to a consumer. Such rules must address,
35 but are not limited to:

36 A. Requirements for the storage, warehousing and transportation of adult use
37 marijuana and adult use marijuana products by licensees;

38 B. Sanitary standards for marijuana establishments, including, but not limited to,
39 sanitary standards for the manufacture of adult use marijuana and adult use marijuana
40 products; and

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C. Limitations on the display of adult use marijuana and adult use marijuana products at marijuana stores and marijuana social clubs.

SUBCHAPTER 8

LICENSE VIOLATIONS; PENALTIES

§801. Department may impose penalty on licensee for license violation; Maine Administrative Procedure Act applies

The department, on its own initiative or on complaint and after investigation, notice and the opportunity for a public hearing, by written order may impose a monetary penalty on a licensee or suspend or revoke the licensee's license for a violation by the licensee or by an agent or employee of the licensee of the provisions of this chapter, the rules adopted pursuant to this chapter or the terms, conditions or provisions of the licensee's license.

1. Additional penalties may be imposed. Any penalties imposed by the department on a licensee pursuant to this subchapter are in addition to any criminal or civil penalties that may be imposed pursuant to other applicable laws or rules.

2. Maine Administrative Procedure Act; appeals. Except as otherwise provided in this subchapter or in rules adopted pursuant to this subchapter, the imposition of a monetary penalty, suspension or revocation on a licensee by the department, including, but not limited to, the provision of notice and the conduct of hearings, is governed by the Maine Administrative Procedure Act. A final order of the department imposing a monetary penalty on a licensee or suspending or revoking the licensee's license is a final agency action, as defined in Title 5, section 8002, subsection 4, and the licensee may appeal that final order to the Superior Court in accordance with Rule 80C of the Maine Rules of Civil Procedure.

§802. Penalties

1. Monetary penalties. A monetary penalty imposed by the department on a licensee pursuant to this subchapter may not exceed \$100,000 per license violation.

A. The department shall adopt rules setting forth potential amounts of monetary penalties to be imposed on a licensee based upon specific categories of unauthorized conduct by the licensee, including major and minor license violations, as follows:

- (1) Not more than \$10,000 per minor license violation;
- (2) Except as provided in subparagraph (3), not more than \$50,000 per major license violation; and
- (3) Not more than \$100,000 per major license violation affecting public safety.

B. All monetary penalties imposed pursuant to this subchapter must be paid by the licensee to the department in the form of cash or in the form of a certified check or a cashier's check payable to the department. All monetary penalties paid to the department pursuant to this subchapter must be deposited into the Adult Use Marijuana Regulatory Coordination Fund established in section 1002.

1 **§902. Membership; chairs; terms; vacancies; quorum**

2 **1. Membership.** The commission consists of the following 15 members:

3 A. The Commissioner of Administrative and Financial Services or the
4 commissioner's designee;

5 B. The Commissioner of Health and Human Services or the commissioner's
6 designee;

7 C. The Commissioner of Public Safety or the commissioner's designee;

8 D. The Commissioner of Agriculture, Conservation and Forestry or the
9 commissioner's designee;

10 E. The Attorney General or the Attorney General's designee;

11 F. The following 5 members, appointed by the President of the Senate:

12 (1) Two members of the Senate, including members from each of the 2 parties
13 holding the largest number of seats in the Legislature;

14 (2) A representative of a statewide association of health care professionals;

15 (3) A representative of a statewide association representing the medical
16 marijuana industry; and

17 (4) A member of the public; and

18 G. The following 5 members, appointed by the Speaker of the House of
19 Representatives:

20 (1) Two members of the House of Representatives, including members from
21 each of the 2 parties holding the largest number of seats in the Legislature;

22 (2) A representative of a statewide association representing municipalities;

23 (3) A representative of a statewide association representing the adult use
24 marijuana industry; and

25 (4) A member of the public.

26 **2. Chairs.** The first-named Senate member is the Senate chair and the first-named
27 House member is the House chair of the commission.

28 **3. Terms.** Public members of the commission serve for a term of 2 years and may
29 be reappointed. Members of the commission who are Legislators serve during the term
30 of office for which they were elected.

31 **4. Vacancies.** In the event of a vacancy on the commission, the member's unexpired
32 term must be filled through an appointment by the appointing authority for the vacant
33 seat.

34 **5. Quorum.** A quorum of the commission consists of 8 members.

1 **§903. Duties**

2 **1. Review of laws and rules.** The commission shall review laws and rules
3 pertaining to the adult use marijuana and medical marijuana industries in this State and
4 any other provision of law or rule pertaining to marijuana, including, but not limited to,
5 laws and rules regarding public health, public safety, juvenile and adult criminal and civil
6 offenses, workplace drug testing, workplace safety, motor vehicle safety, landlords and
7 tenants, the personal use of marijuana and taxes and fees paid to the State by applicants
8 and registered primary caregivers and registered dispensaries under the Maine Medical
9 Use of Marijuana Act and applicants and licensees under this Act.

10 **2. Submission of recommendations to Legislature.** The commission shall submit
11 to the Legislature such recommended changes to the laws as it considers appropriate to
12 preserve the public health and safety and the well-being of the citizens of the State and to
13 preserve the intent of citizens as expressed in passage of the Marijuana Legalization Act,
14 former Title 7, chapter 417. The commission shall include any recommended changes in
15 its annual report to the Legislature pursuant to subsection 4.

16 **3. Public hearings.** The commission may hold public hearings at such times and at
17 such places as the commission considers appropriate in order to take testimony
18 concerning the use, possession and distribution of marijuana and to align this Act with
19 other provisions of law.

