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Date: 6/19/19 Report B

L.D. 719
(Filing No. H-658)

VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 524, L.D. 719, Bill, "An Act To Amend the Adult Use Marijuana Law"

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

'An Act Regarding Adult Use of Marijuana'

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

'PART A

Sec. A-1. 28-B MRSA §407 is enacted to read:

§407. Revenue allocation to municipalities

1. Local Government Marijuana Revenue Fund established. To assist in offsetting negative effects on local resources of local regulation and enforcement of adult use marijuana laws, there is established the Local Government Marijuana Revenue Fund, referred to in this section as "the fund."

2. Fund sources. The fund receives money transferred to the fund pursuant to Title 36, section 1818, subsection 2 and Title 36, section 4925, subsection 2.

3. Distribution of funds. The Treasurer of State shall distribute the balance in the fund on the 20th day of each month. Money in the fund must be distributed to each municipality that has authorized, pursuant to sections 401 and 403, a marijuana establishment within the municipality, in proportion to the ratio of revenues generated pursuant to section 1001 and Title 36, section 1811 by all marijuana establishments operating within the municipality to the revenues generated pursuant to section 1001 and Title 36, section 1811 by all marijuana establishments operating within the State.

4. Unorganized and deorganized areas. For purposes of municipal marijuana revenue distribution pursuant to this section, unorganized and deorganized areas must be treated as if they are municipalities.

COMMITTEE AMENDMENT

1 **Sec. A-2. 36 MRSA §1818**, as enacted by PL 2017, c. 409, Pt. D, §4, is repealed
2 and the following enacted in its place:

3 **§1818. Tax on adult use marijuana and adult use marijuana products**

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

7 **1. Adult Use Marijuana Public Health and Safety Fund.** Twelve percent of the
8 sales tax revenue reported to the assessor as due during the preceding month pursuant to
9 section 1811 to the Adult Use Marijuana Public Health and Safety Fund established under
10 Title 28-B, section 1101; and

11 **2. Local Government Marijuana Revenue Fund.** Twenty-five percent of the sales
12 tax revenue reported to the assessor as due during the preceding month pursuant to
13 section 1811 to the Local Government Marijuana Revenue Fund established under Title
14 28-B, section 407 calculated after the transfer pursuant to subsection 1 and after the
15 subtraction of the costs of the assessor in administering this subsection. For the purposes
16 of this subsection, "costs of the assessor in administering this subsection" means, for each
17 month in the 12-month period after the effective date of this subsection, the actual and
18 anticipated cost to the assessor of administering this subsection and, in all subsequent
19 months, the previous month's actual cost of administering this subsection.

20 **Sec. A-3. 36 MRSA §4925**, an enacted by PL 2019, c. 231, Pt. B, §7, is repealed
21 and the following enacted in its place:

22 **§4925. Application of excise tax revenue**

23 All excise tax revenue collected by the assessor on the sale of adult use marijuana
24 pursuant to this chapter must be deposited into the General Fund, except that, on or
25 before the last day of each month, the assessor shall transfer:

26 **1. Adult Use Marijuana Public Health and Safety Fund.** Twelve percent of the
27 excise tax revenue received during the preceding month pursuant to this chapter to the
28 Adult Use Marijuana Public Health and Safety Fund established under Title 28-B, section
29 1101; and

30 **2. Local Government Marijuana Revenue Fund.** Twenty-five percent of the
31 excise tax revenue received during the preceding month into the Local Government
32 Marijuana Revenue Fund established under Title 28-B, section 407 calculated after the
33 transfer pursuant to subsection 1 and after the subtraction of the costs of the assessor in
34 administering this subsection. For the purposes of this subsection, "costs of the assessor
35 in administering this subsection" means, for each month in the 12-month period after the
36 effective date of this subsection, the actual and anticipated cost to the assessor of
37 administering this subsection and, in all subsequent months, the previous month's actual
38 cost of administering this subsection.

39 **Sec. A-4. Appropriations and allocations.** The following appropriations and
40 allocations are made.

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

1 **Local Government Marijuana Revenue Fund N326**

2 Initiative: Provides allocation to distribute funds to municipalities to assist in offsetting
 3 negative effects on local resources of local regulation and enforcement of adult use
 4 marijuana laws.

5	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
6	All Other	\$968,000	\$3,696,000
7			
8	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$968,000</u>	<u>\$3,696,000</u>

9 **Revenue Services, Bureau of 0002**

10 Initiative: Establishes one Senior Tax Examiner position to process transfers of sales and
 11 excise tax receipts on adult use marijuana.

12	GENERAL FUND	2019-20	2020-21
13	POSITIONS - LEGISLATIVE COUNT	1,000	1,000
14	Personal Services	\$78,520	\$104,600
15	All Other	\$5,000	\$0
16			
17	GENERAL FUND TOTAL	<u>\$83,520</u>	<u>\$104,600</u>

18	ADMINISTRATIVE AND FINANCIAL		
19	SERVICES, DEPARTMENT OF		
20	DEPARTMENT TOTALS	2019-20	2020-21
21			
22	GENERAL FUND	\$83,520	\$104,600
23	OTHER SPECIAL REVENUE FUNDS	\$968,000	\$3,696,000
24			
25	DEPARTMENT TOTAL - ALL FUNDS	<u>\$1,051,520</u>	<u>\$3,800,600</u>

26 **PART B**

27 **Sec. B-1. 28-B MRSA §602, sub-§1**, as enacted by PL 2017, c. 409, Pt. A, §6, is
 28 amended to read:

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

- 31 A. Residual solvents, poisons and toxins;
- 32 B. Harmful chemicals;
- 33 C. Dangerous molds and mildew;
- 34 D. Harmful microbes, including, but not limited to, Escherichia coli and salmonella;

1 E. Pesticides, fungicides and insecticides; and

2 F. THC potency, homogeneity and cannabinoid profiles to ensure correct labeling.

3 ~~The department may temporarily waive mandatory testing requirements under this section~~
4 ~~for any contaminant or factor for which the department has determined that there exists~~
5 ~~no licensed testing facility in the State capable of and certified to perform such testing.~~

6 **PART C**

7 **Sec. C-1. 28-B MRSA §503, sub-§2**, as enacted by PL 2017, c. 409, Pt. A, §6, is
8 amended to read:

9 **2. Certification; accreditation and licensure; compliance with operational and**
10 **technical requirements.** A testing facility may not commence ~~or continue~~ operation or,
11 after having been certified, continue operation unless the testing facility:

12 A. Is certified for operation by the Department of Health and Human Services,
13 Maine Center for Disease Control and Prevention, in accordance with rules adopted
14 by the department after consultation with the Department of Health and Human
15 Services, Maine Center for Disease Control and Prevention, which must allow for
16 inspection of the proposed or operational testing facility by the department and the
17 Department of Health and Human Services, Maine Center for Disease Control and
18 Prevention;

19 A-1. Is certified for operation by the United States Department of Health and Human
20 Services, Centers for Disease Control and Prevention in accordance with regulations
21 adopted by the federal Department of Health and Human Services;

22 B. Except as otherwise provided in this paragraph, is accredited pursuant to standard
23 ISO/IEC 17025 of the International Organization for Standardization by a 3rd-party
24 accrediting body or is certified, registered or accredited by an organization approved
25 by the department. The department shall adopt rules regarding the scope of
26 certification, registration or accreditation required for licensure of a testing facility.

