# MAINE STATE LEGISLATURE

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Majority

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# 5 STATE OF MAINE 6 HOUSE OF REPRESENTATIVES 7 130TH LEGISLATURE 8 SECOND REGULAR SESSION

COMMITTEE AMENDMENT "D" to H.P. 873, L.D. 1195, "An Act To Increase Funding to Qualifying Municipalities by Sharing Adult Use Marijuana Sales and Excise Tax Revenue"

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

'An Act To Assist Qualifying Municipalities To Defray the Costs of Opting In To Permit Adult Use Marijuana Establishments'

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

'Sec. 1. 28-B MRSA §108, as amended by PL 2021, c. 226, §3, is further amended to read:

### §108. Public health and safety programs

The department shall develop and implement or facilitate the development and implementation by a public or private entity of: programs, initiatives and campaigns focused on increasing the awareness and education of the public on health and safety matters and focused on addressing public and behavioral health needs relating to the use of marijuana and marijuana products, including, but not limited to, programs, initiatives and campaigns focused on preventing and deterring the use of marijuana and marijuana products by persons under 21 years of age; and public and behavioral health programs and services related to the use of marijuana and marijuana products, including, but not limited to, evidence-based substance use disorder prevention and treatment programs, early intervention services and grants for schools or community-based organizations that provide programs for youth substance use disorder education and prevention as described under Title 5, chapter 521. Programs, initiatives and campaigns developed and implemented pursuant to this section may be funded with revenue from the Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund established in section 1101. The department may adopt rules to implement this section.

	COMMITTEE AMENDMENT "b" to H.P. 873, L.D. 1195
1 2	Sec. 2. 28-B MRSA §109, as amended by PL 2021, c. 226, §4, is further amended to read:
3	§109. Enhanced training for criminal justice agencies and municipalities
4	The department shall develop and implement or facilitate the development and
5	implementation by a public or private entity of programs or initiatives providing enhanced
6	training for criminal justice agencies and municipal officers and employees in the
7	requirements and enforcement of this chapter and the rules adopted pursuant to this chapter,
8	including, but not limited to, programs providing grants to regional or local criminal justice
9	agencies or municipalities to train law enforcement officers and, if applicable, municipal
10	officers and employees in inspections, investigations, searches, seizures, forfeitures and
11	personal use and home cultivation allowances under this chapter and chapter 3 and the rules
12	adopted pursuant to this chapter; in drug recognition procedures and the general
13	enforcement of the State's motor vehicle laws relating to the use of marijuana; and in
14	restorative justice, jail diversion, marijuana industry-specific technical assistance and
15	mentoring for economically disadvantaged persons in communities disproportionately
16	affected by high rates of arrest and incarceration for marijuana-related offenses. Training
17	programs or initiatives developed and implemented pursuant to this section may be funded
18	with revenue from the Adult Use Marijuana Public Health and Safety and Municipal Opt-
19	in Fund established in section 1101. The department may adopt rules to implement this
20	section.

Sec. 3. 28-B MRSA c. 1, sub-c. 11, as amended, is amended by amending the subchapter headnote to read:

#### SUBCHAPTER 11

### ADULT USE MARIJUANA PUBLIC HEALTH AND SAFETY AND MUNICIPAL OPT-IN FUND; ADULT USE MARIJUANA REGULATORY COORDINATION **FUND**

Sec. 4. 28-B MRSA §1101, as amended by PL 2019, c. 231, Pt. B, §6, is further amended to read:

### §1101. Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund

The Adult Use Marijuana Public Health and Safety and Municipal Opt-in 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 excise tax imposed on the sale of adult use marijuana pursuant to Title 36, chapter 723 in the amount required under Title 36, section 4925;
- B. Money received from the sales tax imposed on the sale of adult use marijuana and adult use marijuana products by a marijuana store licensee to a consumer pursuant to Title 36, section 1811 in the amount required under Title 36, section 1818;
- C. All money from any other source, whether public or private, designated for deposit into or credited to the fund; and