20 **4. Report to Legislature.** Beginning January 15, 2019, and annually thereafter, the
21 commission shall submit a report containing its findings and recommendations, together
22 with any suggested legislation, to the joint standing committee or committees of the
23 Legislature having jurisdiction over medical marijuana matters and adult use marijuana
24 matters.

25 **§904. Organization; staffing; consultation**

26 **1. Organization; staffing.** The Legislative Council shall provide staffing services to
27 the commission, except that Legislative Council staff support is not authorized when the
28 Legislature is in regular or special session. The Executive Director of the Legislative
29 Council shall notify all members of the commission of the time and place of the first
30 meeting. At that time the commission shall organize and adopt policies regarding the
31 functioning of the commission and its affairs.

32 **2. Consultation.** Whenever the commission considers it appropriate, it may seek the
33 advice of consultants or experts, including representatives of the legislative and executive
34 branches of State Government, in fields related to its duties.

35 **§905. Reimbursement of expenses**

36 Members of the commission must be compensated in accordance with Title 5, chapter
37 379.

38 **SUBCHAPTER 10**

39 **ADULT USE MARIJUANA PUBLIC HEALTH AND SAFETY FUND; ADULT**
40 **USE MARIJUANA REGULATORY COORDINATION FUND**

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§1001. Adult Use Marijuana Public Health and Safety Fund

The Adult Use Marijuana Public Health and Safety Fund, referred to in this section as "the fund," is established as a dedicated, nonlapsing fund within the department for the purposes specified in this section.

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

A. Money received from the sales tax imposed on the sale of adult use marijuana and adult use marijuana products by a marijuana store or a marijuana social club to a consumer pursuant to Title 36, section 1811 in the amount required under Title 36, section 1818, subsection 3;

B. All money from any other source, whether public or private, designated for deposit into or credited to the fund; and

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

2. Uses of fund. Money credited to the fund pursuant to subsection 1 may be used by the department as provided in this subsection.

A. No more than 50% of all money credited to the fund may be expended by the department to fund public health and safety awareness and education programs, initiatives, campaigns and activities relating to the sale and use of adult use marijuana and adult use marijuana products conducted in accordance with section 108 by the department, another state agency or department or any other public or private entity.

B. No more than 50% of all money credited to the fund may be expended by the department to fund enhanced law enforcement training programs relating to the sale and use of adult use marijuana and adult use marijuana products for local, county and state law enforcement officers conducted in accordance with section 109 by the department, the Maine Criminal Justice Academy, another state agency or department or any other public or private entity.

3. Application of fund to departmental expenses prohibited. Money in the fund may not be applied to any expenses incurred by the department or the Department of Agriculture, Conservation and Forestry in implementing, administering or enforcing this chapter.

§1002. Adult Use Marijuana Regulatory Coordination Fund

The Adult Use Marijuana Regulatory Coordination Fund, referred to in this section as "the fund," is established as a dedicated, nonlapsing Other Special Revenue Funds account in the department. The fund is administered and used by the commissioner for the purposes of adopting rules as required by this chapter by the department and by any other department of State Government that is authorized to adopt rules under this chapter and for the purposes of implementing, administering and enforcing this chapter. The commissioner may expend money in the fund to enter into contracts with consultants and employ staff, as determined necessary by the commissioner, conduct meetings with stakeholders and conduct any other activities related to the implementation, administration and enforcement of this chapter.

CHAPTER 3

1 **PERSONAL USE OF MARIJUANA AND MARIJUANA PRODUCTS; HOME**
2 **CULTIVATION OF MARIJUANA FOR PERSONAL ADULT USE**

3 **§1501. Personal use of marijuana and marijuana products**

4 **1. Authorized conduct.** A person 21 years of age or older may:

5 A. Use, possess or transport marijuana paraphernalia and use, possess or transport up
6 to 2 1/2 ounces of marijuana or 2 1/2 ounces of a combination of marijuana and
7 marijuana concentrate that includes no more than 5 grams of marijuana concentrate;

8 B. Transfer or furnish, without remuneration, to a person 21 years of age or older up
9 to 2 1/2 ounces of marijuana or 2 1/2 ounces of a combination of marijuana and
10 marijuana concentrate that includes no more than 5 grams of marijuana concentrate;

11 C. Transfer or furnish, without remuneration, to a person 21 years of age or older up
12 to 6 immature marijuana plants or seedlings;

13 D. Subject to the requirements and restrictions of section 1502, possess, cultivate or
14 transport up to 6 mature marijuana plants, 12 immature marijuana plants and an
15 unlimited number of seedlings and possess all the marijuana produced by such plants
16 at the person's place of residence or at the location where the marijuana was
17 cultivated;

18 E. Purchase up to 2 1/2 ounces of adult use marijuana or 2 1/2 ounces of a
19 combination of adult use marijuana and marijuana concentrate that includes no more
20 than 5 grams of marijuana concentrate from a marijuana store;

21 F. Purchase up to 12 immature marijuana plants or seedlings from a marijuana store
22 or a nursery cultivation facility as described in section 301, subsection 5; and

23 G. Purchase an amount of adult use marijuana products that includes no more than 5
24 grams of marijuana concentrate from a marijuana social club.

25 For the purposes of this subsection, "remuneration" includes a donation or any other
26 monetary payment received directly or indirectly by a person in exchange for goods or
27 services as part of a transaction in which marijuana or marijuana products are transferred
28 or furnished by that person to another person.