27 (1) The department may issue a full testing facility license to an applicant that
28 meets all applicable requirements of this chapter and rules adopted pursuant to
29 this chapter and that has obtained accreditation pursuant to standard ISO/IEC
30 17025 of the International Organization for Standardization from a 3rd-party
31 accrediting body or that is certified, registered or accredited by an approved
32 organization.

33 ~~(2) The department may issue a provisional testing facility license to an~~
34 ~~applicant that otherwise meets all applicable requirements of this chapter and~~
35 ~~rules adopted pursuant to this chapter and that has applied for but not yet~~
36 ~~obtained accreditation from a 3rd party accrediting body or that has applied for~~
37 ~~but not yet obtained certification, registration or accreditation from an approved~~
38 ~~organization. The department may not renew a provisional testing facility license~~
39 ~~more than once.~~

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

4 C. Is determined by the department to meet all operational and technical
5 requirements for testing facilities under this chapter and the rules adopted under this
6 chapter.

7 **PART D**

8 **Sec. D-1. 28-B MRSA §202, first ¶**, as enacted by PL 2017, c. 409, Pt. A, §6, is
9 amended to read:

10 An applicant for a license to operate a marijuana establishment must meet each of the
11 following requirements, if applicable. Except as otherwise provided in this section, if the
12 applicant is a business entity, every officer, director, manager and general partner of the
13 business entity and every owner and investor of any type and in any amount in the
14 business entity must meet each of the requirements of this section. An applicant shall
15 disclose in or include with its application the names and addresses of the applicant and,
16 all natural persons and business entities having a direct or indirect financial interest, all
17 natural persons and business entities having an ownership interest of any type and in any
18 amount in the business entity, whether direct, indirect, limited or unlimited, and all
19 natural persons and business entities having an investment interest of any type and in any
20 amount in the business entity in the applied-for license and the nature and extent of the
21 financial interest held by each person or entity and, if applicable, the nature and extent of
22 any financial interest the person or entity has in any other license applied for or issued
23 under this chapter.

24 **Sec. D-2. 28-B MRSA §202, sub-§2**, as enacted by PL 2017, c. 409, Pt. A, §6, is
25 amended to read:

26 **2. Resident.** If the applicant is a natural person, the applicant must be a resident. If
27 the applicant is a business entity:

28 A. Every officer, director, manager and general partner of the business entity and
29 every owner and investor of any type or amount in the business entity must be a
30 natural person who is a resident; and

31 B. ~~A majority~~ All of the shares, membership interests, partnership interests or other
32 equity ownership interests as applicable to the business entity must be held or owned
33 by natural persons who are residents or business entities whose owners are all natural
34 persons who are residents.

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

36 **PART E**

37 **Sec. E-1. 28-B MRSA §701, sub-§1-A** is enacted to read:

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1-A. Labeling regarding health effects. All marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer or potential consumer must be labeled in a manner that displays prominently to the consumer or potential consumer that:

A. Inhaling, smoking, eating, using or otherwise consuming marijuana or marijuana products has been connected to negative health effects, including but not limited to schizophrenia, mental illness, psychosis, disrupted learning and memory and interruption of the normal development of the brain; and

B. Inhaling, smoking, eating, using or otherwise consuming marijuana or marijuana products has been connected to additional negative health effects as determined by the Department of Health and Human Services, Maine Center for Disease Control and Prevention.

The Department of Administrative and Financial Services shall adopt rules to implement this subsection. Rules adopted pursuant to this subsection are major substantive rules as defined by Title 5, chapter 375, subchapter 2-A.

PART F

Sec. F-1. 22 MRSA §2158-B is enacted to read:

§2158-B. Food, food additives and food products containing adult use marijuana not adulterated

Notwithstanding any provision of law to the contrary, food, food additives or food products that contain adult use marijuana are not considered to be adulterated under this subchapter based solely on the inclusion of adult use marijuana. For the purposes of this section, "adult use marijuana" has the same meaning as in Title 28-B, section 102, subsection 1.

Sec. F-2. 28-B MRSA §205, sub-§4, as amended by PL 2019, c. 231, Pt. B, §1, is further amended to read:

4. Issuance of active license upon certification of local authorization and payment of applicable license fee. The Except as otherwise provided in this subsection, the department shall issue an active license to an applicant that has been issued a conditional license pursuant to subsection 3 and that meets all applicable requirements of this subsection. Prior to issuance of an active license pursuant to this subsection, the department shall require an applicant that has been issued a conditional license to submit information necessary for the department to determine that the applicant continues to meet all applicable requirements for conditional licensure under this subchapter. The department may refuse to issue an active license to an applicant if the department determines that the applicant no longer meets all applicable requirements for conditional licensure under this subchapter.

A. Within 10 days of receiving certification of local authorization from a municipality as required by section 402, subsection 3, paragraph B or, in the case of a marijuana establishment to be located in the unorganized and deorganized areas, from the Maine Land Use Planning Commission as required by section 403, subsection 3, paragraphs B and C, the department shall notify the applicant that certification of

1 local authorization has been confirmed and that, in order for the department to issue
2 an active license, the applicant must:

- 3 (1) Pay the applicable license fee required pursuant to section 207;
- 4 (2) Submit a facility plan that specifies the location, size and layout of the
5 marijuana establishment within the municipality or, in the case of a marijuana
6 establishment to be located in the unorganized and deorganized areas, within the
7 town, plantation or township in which the marijuana establishment will be
8 located;
- 9 (3) If the application is for a license to operate a cultivation facility, submit
10 updated operating and cultivation plans as required under section 302 based upon
11 the actual premises to be licensed, except that, if no changes to the original
12 operating and cultivation plans submitted by the applicant are necessary based
13 upon the actual premises to be licensed, then the applicant may satisfy this
14 requirement by resubmitting the original operating and cultivation plans and
15 noting on those plans that no changes are necessary;
- 16 (4) If the application is for any license except a license to operate a testing
17 facility, register with the State Tax Assessor pursuant to Title 36, section 1754-B
18 to collect and remit the sales tax on the sale of adult use marijuana and adult use
19 marijuana products imposed under Title 36, section 1811; and
- 20 (5) If the application is for a license to operate a cultivation facility, register with
21 the State Tax Assessor pursuant to Title 36, section 4922 to collect and remit the
22 excise tax on the sale of adult use marijuana imposed under Title 36, chapter 723.