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### COMMITTEE AMENDMENT



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# COMMITTEE AMENDMENT

- D. 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 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 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.
  - C. Money credited to the fund may be expended by the department to provide reimbursement to a qualifying municipality for qualifying expenses incurred as a result of the municipality's efforts to opt in to permit the operation of some or all adult use marijuana establishments within the municipality in accordance with subchapter 4. For the purposes of this paragraph, "qualifying municipality" means a municipality that opts in to permit the operation of adult use marijuana establishments within the municipality on or after July 1, 2022 in accordance with subchapter 4 or a municipality that opted to permit within the municipality the operation of cultivation facilities, products manufacturing facilities or testing facilities, but not marijuana stores, prior to July 1, 2022. For the purposes of this paragraph, "qualifying expenses" means legal fees and costs associated with the drafting and adoption of a warrant article or the adoption or amendment of an ordinance, including the conduct of a town meeting or election, incurred on or after July 1, 2022 by a qualifying municipality that opts in on or after July 1, 2022 to permit the operation of some or all marijuana establishments within the municipality and legal fees and costs associated with the drafting and adoption of a warrant article or the adoption or amendment of an ordinance to permit the operation of marijuana stores within a municipality that opted to permit within the municipality the operation of cultivation facilities, products manufacturing facilities or testing facilities, but not marijuana stores, prior to July 1, 2022. Each qualifying municipality may receive funds, not to exceed \$20,000, only once for the reimbursement of qualifying expenses in accordance with this paragraph. Nothing in this paragraph may be construed to require the department to reimburse qualifying expenses incurred by a qualifying municipality if the department determines there are insufficient funds available to provide reimbursement. Under no circumstances may a qualifying municipality submit an initial application for the reimbursement of qualifying expenses more than 3 years after the qualifying municipality adopts a warrant article or adopts or amends an ordinance to allow for the operation of some or all adult use marijuana establishments within the municipality. The department may adopt rules to implement and administer the reimbursement of qualifying expenses to qualifying municipalities. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. The department may not reimburse qualifying expenses under this paragraph accrued after July 1, 2027.

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## **COMMITTEE AMENDMENT**

3	3. A	ppli	cation o	f fu	ınd t	o departn	iental exp	pens	ses p	rohibited.	Mo	ney in 1	the fund
may	not	be	applied	to	any	expenses	incurred	by	the	department	in	impler	nenting,
admi	iniste	ring	or enfor	cin	g this	s chanter.							

Sec. 5. 36 MRSA §1818, as enacted by PL 2017, c. 409, Pt. D, §4, is amended to read:

### §1818. Tax on adult use marijuana and adult use marijuana products

All sales tax revenue collected pursuant to section 1811 on the sale of adult use marijuana and adult use marijuana products must be deposited into the General Fund, except that, on or before the last day of each month, the State Controller shall transfer 12% of the sales tax revenue received by the assessor during the preceding month pursuant to section 1811 to the Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund established under Title 28-B, section 1101.

Sec. 6. 36 MRSA §4925, as enacted by PL 2019, c. 231, Pt. B, §7, is amended to read:

### §4925. Application of excise tax revenue

All excise tax revenue collected by the assessor pursuant to this chapter on the sale of adult use marijuana must be deposited into the General Fund, except that, on or before the last day of each month, the assessor shall transfer 12% of the excise tax revenue received during the preceding month pursuant to this chapter to the Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund established in Title 28-B, section 1101.'

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

23 SUMMARY

This amendment changes the name of the Adult Use Marijuana Public Health and Safety Fund to the Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund and expands the authorized uses of that fund to include reimbursement to a qualifying municipality for qualifying expenses related to the municipality's efforts to opt in to permit the operation of some or all adult use marijuana establishments within the municipality. The Department of Administrative and Financial Services, which administers the fund, may not reimburse qualifying expenses accrued after July 1, 2027.

FISCAL NOTE REQUIRED
(See attached)

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### 130th MAINE LEGISLATURE

LD 1195

LR 800(04)

An Act To Increase Funding to Qualifying Municipalities by Sharing Adult Use Marijuana Sales and Excise Tax Revenue

Fiscal Note for Bill as Amended by Committee Amendment " (+) (+) - (0/4)

Committee: Taxation

Fiscal Note Required: Yes

### **Fiscal Note**

No net fiscal impact - Other Special Revenue Funds

#### Fiscal Detail and Notes

This bill changes the name of the Adult Use Marijuana Public Health and Safety Fund within the Department of Administrative and Financial Services to the Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund. It removes a requirement that 50% of expenditures from the fund be used for public health and safety awareness and education programs related to the sale and use of adult use marijuana and 50% be used for enhanced law enforcement training programs related to the sale and use of adult use marijuana. The bill adds a new use of the fund to reimburse municipalities for certain expenses incurred before July 1, 2022 and until July 1, 2027 related to efforts to opt-in to permit the operation of adult use marijuana establishments within that municipality. Removing the 50/50 requirement and allowing reimbursement of opt-in related expenses will not necessarily result in additional expenditures from the fund, but will change the mix of expenditures.