29 **2. Consumption of marijuana and marijuana products; violation.** The
30 provisions of this subsection apply to the consumption of marijuana or marijuana
31 products by a person 21 years of age or older.

32 A. A person 21 years of age or older may consume marijuana or marijuana products
33 only if that person is:

34 (1) In a private residence, including curtilage; or

35 (2) On private property, not generally accessible by the public, and the person is
36 explicitly permitted to consume marijuana or marijuana products on the property
37 by the owner of the property.

38 B. A person 21 years of age or older may not consume marijuana or marijuana
39 products:

- 1 (1) If that person is the operator of a vehicle on a public way or is a passenger in
2 the vehicle. As used in this subparagraph, "vehicle" has the same meaning as in
3 Title 29-A, section 101, subsection 91;
- 4 (2) In a private residence or on private property used as a day care or baby-
5 sitting service during the hours in which the residence or property is being
6 operated as a day care or baby-sitting service;
- 7 (3) By means of smoking the marijuana or marijuana product in a designated
8 smoking area as provided under the Workplace Smoking Act of 1985; or
- 9 (4) By means of smoking the marijuana or marijuana product in a public place or
10 in a public area where smoking is prohibited under Title 22, chapter 262.

11 C. A person who violates this subsection commits a civil violation for which a fine
12 of not more than \$100 may be adjudged in addition to any criminal or civil penalties
13 that may be imposed pursuant to other applicable laws or rules.

14 **§1502. Home cultivation of marijuana for personal adult use**

15 The provisions of this section apply to the home cultivation of marijuana for personal
16 adult use by a person 21 years of age or older, but do not apply to the cultivation of
17 marijuana for medical use by a qualifying patient, a primary caregiver, a registered
18 primary caregiver or a registered dispensary pursuant to the Maine Medical Use of
19 Marijuana Act.

20 **1. Cultivation of up to 6 mature marijuana plants for personal adult use per**
21 **person authorized.** Subject to the requirements and restrictions of subsections 2 and 3, a
22 person may cultivate up to 6 mature marijuana plants, up to 12 immature marijuana plants
23 and an unlimited number of seedlings for personal adult use at that person's place of
24 residence, on a parcel or tract of land owned by that person or on a parcel or tract of land
25 owned by another person with the written permission of that owner. A person may
26 cultivate the marijuana plants authorized under this subsection at multiple locations so
27 long as such cultivation activities otherwise meet all requirements and restrictions of this
28 section.

29 **2. Cultivation of more than 12 mature marijuana plants for personal adult use**
30 **per parcel or tract of land prohibited.** No more than 12 mature marijuana plants for
31 personal adult use may be cultivated on any one parcel or tract of land, except that, if a
32 municipality adopts an ordinance pursuant to the authority in subsection 4 that allows
33 more than 12 but not more than 18 mature marijuana plants for personal adult use to be
34 cultivated on any one parcel or tract of land, up to but not exceeding that greater number
35 of mature marijuana plants for personal adult use may be cultivated on any one parcel or
36 tract of land within that municipality.

37 **3. Cultivation requirements.** A person who cultivates marijuana for personal adult
38 use pursuant to this section shall:

- 39 A. Ensure that the marijuana is not visible from a public way without the use of
40 aircraft or binoculars or other optical aids;

COMMITTEE AMENDMENT

1 B. Take reasonable precautions to prevent unauthorized access by a person under 21
2 years of age;

3 C. Attach to each mature marijuana plant and each immature marijuana plant a
4 legible tag that includes the person's name, driver's license number or identification
5 number, a notation that the marijuana plant is being grown for personal adult use as
6 authorized under this section and, if the cultivation is on a parcel or tract of land
7 owned by another person, the name of that owner; and

8 D. Comply with all applicable municipal regulations relating to the home cultivation
9 of marijuana for personal adult use that have been adopted by the municipality in
10 which the marijuana is cultivated in accordance with subsection 4.

11 **4. Municipal regulation of home cultivation of marijuana for personal adult use.**

12 In accordance with this subchapter and pursuant to the home rule authority granted under
13 the Constitution of Maine, Article VIII, Part Second and Title 30-A, section 3001, a
14 municipality may regulate the home cultivation of marijuana for personal adult use within
15 the municipality, including, but not limited to, the adoption of an ordinance allowing
16 home cultivation within the municipality of more than 12 mature marijuana plants for
17 personal adult use but not more than 18 mature marijuana plants for personal adult use on
18 any one parcel or tract of land within the municipality. A municipality may not generally
19 prohibit the home cultivation of marijuana for personal adult use within the municipality,
20 restrict the areas within the municipality in which home cultivation of marijuana for
21 personal adult use is allowed or charge a license or other fee to a person relating to the
22 home cultivation of marijuana for personal adult use within a municipality.

23 **§1503. Home extraction of marijuana concentrate by use of inherently hazardous**
24 **substance prohibited**

25 Except as authorized under section 502, subsection 7 or pursuant to the Maine
26 Medical Use of Marijuana Act, a person may not manufacture marijuana concentrate
27 using an inherently hazardous substance and an owner of a property or a parcel or tract of
28 land may not intentionally or knowingly allow another person to manufacture marijuana
29 concentrate using an inherently hazardous substance within or on that property or land.

30 **§1504. Violations; penalties**

31 Except as provided in section 1501, subsection 2, a person who violates any provision
32 of this chapter is subject to forfeiture or seizure of any unauthorized marijuana, marijuana
33 products or marijuana plants and is subject to any additional criminal or civil penalties
34 that may be imposed pursuant to other applicable laws or rules.