23 B. The department shall prepare and furnish to applicants, municipalities and the
24 Maine Land Use Planning Commission a certification form by which the
25 municipality may certify to the department that the applicant has obtained local
26 authorization as required by section 402, subsection 3, paragraph B or, in the case of
27 a marijuana establishment to be located in the unorganized and deorganized areas, the
28 Maine Land Use Planning Commission may certify to the department that the
29 applicant has obtained local authorization as required by section 403, subsection 3,
30 paragraphs B and C.

31 C. Upon receipt of payment of the applicable license fee and any other
32 documentation required under paragraph A, the department shall issue an active
33 license to the applicant. The license must specify the date of issuance of the license,
34 the period of licensure, the date of expiration of the license, the name of the licensee
35 and the address of the licensed premises.

36 **Sec. F-3. 28-B MRSA §503, sub-§10**, as enacted by PL 2017, c. 409, Pt. A, §6,
37 is amended to read:

38 **10. Rules.** The department shall adopt rules regarding the licensure, certification
39 and accreditation of testing facilities and the testing of marijuana and marijuana products
40 by testing facilities pursuant to this chapter, including, but not limited to, rules
41 establishing acceptable testing and research practices for testing facilities, including, but
42 not limited to, provisions relating to testing practices, methods and standards; remediation

1 and retesting procedures; quality control analysis; equipment certification and calibration;
2 chemical identification; testing facility record-keeping, documentation and business
3 practices; disposal of used, unused and waste marijuana and marijuana products; and
4 reporting of test results. Rules adopted pursuant to this section are routine technical rules
5 as defined in Title 5, chapter 375, subchapter 2-A.

6 **Sec. F-4. 28-B MRSA §510**, as enacted by PL 2017, c. 409, Pt. A, §6, is amended
7 to read:

8 **§510. Limited access areas**

9 ~~A Except as provided in subsection 1, a person may not enter or remain in any limited~~
10 ~~access area unless the person displays an individual identification card issued by the~~
11 ~~department pursuant to section 106. A licensee shall ensure that all areas of ingress and~~
12 ~~egress to limited access areas within its licensed premises are conspicuously marked and~~
13 ~~that a person is not allowed to enter or remain in any limited access area without~~
14 ~~displaying the person's individual identification card issued by the department pursuant to~~
15 ~~section 106.~~

16 1. Contractors. A licensee may allow a person to enter or remain in any limited
17 access area without displaying an individual identification card if the person is a
18 contractor of the licensee, including, but not limited to, an electrician, a plumber, an
19 engineer or an alarm technician, whose scope of work will not involve the handling of
20 marijuana or marijuana products; the person signs a visitor entry log provided and
21 maintained by the licensee and is issued a visitor identification badge by the licensee;
22 and, if the person is working in a limited access area with immediate access to marijuana
23 or marijuana products, the person is supervised at all times by the licensee or an
24 employee of the licensee.

25 2. Licensee compliance. A licensee shall ensure that all areas of ingress to and
26 egress from limited access areas within its licensed premises are conspicuously marked
27 and that a person is not allowed to enter or remain in any limited access area without
28 displaying the person's individual identification card issued by the department pursuant to
29 section 106.

30 **Sec. F-5. 28-B MRSA §703, sub-§1, ¶D**, as enacted by PL 2017, c. 409, Pt. A,
31 §6, is amended to read:

32 D. Must have a universal symbol stamped or embossed on each serving of the
33 product, ~~except that the department may determine by rule that, for a particular type~~
34 ~~of product, such stamping or embossing is impracticable and is not required;~~

35 **Sec. F-6. 28-B MRSA §803-A** is enacted to read:

36 **§803-A. Administrative holds**

37 In accordance with the provisions of this section, the department may impose an
38 administrative hold on a licensee if, as a result of an inspection or investigation of the
39 licensee by the department or a criminal justice agency, the department determines there
40 are reasonable grounds to believe the licensee or an agent or employee of the licensee has
41 committed or is committing a violation of the provisions of this chapter, the rules adopted
42 pursuant to this chapter or the terms, conditions or provisions of the licensee's license.

1 1. Notice. The department shall provide to a licensee subject to an administrative
2 hold notice of the imposition of that hold, which must:

3 A. Include a concise statement of the basis for the administrative hold;

4 B. Detail the marijuana, marijuana products or marijuana plants subject to the
5 administrative hold;

6 C. Describe any operational restrictions to be placed on the licensee's license during
7 the duration of the administrative hold; and

8 D. Indicate actions that must be taken by the licensee as a result of the administrative
9 hold.

10 An administrative hold takes effect at the time that the notice under this subsection is
11 provided by the department to the licensee.

12 2. Licensee actions. A licensee subject to an administrative hold must physically
13 segregate in a limited access area any marijuana, marijuana products or marijuana plants
14 subject to the hold, as detailed in the notice under subsection 1, from any other marijuana,
15 marijuana products or marijuana plants not subject to the hold. For the duration of the
16 administrative hold, the licensee may not sell, give away, transfer, transport, dispose of or
17 destroy any marijuana, marijuana products or marijuana plants subject to the hold, but
18 may, as applicable, cultivate, harvest, manufacture or otherwise maintain the marijuana,
19 marijuana products or marijuana plants subject to the hold unless specifically restricted
20 by the department from engaging in such activities pursuant to subsection 1, paragraph C.

21 3. Operational responsibilities and restrictions. A licensee subject to an
22 administrative hold shall, for the duration of the hold, maintain the licensee's licensed
23 premises and otherwise continue to operate the licensee's licensed marijuana
24 establishment in accordance with the provisions of this chapter, the rules adopted
25 pursuant to this chapter and the terms, conditions or provisions of the licensee's license
26 and the provisions of the administrative hold. Except as specifically restricted by the
27 department pursuant to a notice under subsection 1, the licensee may, for the duration of
28 the administrative hold and as applicable to the licensee's license type, cultivate,
29 manufacture, test or sell any marijuana, marijuana products or marijuana plants not
30 subject to the administrative hold.

31 4. Termination; duration. The department may terminate an administrative hold at
32 any time following the imposition of the hold, except that a hold under this section may
33 not be imposed for a period exceeding 30 consecutive days from the date notice is
34 provided to the licensee in accordance with subsection 1. Notice of termination of an
35 administrative hold must be provided by the department to the licensee subject to the
36 hold.

