

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 740

H.P. 545

House of Representatives, March 5, 2021

**An Act To Provide Municipalities a Percentage of the Revenue
Generated from the Taxes Imposed on the Sale of Recreational
Marijuana in Those Municipalities**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative O'CONNELL of Brewer.

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

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

3 **§407. Revenue allocation to municipalities**

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

8 **2. Fund sources.** The fund receives money transferred to the fund pursuant to Title
9 36, section 1818, subsection 2 and Title 36, section 4925, subsection 2.

10 **3. Distribution of funds.** The Treasurer of State shall distribute the balance in the
11 fund on the 20th day of each month. Money in the fund must be distributed to each
12 municipality that has authorized, pursuant to sections 401 and 403, a marijuana
13 establishment within the municipality, in proportion to the ratio of revenues generated
14 pursuant to Title 36, sections 1811 and 4923 by all marijuana establishments operating
15 within the municipality to the revenues generated pursuant to Title 36, sections 1811 and
16 4923 by all marijuana establishments operating within the State.

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

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 D, §4, is repealed and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

22 **§1818. Tax on adult use marijuana and adult use marijuana products**

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

26 **1. Adult Use Marijuana Public Health and Safety Fund.** Twelve percent of the
27 sales tax revenue reported to the State Tax Assessor as due during the preceding month
28 pursuant to section 1811 to the Adult Use Marijuana Public Health and Safety Fund
29 established under Title 28-B, section 1101; and

30 **2. Local Government Marijuana Revenue Fund.** Twenty-five percent of the sales
31 tax revenue reported to the State Tax Assessor as due during the preceding month pursuant
32 to section 1811 to the Local Government Marijuana Revenue Fund established under Title
33 28-B, section 407 calculated after the transfer pursuant to subsection 1 and after the
34 subtraction of the costs of the State Tax Assessor in administering this subsection. For the
35 purposes of this subsection, "costs of the State Tax Assessor in administering this
36 subsection" means, for each month in the 12-month period after the effective date of this
37 section, the actual and anticipated cost to the State Tax Assessor of administering this
38 subsection and, in all subsequent months, the previous month's actual cost of administering
39 this subsection.

40 **Sec. 3. 36 MRSA §4925**, as enacted by PL 2019, c. 231, Pt. B, §7, is repealed and
41 the following enacted in its place:

42 **§4925. Application of excise tax revenue**