35 **Sec. A-7. Transfer of funds; Adult Use Marijuana Regulatory**
36 **Coordination Fund.** Notwithstanding any other provision of law to the contrary, the
37 State Controller, no later than 5 days after the effective date of this Act, shall transfer the
38 balance of the Retail Marijuana Regulatory Coordination Fund in the Department of
39 Administrative and Financial Services to the Adult Use Marijuana Regulatory
40 Coordination Fund in the Department of Administrative and Financial Services.

41 **Sec. A-8. Department of Administrative and Financial Services; major**
42 **substantive rulemaking.** On or before March 15, 2018, the Department of

1 Administrative and Financial Services provisionally shall adopt and submit to the
2 Legislature for review rules related to the Marijuana Legalization Act established
3 pursuant to the Maine Revised Statutes, Title 28-B, chapter 1.

4 **Sec. A-9. Department of Agriculture, Conservation and Forestry; major**
5 **substantive rulemaking.** On or before March 15, 2018, the Department of
6 Agriculture, Conservation and Forestry provisionally shall adopt and submit to the
7 Legislature for review rules related to the Marijuana Legalization Act established
8 pursuant to the Maine Revised Statutes, Title 28-B, chapter 1.

9 **Sec. A-10. Department of Administrative and Financial Services;**
10 **acceptance and processing of applications.** No later than 30 days after the final
11 adoption of rules by the Department of Administrative and Financial Services pursuant to
12 the authority granted in the Marijuana Legalization Act established pursuant to the Maine
13 Revised Statutes, Title 28-B, chapter 1, the department shall begin accepting and
14 processing applications for licenses to operate marijuana establishments under the
15 Marijuana Legalization Act.

16 **Sec. A-11. Department of Administrative and Financial Services; time**
17 **frame for action on applications.** Notwithstanding the Maine Revised Statutes, Title
18 28-B, section 205, subsection 3, the Department of Administrative and Financial Services
19 may take longer than 90 days to act on any application for a license to operate a
20 marijuana establishment under the Marijuana Legalization Act established pursuant to
21 Title 28-B, chapter 1 that is received by the department during the period between the
22 date that the department first begins accepting and processing applications under the
23 Marijuana Legalization Act and 6 months from that date.

24 **PART B**

25 **Sec. B-1. 17-A MRS §1111-A, sub-§1,** as corrected by RR 2015, c. 1, §11, is
26 amended to read:

27 **1.** As used in this section the term "drug paraphernalia" means all equipment,
28 products and materials of any kind that are used or intended for use in planting,
29 propagating, cultivating, growing, harvesting, manufacturing, compounding, converting,
30 producing, processing, preparing, testing, analyzing, packaging, repackaging, storing,
31 containing, concealing, injecting, ingesting, inhaling or otherwise introducing into the
32 human body a scheduled drug in violation of this chapter or Title 22, section 2383, except
33 that this section does not apply to a person who is authorized to possess marijuana for
34 medical use pursuant to Title 22, chapter 558-C, to the extent the drug paraphernalia is
35 used for that person's medical use of marijuana; to a person who is authorized to possess
36 marijuana pursuant to Title 28-B, chapter 1 or 3, to the extent the drug paraphernalia is
37 used for that person's adult use of marijuana; or to a marijuana store or a marijuana social
38 club licensed pursuant to Title 28-B, chapter 1, to the extent that the drug paraphernalia
39 relates to the sale or offering for sale of marijuana by the marijuana store or marijuana
40 social club. It includes, but is not limited to:

- 1 A. Kits used or intended for use in planting, propagating, cultivating, growing or
2 harvesting of any species of plant which is a scheduled drug or from which a
3 scheduled drug can be derived;
- 4 B. Kits used or intended for use in manufacturing, compounding, converting,
5 producing, processing or preparing scheduled drugs;
- 6 C. Isomerization devices used or intended for use in increasing the potency of any
7 species of plant that is a scheduled drug;
- 8 D. Testing equipment used or intended for use in identifying or in analyzing the
9 strength, effectiveness or purity of scheduled drugs;
- 10 E. Scales and balances used or intended for use in weighing or measuring scheduled
11 drugs;
- 12 F. Dilutants and adulterants, such as quinine hydrochloride, mannitol, mannite,
13 dextrose and lactose, used or intended for use in cutting scheduled drugs;
- 14 G. Separation gins and sifters, used or intended for use in removing twigs and seeds
15 from, or in otherwise cleaning or refining, marijuana;
- 16 H. Blenders, bowls, containers, spoons and mixing devices used or intended for use
17 in compounding scheduled drugs;
- 18 I. Capsules, balloons, envelopes and other containers used or intended for use in
19 packaging small quantities of scheduled drugs;
- 20 J. Containers and other objects used or intended for use in storing or concealing
21 scheduled drugs; and
- 22 K. Objects used or intended for use in ingesting, inhaling or otherwise introducing
23 marijuana, cocaine, hashish or hashish oil into the human body, such as:
- 24 (1) Metal, wooden, acrylic, glass, stone, plastic or ceramic pipes with or without
25 screens, permanent screens, hashish heads or punctured metal bowls;
- 26 (2) Water pipes;
- 27 (3) Carburetion tubes and devices;
- 28 (4) Smoking and carburetion masks;
- 29 (5) Roach clips, meaning objects used to hold burning material, such as a
30 marijuana cigarette that has become too small or too short to be held in the hand;
- 31 (6) Miniature cocaine spoons and cocaine vials;
- 32 (7) Chamber pipes;
- 33 (8) Carburetor pipes;
- 34 (9) Electric pipes;
- 35 (10) Air-driven pipes;
- 36 (11) Chillums;

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- (12) Bongs; or
- (13) Ice pipes or chillers.