37 5. Department action; administrative hold not required prior to imposition of
38 penalty. Subsequent to the termination of an administrative hold under subsection 4, the
39 department, in accordance with the applicable provisions of this subchapter and the rules
40 adopted pursuant to this subchapter, may impose a monetary penalty on the licensee that
41 was subject to the hold or suspend or revoke the licensee's license for a violation of the
42 provisions of this chapter, the rules adopted pursuant to this chapter or the terms,
43 conditions or provisions of the licensee's license.

1 The department is not required to impose an administrative hold on a licensee prior to
2 imposing a monetary penalty on a licensee or suspending or revoking the licensee's
3 license in accordance with the applicable provisions of this subchapter and the rules
4 adopted pursuant to this subchapter for a violation of the provisions of this chapter, the
5 rules adopted pursuant to this chapter or the terms, conditions or provisions of the
6 licensee's license.

7 **Sec. F-7. 28-B MRSA §804**, as enacted by PL 2017, c. 409, Pt. A, §6, is amended
8 to read:

9 **§804. Rules**

10 The department shall adopt rules governing the imposition of administrative holds,
11 monetary penalties, suspensions and revocations under this subchapter, which must
12 include, but are not limited to, provisions relating to notice and conduct of hearings
13 consistent with the Maine Administrative Procedure Act and provisions relating to the
14 disposition of unauthorized marijuana and marijuana products of a licensee.

15 **PART G**

16 **Sec. G-1. Department of Administrative and Financial Services, office of**
17 **marijuana policy; approval of final adoption.** Final adoption of Chapter 1: Adult
18 Use Marijuana Program, a provisionally adopted major substantive rule of the
19 Department of Administrative and Financial Services, office of marijuana policy that was
20 submitted to the Legislature for review pursuant to the Maine Revised Statutes, Title 5,
21 chapter 375, subchapter 2-A outside the legislative rule acceptance period, is authorized
22 only if the following changes are made:

23 1. The rule must be amended in the section labeled "General" to:

24 A. Clarify in the first paragraph of that section that the rule establishes the
25 requirements for licensure as a marijuana establishment, including the fees,
26 application and licensing processes and requirements for the cultivation, manufacture,
27 testing and sale of adult use marijuana and adult use marijuana products; that the
28 activities described in the rule may be considered a violation of federal law; and that
29 persons cultivating, manufacturing, testing, selling, purchasing or otherwise receiving
30 adult use marijuana or adult use marijuana products may be subject to federal
31 sanctions for what may otherwise be considered authorized conduct in the State and
32 that compliance with the rule does not exempt licensees, their employees or
33 customers from possible federal prosecution;

34 B. Delete the sentence in the first paragraph of that section: "The Department is not
35 responsible or liable for the actions of marijuana establishments under these rules";

36 C. Delete the 2nd, 3rd, 4th and 5th paragraphs of that section regarding the
37 availability and location of copies of the Code of Federal Regulations, the Maine
38 Revised Statutes and the Code of Maine Rules;

39 2. The rule must be amended in section 1.1 to clarify that the department, acting
40 through its office of marijuana policy, has developed the following rule in accordance

1 with the statutory authority provided in Title 28-B, section 104 for the purpose of
2 implementing, administering and enforcing the provisions of Title 28-B, chapter 1;

3 3. The rule must be amended, as necessary, in sections 1.3(1), 2.4.7, 2.4.9(B)(2),
4 12.1.3, 12.2.2(B)(1) and 12.2.3(B)(15) and any other relevant sections to substitute for
5 the broad reference to the Maine Revised Statutes a reference to Title 28-B specifically;

6 4. The rule must be amended in section 1.3(4) to delete the definition for "age
7 restricted retail area." The rule must be amended, as necessary, in sections 2.2.1(C)(6),
8 2.4.7(A), 3.2, 3.3.4(A), 3.4.1(C)(5), 3.6.4(E) and 3.9.4(A) and any other relevant sections
9 to incorporate that deletion and to otherwise provide that, consistent with Title 28-B,
10 section 507, the entry of persons under 21 years of age into the licensed premises of a
11 marijuana establishment is prohibited;

12 5. The rule must be amended in sections 1.3(5), 1.3(14) and 1.3(58) to delete
13 definitions for "analytical batch," "commissioner" and "nursery plant canopy";

14 6. The rule must be amended in sections 1.3(16), 1.3(33), 2.3.1(D)(1) and 12.1.3 and
15 any other relevant sections to delete references to the phrase "the rules adopted pursuant
16 to this chapter." The rule must be amended as necessary and where appropriate to
17 substitute for the term "this chapter" the term "this rule";

18 7. The rule must be amended in section 1.3(29) to define the term "inherently
19 hazardous substance," consistent with the statutory definition in Title 28-B, section 102,
20 subsection 20, rather than the term "inherently hazardous materials." The rule must be
21 amended in sections 2.4.9(D) and 2.6.5(A)(1) and any other relevant sections to
22 incorporate that amended definition;

23 8. The rule must be amended, as necessary, in sections 1.3(35), 2.7.1 and 3.2.3 and
24 any other relevant sections to clarify that, consistent with Title 28-B, section 510, entry
25 into limited access areas is authorized only for persons displaying an individual
26 identification card and for contractors of a licensee and is not authorized for any other
27 persons;

28 9. The rule must be amended in sections 1.3(37), 2.6.5(A)(3)(a), 3.5.1(C)(3) and
29 12.2.2(B)(1) and any other relevant sections to reference the Maine Land Use Planning
30 Commission;

31 10. The rule must be amended, as appropriate, in sections 1.3(40), 3.8.2(A)(1),
32 3.8.2(B) and 3.8.5(C)(2) and any other relevant sections to substitute for the term
33 "cannabis" the term "marijuana";

34 11. The rule must be amended in sections 1.3(47) and 1.3(83) to delete definitions
35 for "marijuana items" and "usable marijuana." The rule must be amended, as necessary,
36 in sections 1.3(28), 1.3(65), 3.4.1(E), 3.6.2(D), 3.6.6(E), 3.9.3, 3.9.5, 4.2.2, 4.2.4(B),
37 5.1(A), 5.2, 8.1, 11.1.1, 11.1.2, 12.2.3(B)(6), 12.5(D) and 12.7(B) and any other relevant
38 sections to substitute for those deleted terms the terms "marijuana," "marijuana
39 concentrate" and "marijuana products," as appropriate, and in a manner consistent with
40 the definitions of those terms in sections 1.3(41), 1.3(42) and 1.3(49);

41 12. The rule must be amended in section 1.3(51) to define "marijuana trim,"
42 consistent with the statutory definition in Title 28-B, section 102, subsection 35, to mean

1 any part of a marijuana plant, whether processed or unprocessed, that is not marijuana
2 flower or a marijuana seed;

3 13. The rule must be amended in section 1.3(55) to delete the definition for "minor,"
4 and the rule must be amended, as necessary, in sections 3.8.2(A), 3.9.3(E), 5.2(A)(1),
5 5.2(B)(5), 12.2.2(B)(7) and 12.2.3(B)(8) and any other relevant sections to substitute the
6 terms "person under 21 years of age" or "persons under 21 years of age" as appropriate;

7 14. The rule must be amended in sections 1.3(60), 1.3(61) and 1.3(80) to delete
8 definitions for "other interested parties," "party of control" and "true party of interest."
9 The rule must be amended, as necessary and appropriate, in sections 2.4.2, 2.4.3, 2.5.1,
10 2.6.5(A)(7), 2.7.2(B), 2.8.3(B), 2.10, 3.1, 12.1.2(D), 12.3.2(A), 12.3.4(A) and
11 12.3.5(C)(3) and any other relevant sections to substitute for those deleted terms the
12 statutory terminology in Title 28-B, chapter 1, subchapter 2 regarding the characterization
13 of ownership interests, to incorporate the statutory application of the general licensing
14 criteria in Title 28-B, section 202 to the ownership interests in a license, to incorporate
15 the statutory requirements in Title 28-B, section 202 regarding the disclosure of direct
16 and indirect financial interests in a license and to otherwise amend the rule consistent
17 with the characterization of ownership interests in a license in Title 28-B, chapter 1,
18 subchapter 2 and the application of the provisions of Title 28-B, chapter 1, subchapter 2
19 to those ownership interests;

20 15. The rule must be amended in section 1.3(63) to define "plant canopy," consistent
21 with the statutory definition in Title 28-B, section 102, subsection 41, to mean the total
22 surface area within the licensed premises of a cultivation facility that is authorized by the
23 department for use at any time by the cultivation facility licensee to cultivate mature
24 marijuana plants. The surface area of the plant canopy must be calculated in square feet
25 and measured using the outside boundaries of the area and must include all of the area
26 within the boundaries. If the surface area of the plant canopy consists of noncontiguous
27 areas, each component area must be separated by identifiable boundaries. If a tiered or
28 shelving system is used by the cultivation facility licensee, the surface area of each tier or
29 shelf must be included in calculating the area of the plant canopy. Calculation of the area
30 of the plant canopy may not include the areas within the licensed premises of a
31 cultivation facility that are used by the licensee to cultivate immature marijuana plants
32 and seedlings and that are not used by the licensee at any time to cultivate mature
33 marijuana plants;

34 16. The rule must be amended in section 1.3(64) to define "premises" to mean the
35 designated area within a structure or structures and land specified in a license application
36 that is owned, leased or otherwise held under the control of the applicant or licensee
37 where conduct related to the cultivation, manufacture, testing or sale of adult use
38 marijuana and adult use marijuana products occurs. The premises must be a contiguous
39 area and may be occupied by only one marijuana establishment unless otherwise
40 permitted by statute or this rule, except that nothing in this definition may be construed to
41 prohibit the siting of multiple marijuana establishments in the same building or property
42 as long as each marijuana establishment operates in a space physically distinct from any
43 other marijuana establishment;

44 17. The rule must be amended in 1.3(65) to delete the definition for "process," and
45 the rule must be amended, as necessary, in sections 1.3(35), 2.4.8(B), 2.7.1(A)(1),

1 2.7.1(C), 3.3.1, 3.3.4, 10, 11.3.2(A)(1), 12.6.1(C) and 12.7(A)(5) and any other relevant
2 sections to substitute the term "cultivation," as appropriate, for the term "process";

3 18. The rule must be amended in section 1.3(69) to delete reference to provisional
4 license for a testing facility;

5 19. The rule must be amended in section 1.3(70)(a) to substitute for the phrase "This
6 paragraph is repealed effective June 1, 2021" the phrase "This requirement does not apply
7 after May 31, 2021";

8 20. The rule must be amended in section 1.3 to:

9 A. Define "certificate of analysis" consistent with the use of that term in sections
10 3.8.2(F), 3.9.3(Q) and 11;

11 B. Define "qualifying patient," consistent with the statutory definition in Title 28-B,
12 section 102, subsection 45, to mean a person who possesses a valid certification for
13 the medical use of marijuana pursuant to Title 22, section 2423-B. The rule must be
14 amended, as necessary, in any relevant sections to ensure the correct use of that
15 defined term;

16 C. Define "registered dispensary," consistent with the statutory definition in Title
17 28-B, section 102, subsection 46, as having the same meaning as in Title 22, section
18 2422, subsection 6. The rule must be amended, as necessary, in sections 2.4.4(D),
19 2.4.8 and 2.4.9 and any other relevant sections to ensure the correct use of that
20 defined term;

21 D. Define "registered caregiver," consistent with the statutory definition in Title
22 28-B, section 102, subsection 47, as having the same meaning as in Title 22, section
23 2422, subsection 11. The rule must be amended, as necessary, in sections 2.4.4(D),
24 2.4.8 and 2.4.9 and any other relevant sections to ensure the correct use of that
25 defined term; and

26 E. Define "sample," consistent with the statutory definition in Title 28-B, section
27 102, subsection 50, to mean:

28 (1) An amount of marijuana or an amount of a marijuana product provided to a
29 testing facility by a marijuana establishment or other person for testing or
30 research and development purposes in accordance with Title 28-B, chapter 1,
31 subchapter 6;

32 (2) An amount of adult use marijuana or an amount of an adult use marijuana
33 product collected from a licensee by the department for the purposes of testing
34 the marijuana or marijuana product for product quality control purposes pursuant
35 to Title 28-B, section 512, subsection 2;

36 (3) An amount of adult use marijuana provided by a cultivation facility to
37 another licensee for business or marketing purposes pursuant to Title 28-B,
38 section 501, subsection 8; or

39 (4) An amount of adult use marijuana or an amount of an adult use marijuana
40 product provided to another licensee by a products manufacturing facility for
41 business or marketing purposes pursuant to Title 28-B, section 502, subsection 6.