Sec. B-2. 25 MRSA §1542-A, sub-§1, ¶O is enacted to read:

O. Who is required to submit to a criminal history record check pursuant to Title 28-B, section 204.

Sec. B-3. 25 MRSA §1542-A, sub-§3, ¶N is enacted to read:

N. The State Police shall take or cause to be taken the fingerprints of the person named in subsection 1, paragraph O at the request of that person and upon payment of the expenses by that person as provided under Title 28-B, section 204.

Sec. B-4. 25 MRSA §1542-A, sub-§4, as amended by PL 2017, c. 253, §4 and c. 258, Pt. B, §4, is repealed and the following enacted in its place:

4. Duty to submit to State Bureau of Identification. It is the duty of the law enforcement agency taking the fingerprints as required by subsection 3, paragraphs A, B and G to transmit immediately to the State Bureau of Identification the criminal fingerprint record. Fingerprints taken pursuant to subsection 1, paragraph C, D, E or F or pursuant to subsection 5 may not be submitted to the State Bureau of Identification unless an express request is made by the commanding officer of the State Bureau of Identification. Fingerprints taken pursuant to subsection 1, paragraph G must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Department of Education. The bureau may not use the fingerprints for any purpose other than that provided for under Title 20-A, section 6103. The bureau shall retain the fingerprints, except as provided under Title 20-A, section 6103, subsection 9. Fingerprints taken pursuant to subsection 1, paragraph I and subsection 3, paragraph I must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the court and the Department of Public Safety, Gambling Control Board, respectively. Fingerprints taken pursuant to subsection 1, paragraph J, K or L must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Department of Administrative and Financial Services, Bureau of Revenue Services. Fingerprints taken pursuant to subsection 1, paragraph M must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Board of Osteopathic Licensure, established in Title 32, chapter 36. Fingerprints taken pursuant to subsection 1, paragraph N must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Board of Licensure in Medicine, established in Title 32, chapter 48. Fingerprints taken pursuant to subsection 1, paragraph M must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the State Board of Nursing. Fingerprints taken pursuant to subsection 1, paragraph O must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks under Title 28-B, section 204.

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PART C

Sec. C-1. 30-A MRSA §4452, sub-§5, ¶U, as corrected by RR 2007, c. 2, §17, is amended to read:

U. Standards under a wind energy development certification issued by the Department of Environmental Protection pursuant to Title 35-A, section 3456 if the municipality chooses to enforce those standards; ~~and~~

Sec. C-2. 30-A MRSA §4452, sub-§5, ¶V, as reallocated by RR 2007, c. 2, §18, is amended to read:

V. The Maine Uniform Building and Energy Code, adopted pursuant to Title 10, chapter 1103; ~~and~~

Sec. C-3. 30-A MRSA §4452, sub-§5, ¶W is enacted to read:

W. Local land use and business licensing ordinances adopted pursuant to Title 28-B, chapter 1, subchapter 4.

Sec. C-4. 30-A MRSA §7063 is enacted to read:

§7063. Adult use marijuana

A plantation has the same powers and duties, and is subject to the same restrictions and requirements, as a municipality under section 4452, subsection 5, paragraph W and under Title 28-B, chapters 1 and 3.

PART D

Sec. D-1. 36 MRSA §1752, sub-§§1-I, 1-J, 2-F, 6-D, 6-E, 6-F, 8-E and 9-G are enacted to read:

1-I. Adult use marijuana. "Adult use marijuana" has the same meaning as in Title 28-B, section 102, subsection 1.

1-J. Adult use marijuana product. "Adult use marijuana product" has the same meaning as in Title 28-B, section 102, subsection 2.

2-F. Cultivation facility. "Cultivation facility" has the same meaning as in Title 28-B, section 102, subsection 13.

6-D. Marijuana establishment. "Marijuana establishment" has the same meaning as in Title 28-B, section 102, subsection 29.

6-E. Marijuana social club. "Marijuana social club" has the same meaning as in Title 28-B, section 102, subsection 33.

6-F. Marijuana store. "Marijuana store" has the same meaning as in Title 28-B, section 102, subsection 34.

8-E. Participating municipality. "Participating municipality" means a municipality that has approved or licensed the operation of at least one cultivation facility, products

1 manufacturing facility, marijuana store or marijuana social club in accordance with Title
2 28-B, chapter 1 that is in operation within the municipality.

3 9-G. Products manufacturing facility. "Products manufacturing facility" has the
4 same meaning as in Title 28-B, section 102, subsection 42.

5 **Sec. D-2. 36 MRSA §1811, first ¶**, as amended by PL 2015, c. 267, Pt. OOOO,
6 §5 and affected by §7, is further amended to read:

7 A tax is imposed on the value of all tangible personal property, products transferred
8 electronically and taxable services sold at retail in this State. The rate of tax is 7% on the
9 value of liquor sold in licensed establishments as defined in Title 28-A, section 2,
10 subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of
11 living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of
12 rental for a period of less than one year of an automobile, of a pickup truck or van with a
13 gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged
14 in the business of renting automobiles or of a loaner vehicle that is provided other than to
15 a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's
16 warranty; 7% on the value of prepared food; and 5% on the value of all other tangible
17 personal property and taxable services and products transferred electronically.
18 Notwithstanding the other provisions of this section, from October 1, 2013 to December
19 31, 2015, the rate of tax is 8% on the value of rental of living quarters in any hotel,
20 rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on the
21 value of liquor sold in licensed establishments as defined in Title 28-A, section 2,
22 subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all
23 other tangible personal property and taxable services and products transferred
24 electronically. Notwithstanding the other provisions of this section, beginning January 1,
25 2016, the rate of tax is 9% on the value of rental of living quarters in any hotel, rooming
26 house or tourist or trailer camp; 8% on the value of prepared food; 8% on the value of
27 liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15,
28 in accordance with Title 28-A, chapter 43; and 5.5% on the value of all other tangible
29 personal property and taxable services and products transferred electronically.
30 Notwithstanding the other provisions of this section, beginning on the first day of the
31 calendar month in which adult use marijuana and adult use marijuana products may be
32 sold in the State by a marijuana establishment licensed to conduct retail sales pursuant to
33 Title 28-B, chapter 1, the rate of tax is 20% on the value of adult use marijuana and adult
34 use marijuana products. Value is measured by the sale price, except as otherwise
35 provided. The value of rental for a period of less than one year of an automobile or of a
36 pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a
37 person primarily engaged in the business of renting automobiles is the total rental charged
38 to the lessee and includes, but is not limited to, maintenance and service contracts, drop-
39 off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges
40 on the rental agreement to recover the owner's estimated costs of the charges imposed by
41 government authority for title fees, inspection fees, local excise tax and agent fees on all
42 vehicles in its rental fleet registered in the State. All fees must be disclosed when an
43 estimated quote is provided to the lessee.

44 **Sec. D-3. 36 MRSA §1817**, as amended by PL 2017, c. 1, §21, is repealed.

45 **Sec. D-4. 36 MRSA §1818** is enacted to read:

1 **§1818. Tax on adult use marijuana and adult use marijuana products**

2 All sales tax revenue collected pursuant to section 1811 on the sale of adult use
3 marijuana and adult use marijuana products must be deposited into the General Fund,
4 except that, on or before the last day of each month, the State Controller shall:

5 **1. Distribution of sales tax revenue to municipality in which revenue was**
6 **generated.** Distribute to each municipality with a marijuana store or a marijuana social
7 club operating within the municipality during the preceding month 5% of all sales tax
8 revenue received by the assessor during the preceding month pursuant to section 1811
9 from the marijuana stores and marijuana social clubs operating within that municipality;

10 **2. Revenue sharing for participating municipalities.** Distribute 1% of the total
11 sales tax revenue received by the assessor during the preceding month pursuant to section
12 1811 in equal amounts to each municipality that was a participating municipality during
13 the preceding month. On or before the last day of each month, the Department of
14 Administrative and Financial Services shall provide the State Controller with a list of all
15 the municipalities that were participating municipalities during the preceding month; and

16 **3. Transfer to Adult Use Marijuana Public Health and Safety Fund.** After the
17 distributions made pursuant to subsections 1 and 2, transfer 12% of the remaining sales
18 tax revenue received by the assessor during the preceding month pursuant to section 1811
19 to the Adult Use Marijuana Public Health and Safety Fund established under Title 28-B,
20 section 1001.

21 **PART E**

22 **Sec. E-1. Appropriations and allocations.** The following appropriations and
23 allocations are made.

24 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
25 **Adult Use Marijuana Public Health and Safety Fund N270**

26 Initiative: Allocates 12% of marijuana sales tax revenue to facilitate public health and
27 safety awareness and education programs, initiatives, campaigns and activities and
28 enhanced law enforcement training programs for local, county and state law enforcement
29 officers.

30	OTHER SPECIAL REVENUE FUNDS	2017-18	2018-19
31	All Other	\$0	\$428,640
32			
33	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$428,640</u>

34 **Adult Use Marijuana Public Health and Safety Fund N270**

35 Initiative: Provides allocations for training costs for the Maine Criminal Justice Academy
36 related to marijuana enforcement issues.

1	OTHER SPECIAL REVENUE FUNDS	2017-18	2018-19
2	All Other	\$0	\$145,000
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$145,000</u>

5 **Adult Use Marijuana Regulatory Coordination Fund N271**

6 Initiative: Provides funding for one Public Service Manager II position, one Secretary
 7 Specialist position, 4 Public Service Coordinator I positions, 4 Marijuana Enforcement
 8 Officer positions, one Marijuana Tax Auditor position and 3 Office Associate positions.

9	GENERAL FUND	2017-18	2018-19
10	POSITIONS - LEGISLATIVE COUNT	14,000	14,000
11	Personal Services	\$172,815	\$1,084,225
12			
13	GENERAL FUND TOTAL	<u>\$172,815</u>	<u>\$1,084,225</u>

14 **Adult Use Marijuana Regulatory Coordination Fund N271**

15 Initiative: Provides funding for 2 Planning and Research Associate I positions, 6
 16 Marijuana Enforcement Officer positions, 2 Marijuana Tax Auditor positions and 2
 17 Office Associate II positions.

18	GENERAL FUND	2017-18	2018-19
19	POSITIONS - LEGISLATIVE COUNT	0,000	12,000
20	Personal Services	\$0	\$900,000
21			
22	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$900,000</u>

23 **Adult Use Marijuana Regulatory Coordination Fund N271**

24 Initiative: Provides funding for All Other costs.

25	OTHER SPECIAL REVENUE FUNDS	2017-18	2018-19
26	All Other	\$175,000	\$600,000
27			
28	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$175,000</u>	<u>\$600,000</u>

29 **Adult Use Marijuana Regulatory Coordination Fund N271**

30 Initiative: Provides funding for tracking and traceability system and licensing system
 31 software.

1	GENERAL FUND	2017-18	2018-19
2	All Other	\$550,000	\$0
3			
4	GENERAL FUND TOTAL	<u>\$550,000</u>	<u>\$0</u>

5 **Revenue Services, Bureau of 0002**
6 Initiative: Provides an allocation to remit a portion of the marijuana sales tax revenue to
7 municipalities.