1 The rule must be amended, as necessary, in any relevant sections to ensure the correct
2 use of that defined term;

3 21. The rule must be amended in sections 2.1.1, 2.2, 2.4, 3.3.1, 3.9.5, 4.1 and 13 and
4 any other relevant sections to describe "types" of licenses rather than "classes" of
5 licenses;

6 22. The rule must be amended to delete section 2.1.2 and to amend, as necessary and
7 appropriate, any other sections affected by that deletion;

8 23. The rule must be amended, as necessary, in sections 2.2.1(C)(7) and
9 3.9.1(A)(1)(b) to clarify that a nursery cultivation facility, consistent with Title 28-B,
10 section 501, subsection 3, paragraph D, may sell to consumers only immature marijuana
11 plants, seedlings, marijuana seeds and agricultural or gardening supplies relating to the
12 cultivation of marijuana;

13 24. The rule must be amended, as necessary, in section 2.2.3 and any other relevant
14 sections to clarify that the addition of marijuana to food is not considered adulteration as
15 provided in Title 22, section 2158-B;

16 25. The rule must be amended, as necessary, in sections 2.2.4 and 3.9 and any other
17 relevant sections to incorporate all statutory prohibitions regarding the items authorized
18 for sale by marijuana stores, and the prohibitions applicable to sales by marijuana stores
19 consistent with Title 28-B, section 504, subsections 1 and 2;

20 26. The rule must be amended in section 2.3.1(B), and section 2.5.1 to be consistent
21 with Title 28-B, section 202 requiring all owners and investors of any type and in any
22 amount to be residents of the State;

23 27. The rule must be amended, as necessary, in section 2.3.1(E) and any other
24 relevant sections to substitute for the term "felony" the phrase "a crime punishable by
25 imprisonment for one year or more" and to substitute for the term "misdemeanor" the
26 phrase "a crime punishable by imprisonment for less than one year";

27 28. The rule must be amended in section 2.3.1(E)(2) and any other relevant sections
28 to clarify that the applicant shall submit and the department shall consider all applicants'
29 criminal convictions in this State or in another jurisdiction for offenses involving only
30 dishonesty, deception, misappropriation or fraud, but that, consistent with Title 28-B,
31 section 203, subsection 1, any such convictions may not be automatically disqualifying
32 for the purposes of licensure;

33 29. The rule must be amended, as necessary, in section 2.3.1(E)(7) and (8) and any
34 other relevant sections to clarify that the applicant shall submit and the department shall
35 consider all applicants' tax compliance history, but that, consistent with Title 28-B,
36 section 203, subsection 2, any tax delinquency may not be automatically disqualifying for
37 the purposes of licensure;

38 30. The rule must be amended in section 2.3.1 to incorporate the statutory
39 requirement in Title 28-B, section 203, subsection 3 that the applicant submit and the
40 department consider information regarding any violations or penalties imposed on the
41 applicant in another jurisdiction regarding the regulated cultivation, manufacture, testing
42 or sale of marijuana or marijuana products, but that any such violations or penalties may
43 not be automatically disqualifying for the purposes of licensure;

1 31. The rule must be amended, as necessary, in section 2.4.1(B) and any other
2 relevant sections to clarify that a conditional license issued by the department may be
3 used by the applicant to which the license was issued to demonstrate that the applicant
4 has met all applicable requirements for conditional licensure in accordance with Title
5 28-B, section 205, subsection 3 for the purpose of seeking local authorization;

6 32. The rule must be amended, as necessary, in section 2.4.3(A)(8) and any other
7 relevant sections to remove authorization for the department to disseminate or disclose
8 criminal history record information obtained through a criminal history record check if
9 requested as part of a law enforcement investigation. The rule must be amended, as
10 necessary, in section 2.4.3 to ensure consistency between the provisions of section 2.4.3
11 and the provisions of Title 28-B, section 204;

12 33. The rule must be amended in sections 2.4.4(B) and 12.1.2(F) to substitute for the
13 terms "Maine Electrical Code" and "Maine's Electrical Code" the term "applicable
14 electrical code";

15 34. The rule must be amended in sections 2.4.4(D), 2.4.8, 2.4.9, 3.4.1(D), 3.6.7,
16 3.8.6, 12.2.2(B)(3) and 12.3.5(C) and any other relevant sections to substitute the terms
17 "marijuana for medical use," "marijuana products for medical use," "marijuana
18 concentrate for medical use," "marijuana plants for medical use," "marijuana cultivation
19 for medical use" and other similar terminology, as appropriate and as consistent with the
20 use of such terminology in Title 22, chapter 558-C and in Title 28-B, for any incorrect
21 terminology in those sections;

22 35. The rule must be amended, as necessary, in sections 2.4.8, 2.4.9 and 3.9 and any
23 other relevant sections to incorporate the statutory prohibition in Title 28-B, section 504,
24 subsection 5 on the use of a shared facility for the sale of adult use marijuana and adult
25 use marijuana products and the sale of marijuana and marijuana products for medical use;

26 36. The rule must be amended in section 2.4.9(A) to substitute for the term
27 "registered medical marijuana manufacturing facility" the term "manufacturing facility
28 registered in accordance with Title 22, section 2423-F";

29 37. The rule must be amended in section 2.5.1 to clarify that the department verifies
30 that each marijuana establishment satisfies the residency requirements of Title 28-B,
31 section 202, subsection 2 and this rule. The rule must be amended in section 2.5.1(C) to
32 clarify that the department may refuse to issue a conditional license to an applicant at its
33 discretion until it is satisfied that the applicant has satisfied the residency requirements of
34 Title 28-B, section 202, subsection 2 and this rule;

35 38. The rule must be amended, as necessary, in section 2.5.5 and any other relevant
36 sections to clarify that any denial of an application for a conditional license must be for
37 good cause consistent with Title 28-B, section 206;

38 39. The rule must be amended in the headnote of section 2.6, Application for Active
39 License, or Provisional Testing License, and in the text of section 2.6, consistent with
40 Title 28-B, section 503, subsection 2 in which there is no provisional licensing for testing
41 facilities;

42 40. The rule must be amended in section 2.6.2(B) to clarify that upon receipt of a
43 local authorization certification form, the department shall, within 10 calendar days,

1 notify the applicant of any additional information needed for the issuance of an active
2 license;

3 41. The rule must be amended in section 2.7.2(D) to substitute for the phrase
4 "medical marijuana credential revocation" the phrase "revocation of a registry
5 identification card or registration certificate issued pursuant to Title 22, chapter 558-C";

6 42. The rule must be amended in section 2.8.1(B) and any other relevant sections to
7 remove authority for the department to authorize inspections by a 3rd party;

8 43. The rule must be amended, as necessary, in sections 2.8.1(E) and 2.8.2 and any
9 other relevant sections to clarify the application of and the requirements for an increase in
10 cultivation tier upon approval, consistent with Title 28-B, section 303, and the application
11 of and the requirements for an increase in maximum licensed plant canopy upon renewal
12 of a tier 4 cultivation facility license, consistent with Title 28-B, section 304, including,
13 but not limited to, clarification that the increase under Title 28-B, section 304 is available
14 only with respect to a tier 4 cultivation facility license and is available to a licensee only
15 every 2 years;