8	OTHER SPECIAL REVENUE FUNDS	2017-18	2018-19
9	All Other	\$0	\$228,000
10			
11	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$228,000</u>

12 **Revenue Services, Bureau of 0002**
13 Initiative: Provides funding for 2 Tax Examiner positions and related programming and
14 All Other costs to process and audit income tax filings.

15	GENERAL FUND	2017-18	2018-19
16	POSITIONS - LEGISLATIVE COUNT	0.000	2.000
17	Personal Services	\$0	\$151,272
18	All Other	\$0	\$46,679
19			
20	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$197,951</u>

21	ADMINISTRATIVE AND FINANCIAL		
22	SERVICES, DEPARTMENT OF		
23	DEPARTMENT TOTALS	2017-18	2018-19
24			
25	GENERAL FUND	\$722,815	\$2,182,176
26	OTHER SPECIAL REVENUE FUNDS	\$175,000	\$1,401,640
27			
28	DEPARTMENT TOTAL - ALL FUNDS	<u>\$897,815</u>	<u>\$3,583,816</u>

29 **AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF**
30 **Adult Use Marijuana Regulatory Coordination Fund N271**
31 Initiative: Provides funding for one Public Service Manager II position and 6 Consumer
32 Protection Inspector positions.

1	GENERAL FUND	2017-18	2018-19
2	POSITIONS - LEGISLATIVE COUNT	7,000	7,000
3	Personal Services	\$94,568	\$595,481
4			
5	GENERAL FUND TOTAL	<u>\$94,568</u>	<u>\$595,481</u>

6 **Adult Use Marijuana Regulatory Coordination Fund N271**

7 Initiative: Provides funding for one Public Service Coordinator I position, one Planning
 8 and Research Associate II position, 2 Office Associate II positions and one Chemist II
 9 position.

10	OTHER SPECIAL REVENUE FUNDS	2017-18	2018-19
11	POSITIONS - LEGISLATIVE COUNT	0.000	5,000
12	Personal Services	\$0	\$407,319
13			
14	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$407,319</u>

15 **Adult Use Marijuana Regulatory Coordination Fund N271**

16 Initiative: Provides funding for All Other costs.

17	OTHER SPECIAL REVENUE FUNDS	2017-18	2018-19
18	All Other	\$25,000	\$100,000
19			
20	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$25,000</u>	<u>\$100,000</u>

21 **AGRICULTURE, CONSERVATION AND**
 22 **FORESTRY, DEPARTMENT OF**
 23 **DEPARTMENT TOTALS**

24		2017-18	2018-19
25	GENERAL FUND	\$94,568	\$595,481
26	OTHER SPECIAL REVENUE FUNDS	\$25,000	\$507,319
27			
28	DEPARTMENT TOTAL - ALL FUNDS	<u>\$119,568</u>	<u>\$1,102,800</u>

29 **INDIGENT LEGAL SERVICES, MAINE COMMISSION ON**

30 **Maine Commission on Indigent Legal Services Z112**

31 Initiative: Adjusts funding to reflect an estimated decrease of \$50,000 in fiscal year 2017-
 32 18 and a decrease of \$75,000 annually thereafter to reflect fewer cases of assigned
 33 counsel related to marijuana offenses.

1	GENERAL FUND	2017-18	2018-19
2	All Other	(\$50,000)	(\$75,000)
3			
4	GENERAL FUND TOTAL	<u>(\$50,000)</u>	<u>(\$75,000)</u>
5	INDIGENT LEGAL SERVICES, MAINE		
6	COMMISSION ON		
7	DEPARTMENT TOTALS	2017-18	2018-19
8			
9	GENERAL FUND	(\$50,000)	(\$75,000)
10			
11	DEPARTMENT TOTAL - ALL FUNDS	<u>(\$50,000)</u>	<u>(\$75,000)</u>
12	PUBLIC SAFETY, DEPARTMENT OF		
13	State Police 0291		
14	Initiative: Provides funding for one Identification Specialist II position and related costs		
15	to process criminal history background checks for marijuana establishment operators.		
16	GENERAL FUND	2017-18	2018-19
17	POSITIONS - LEGISLATIVE COUNT	0.000	1.000
18	Personal Services	\$0	\$42,135
19	All Other	\$0	\$1,566
20			
21	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$43,701</u>
22	HIGHWAY FUND	2017-18	2018-19
23	Personal Services	\$0	\$22,688
24	All Other	\$0	\$1,274
25			
26	HIGHWAY FUND TOTAL	<u>\$0</u>	<u>\$23,962</u>
27	PUBLIC SAFETY, DEPARTMENT OF		
28	DEPARTMENT TOTALS	2017-18	2018-19
29			
30	GENERAL FUND	\$0	\$43,701
31	HIGHWAY FUND	\$0	\$23,962
32			
33	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$67,663</u>



128th MAINE LEGISLATURE

LD *1650* LR 2395(02)

An Act To Amend the Marijuana Legalization Act

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-570)
Committee: Marijuana Legalization Implementation

Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$3,021,383	\$10,164,998	(\$110,332)	(\$8,090,037)
Highway Fund	\$0	\$23,962	\$24,656	\$25,369
Appropriations/Allocations				
General Fund	\$767,383	\$2,746,358	\$3,325,668	\$3,428,843
Highway Fund	\$0	\$23,962	\$24,656	\$25,369
Other Special Revenue Funds	\$200,000	\$1,908,959	\$4,324,757	\$6,135,719
Revenue				
General Fund	(\$2,254,000)	(\$7,418,640)	\$3,436,000	\$11,518,880
Other Special Revenue Funds	\$154,000	\$1,727,715	\$4,573,075	\$6,890,195
Transfers				
Other Special Revenue Funds	\$0	\$0	\$0	\$0

Fiscal Detail and Notes

This bill implements the recommendations of the Joint Standing Committee on Marijuana Legalization Implementation regarding the establishment of a regulated marketplace in the State for the adult use of marijuana under the Marijuana Legalization Act (MLA). The bill retains the division of regulatory authority, with the Department of Administrative and Financial Services (DAFS) designated as the primary regulatory authority in the implementation, administration and enforcement of the MLA and the Department of Agriculture, Conservation and Forestry (ACF) retaining regulatory authority concerning the cultivation, manufacture, testing, packaging and labeling of adult use of marijuana and marijuana products. It clarifies the roles and responsibilities, including the respective rulemaking authorities, of DAFS and ACF related to the MLA.

This bill increases the sales tax rate on marijuana from 10% to 20% and distributes 12% of the sales tax revenue received to the Adult Use Marijuana Public Health and Safety Fund (see next paragraph) and 6% to municipalities. Maine Revenue Services has assumed a delay in the effective date of the sales tax to January 1, 2019. General Fund revenue is reduced by \$2,254,000 in fiscal year 2017-18 and by \$7,418,640 in fiscal year 2018-19 and Local Government Fund revenue is reduced by \$46,000 in fiscal year 2017-18 and by \$138,000 in fiscal year 2018-19. The bill includes an Other Special Revenue Funds allocation of \$228,000 in fiscal year 2018-19 to DAFS in order to remit a portion of the sales tax to municipalities.

The bill establishes the Adult Use Marijuana Public Health and Safety Fund to facilitate public health and safety awareness and education programs, initiatives, campaigns and activities and enhanced law enforcement training programs for local, county and state law enforcement officers. The 12% of sales tax revenue dedicated to this fund should generate \$428,640 in fiscal year 2018-19 and \$3,147,120 by fiscal year 2020-21.

The bill also creates the Adult Use Marijuana Regulatory Coordination Fund and transfers the balance of the Retail Marijuana Regulatory Coordination Fund, currently \$1,224,246, into it.

The bill creates manufacturing, retail store, social club, testing and tiered cultivation licenses and sets the fee structure that DAFS may charge for each license. In fiscal year 2017-18 license revenue is estimated to generate \$200,000 in Other Special Revenue Funds revenue; in fiscal year 2018-19 this revenue is estimated to increase to \$1,209,075.

The bill includes General Fund appropriations to DAFS of \$172,815 in fiscal year 2017-18 and \$1,984,225 in fiscal year 2018-19 for 26 permanent positions. The bill also includes Other Special Revenue Funds allocations to DAFS of \$175,000 in fiscal year 2017-18 and \$600,000 in fiscal year 2018-19 for All Other costs associated with these positions. The bill also includes a one-time appropriation of \$550,000 in fiscal year 2017-18 to DAFS for Tracking System and Licensing System software. The bill includes General Fund appropriations to ACF of \$94,568 in fiscal year 2017-18 and \$595,481 in fiscal year 2018-19 for 7 permanent positions. The bill also includes Other Special Revenue Funds allocations to ACF of \$25,000 and \$507,319 in fiscal year 2018-19 for 5 permanent positions and related All Other costs.

If marijuana use increases because of legalization, the number of child welfare cases reported to the Department of Health and Human Services could rise. Any increase in the number of investigations is not expected to increase costs to the department significantly.

This bill may lead to a reduction in the number of Maine Medical Marijuana Program licenses, as some licensees may decide to participate only in the non-medical marijuana industry. If this occurs it would reduce revenue from license fees that is now credited to the Maine Medical Use of Marijuana Fund to support that program. Any such reduction is expected to be minor.

The bill includes a General Fund appropriation of \$43,701 and a Highway Fund allocation of \$23,962 in fiscal year 2018-19 to the Department of Public Safety for one Identification Specialist II position and related costs to process criminal history background checks for marijuana establishment operators. Other Special Revenue Funds revenue to the Department of Public Safety will be increased by the amount charged for each background check. The amount of the increased revenue has not been determined at this time.

This bill includes General Fund deappropriations of \$50,000 in fiscal year 2017-18 and \$75,000 in fiscal year 2018-19 from the Maine Commission on Indigent Legal Services to reflect savings from a reduction in the cost of assigned counsel related to marijuana violations.

General Fund fine revenue is expected to be reduced from fewer marijuana violations. Costs to the Department of the Attorney General may be reduced as well. No estimate of these changes is made at this time.

Additional costs to the Department of Labor to consult with DAFS and ACF regarding workplace, employment or other labor matters can be absorbed within existing budgeted resources.

The bill includes an Other Special Revenue Funds allocation of \$145,000 to DAFS in fiscal year 2018-19 to reimburse the Maine Criminal Justice Academy for enhanced law enforcement training for marijuana enforcement.

The bill includes a General Fund appropriation of \$197,951 in fiscal year 2018-19 to DAFS for two Tax Examiner positions, related programming and All Other costs to process and audit income tax filings. Two additional Senior Revenue Agent positions will be required beginning in fiscal year 2019-20.