16 44. The rule must be amended, as necessary, in section 2.10 to refer to a transfer of
17 ownership interests instead of a transfer of license, consistent with Title 28-B, section
18 210;

19 45. The rule must be amended, as necessary, in section 2 and any other relevant
20 sections to incorporate:

21 A. A process for revocation or refusal to renew an inactive license, consistent with
22 Title 28-B, section 214;

23 B. The statutory prohibitions in Title 28-B, section 205, subsection 2, paragraphs A,
24 B and C regarding the limitation on the number of cultivation facility licenses or total
25 authorized plant canopy in common ownership, the limitation on the common
26 ownership of a testing facility license and any other license type or common
27 ownership with a registered caregiver or registered dispensary and the limitation until
28 January 1, 2022 on the number of marijuana store licenses in common ownership;
29 and

30 C. A process for the termination of a license, consistent with Title 28-B, section 212;

31 46. The rule must be amended in sections 3.6.3(B)(3) and (4) to substitute for the
32 term "marijuana plant start" the term "seedling";

33 47. The rule must be amended, as necessary, in sections 3.8.1(G), 5.2(B)(9), 11 and
34 12.5 and any other relevant sections to remove the term "third-party" in reference to
35 testing facilities or laboratories and to substitute, as appropriate, for the terms
36 "laboratory" or "laboratories" the terms "testing facility" or "testing facilities";

37 48. The rule must be amended, as necessary, in section 3.8.2(A)(2) and any other
38 relevant sections to incorporate the statutory prohibition in Title 28-B, section 703,
39 subsection 1, paragraph E on the sale of edible marijuana products in the distinct shape of
40 a human, animal or fruit and ensure consistency with Title 28-B, section 703, subsection
41 1, paragraph E;

1 49. The rule must be amended, as necessary, in section 3.9.7(B) and any other
2 relevant sections to clarify that reusable exit packaging that is not tamper-evident may be
3 used or sold by a licensee only if marijuana or marijuana products sold to a consumer that
4 are placed in such reusable exit packaging are prepackaged in tamper-evident packaging
5 and that such sale otherwise meets applicable packaging requirements of Title 28-B,
6 section 701, subsection 2. The rule must be amended, as necessary, in sections 11.3, 11.4
7 and 11.5 and any other relevant sections to ensure consistency with the requirements in
8 Title 28-B, section 701, subsection 2 regarding tamper-evident, child-resistant and
9 opaque packaging;

10 50. The rule must be amended in section 4.1(B)(11) and any other relevant sections
11 to require a licensee to record in the tracking system data regarding, where applicable, the
12 municipality or municipalities where the marijuana or marijuana product was cultivated,
13 harvested, manufactured, tested, sold to other licensees, sold to consumers and disposed
14 of or destroyed;

15 51. The rule must be amended, as necessary, in section 5 and any other relevant
16 sections, consistent with the statutory prohibition in Title 28-B, section 702, subsection 1,
17 paragraph B, on advertising or marketing that has a high likelihood of reaching persons
18 under 21 years of age or that is specifically designed to appeal particularly to persons
19 under 21 years of age and to incorporate the statutory prohibition in Title 28-B, section
20 702, subsection 1, paragraph C on the use of advertising by a marijuana establishment
21 within 1,000 feet from a school;

22 52. The rule must be amended, as necessary, in section 6.1.1 and any other relevant
23 sections to clarify that trade samples may not be sold or otherwise provided or conveyed
24 for payment or consideration;

25 53. The rule must be amended in section 9 to delete the 2nd sentence of the first
26 paragraph and to delete section 9.1(A)(2). The rule must be amended in section 9.1(A)(1)
27 to provide that licensees must notify the Department of Public Safety of a discharge but
28 are not required to notify the Department of Environmental Protection of such discharge.
29 The rule must be amended in section 9.1(B)(1) to provide that the licensee must contact
30 the National Response Center. The rule must be amended in section 9.2(A) to provide
31 that a marijuana plant, marijuana trim, other marijuana and other plant material may be
32 classified as hazardous waste if it is toxic, flammable or a listed waste subject to
33 regulation under Department of Environmental Protection rule Chapter 850;

34 54. The rule must be amended in the 2nd sentence of section 11 to delete the phrase
35 "if such facility is in operation";

36 55. The rule must be amended in section 11 to delete the 3rd provision and insert a
37 new provision that states that the department may not waive testing requirements in the
38 rules for any reason;

39 56. The rule must be amended in section 11.1.2 to add new paragraphs that:

40 A. Require that all marijuana and marijuana products must be labeled in a manner
41 that displays prominently to the consumer or potential consumer that inhaling,
42 smoking, eating, using or otherwise consuming marijuana or marijuana products has
43 been connected to negative health effects, including but not limited to schizophrenia,

1 mental illness, psychosis, disrupted learning and memory and interruption of the
2 normal development of the brain; and

3 B. Requires that all marijuana and marijuana products must be labeled in a manner
4 that displays prominently to the consumer or potential consumer the risks connected
5 to inhaling, smoking, eating, using or otherwise consuming marijuana or marijuana
6 products that have been found to exist by the Department of Health and Human
7 Services, Maine Center for Disease Control and Prevention;

8 57. The rule must be amended, as necessary, in section 11.1.3(F) and any other
9 relevant sections, consistent with the statutory prohibition in Title 28-B, section 701,
10 subsection 4, paragraph B, on labeling or packaging of marijuana or marijuana products
11 in a manner that is specifically designed to appeal particularly to a person under 21 years
12 of age. The rule must be amended, as necessary, in section 11.1 to incorporate the
13 statutory requirements in Title 28-B, section 701, subsection 1, paragraphs A, B and C
14 that all marijuana and marijuana product labels include the license numbers of the
15 cultivation facility and products manufacturing facility, if applicable, involved with the
16 cultivation and manufacture of the marijuana or marijuana product, an identity statement
17 and health and safety warning labels. The rule must be amended, as necessary, in section
18 11.1 to incorporate the statutory prohibition in Title 28-B, section 701, subsection 4,
19 paragraph D on labeling or packaging that depicts a human, animal or fruit;

20 58. The rule must be amended in section 11.2(C) to provide that any statement as to
21 cannabinoid profile or the presence or absence of contaminants must require testing and
22 label verification by a licensed testing facility;

23 59. The rule must be amended in section 11.5.2 to add to the labeling requirements
24 for the retail sale of topical marijuana products new provisions that:

25 A. Require that all topical marijuana products must be labeled in a manner that
26 displays prominently to the consumer or potential consumer that inhaling, smoking,
27 eating, using or otherwise consuming marijuana or marijuana products has been
28 connected to negative health effects, including but not limited to schizophrenia,
29 mental illness, psychosis, disrupted learning and memory and interruption of the
30 normal development of the brain; and

31 B. Require that all topical marijuana products must be labeled in a manner that
32 displays prominently to the consumer or potential consumer the risks connected to
33 inhaling, smoking, eating, using or otherwise consuming marijuana or marijuana
34 products that have been found to exist by the Department of Health and Human
35 Services, Maine Center for Disease Control and Prevention;

36 60. The rule must be amended, as necessary, in section 13.6 and any other relevant
37 sections to incorporate, consistent with Title 28-B, section 207, subsection 1, paragraph
38 D, the increased annual license fee for a tier 4 cultivation facility license that has
39 increased its maximum amount of plant canopy pursuant to Title 28-B, section 304;

40 61. All necessary grammatical, formatting, punctuation or other technical
41 nonsubstantive editing changes must be made to the rule, including, but not limited to, the
42 designation of the rule chapter as "Chapter 1: Adult Use Marijuana Program" and any
43 necessary correction of the description of the units of the rule to ensure proper reference
44 and application of the provisions of the rule; and

1 62. All other necessary changes must be made to the rule to ensure conformity and
2 consistency throughout the rule and to ensure consistency between the rule and the
3 provisions of this Act and between the rule and the provisions of Title 28-B.

4 The Department of Administrative and Financial Services, office of marijuana policy
5 is not required to hold hearings or undertake further proceedings prior to final adoption of
6 the rule in accordance with this section.'

7 **SUMMARY**

8 This amendment, which is the minority report of the committee, changes the title and
9 replaces the bill, which is a concept draft.

10 1. Part A provides to the municipalities in which adult use marijuana cultivation
11 facilities and retail stores are located 25% of the excise tax and sales tax from adult use
12 marijuana sales for use in offsetting the negative effects on local resources of local
13 regulation and enforcement of adult use marijuana laws.

14 2. Part B repeals from the adult use marijuana laws the provision that allows the
15 Department of Administrative and Financial Services to temporarily waive mandatory
16 testing requirements under some circumstances.

17 3. Part C requires certification of an adult use marijuana testing facility by the United
18 States Department of Health and Human Services, Centers for Disease Control and
19 Prevention and repeals from the law provisional licensure for testing facilities.

20 4. Part D amends the general licensing criteria for all types of adult use marijuana
21 establishments and requires that all investors and owners, of any type and in any amount,
22 be Maine residents. The amendment repeals from the law an exception that states that the
23 licensing criteria relating to residency do not apply to licensed testing facilities.

24 5. Part E requires all marijuana and marijuana products to be sold or offered for sale
25 to a consumer to have labels that warn of the connection of marijuana to negative health
26 effects, including but not limited to schizophrenia, mental illness, psychosis, disrupted
27 learning and memory and interruption of the normal development of the brain and other
28 negative health effects as determined by the Department of Health and Human Services,
29 Maine Center for Disease Control and Prevention.

30 6. Part F:

31 A. Amends the Maine Food Law to provide that goods that are prepared in a licensed
32 food establishment that is also a licensed adult use marijuana products manufacturing
33 facility and that contain marijuana for adult use pursuant to the Maine Revised
34 Statutes, Title 28-B, are not considered adulterated under the Maine Food Law;

35 B. Authorizes the Department of Administrative and Financial Services, under the
36 Marijuana Legalization Act, to require a conditionally licensed applicant seeking
37 active licensure under the Marijuana Legalization Act to submit information
38 necessary for the department to determine that the applicant continues to meet all
39 applicable requirements for conditional licensure and authorizes the department to
40 refuse to issue an active license if the applicant no longer meets the requirements for
41 conditional licensure;

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C. Clarifies the routine technical rule-making authority of the department under the Marijuana Legalization Act with respect to the adoption of rules regarding the licensure, certification and accreditation of testing facilities;

D. Amends the Marijuana Legalization Act to authorize entry into limited access areas within a marijuana establishment by contractors of a licensee who do not have an individual identification card as long as certain criteria are met;

E. Amends the Marijuana Legalization Act to authorize the department to determine by rule that, for a particular type of edible marijuana product, the stamping or embossing of a universal symbol on each serving of the product is impracticable and is not required; and

F. Amends the Marijuana Legalization Act to authorize the department to impose an administrative hold on a licensee, which may involve imposition of certain operational restrictions on the licensee's license if, as a result of an inspection or investigation, the department determines there are reasonable grounds to believe the licensee has committed or is committing a violation of the Marijuana Legalization Act, the rule adopted pursuant to the Marijuana Legalization Act or the conditions or provisions of the licensee's license. An administrative hold may not be imposed for a period exceeding 30 consecutive days.

7. Part G authorizes, subject to the incorporation of specified amendments, final adoption of Chapter 1: Adult Use Marijuana Program, a major substantive rule of the Department of Administrative and Financial Services, office of marijuana policy, that was submitted to the Legislature for review.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



129th MAINE LEGISLATURE

LD 719

LR 2197(03)

An Act To Amend the Adult Use Marijuana Law

Fiscal Note for Bill as Amended by Committee Amendment "B(H-658)"

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$1,051,520	\$3,800,600	\$5,296,600	\$7,408,600
Appropriations/Allocations				
General Fund	\$83,520	\$104,600	\$104,600	\$104,600
Other Special Revenue Funds	\$968,000	\$3,696,000	\$5,192,000	\$7,304,000
Revenue				
General Fund	(\$968,000)	(\$3,696,000)	(\$5,192,000)	(\$7,304,000)
Other Special Revenue Funds	\$968,000	\$3,696,000	\$5,192,000	\$7,304,000

Fiscal Detail and Notes

Provisions in this bill would transfer 25% of sales and excise tax receipts to the Local Government Marijuana Revenue Fund (LGMRF). The bill includes an Other Special Revenue Funds allocation of \$968,000 in fiscal year 2019-20 and \$3,696,000 in fiscal year 2020-20 to allow for the distribution of the amounts credited to the LGMRF. Transferring sales and excise tax receipts to the LGMRF will reduce revenue to the General Fund by the same amounts, \$968,000 in fiscal year 2019-20 and \$3,696,000 in fiscal year 2020-21.

The bill includes ongoing General Fund appropriations to the Department of Administrative and Financial Services of \$78,520 in 2019-20 and \$104,600 in fiscal year 2020-21 for one Senior Tax Examiner position to process transfers of sales and excise tax receipts on adult use marijuana. Another \$5,000 is appropriated in the first year for one-time All Other costs to update sales reports and create an excise tax report to facilitate distribution to municipalities.

Other provisions in this bill regarding ownership requirements may result in litigation which could incur additional costs and delay implementation. Such a delay would decrease anticipated revenue to the State and the distribution of funds.