

# MAINE STATE LEGISLATURE

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# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 1195

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H.P. 873

House of Representatives, March 22, 2021

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

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Received by the Clerk of the House on March 18, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT  
Clerk

Presented by Representative ROBERTS of South Berwick.  
Cosponsored by Senator HICKMAN of Kennebec and  
Representatives: JOHANSEN of Monticello, MEYER of Eliot, WARREN of Hallowell.

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.** In recognition of the  
5 local costs of regulation and enforcement with respect to the activities associated with the  
6 legalization of adult use marijuana under this chapter and to assist in offsetting negative  
7 effects on local resources, there is established the Local Government Marijuana Revenue  
8 Fund, referred to in this section as "the fund."

9 **2. Fund sources.** The fund receives money transferred to the fund pursuant to Title  
10 36, section 1818, subsection 1 and Title 36, section 4925.

11 **3. Distribution of funds.** The Treasurer of State shall transfer the balance in the fund,  
12 less the actual costs of administering the fund, on the 20th day of each month. Money in  
13 the fund must be distributed to each municipality in which the legislative body has voted  
14 to adopt a new ordinance, amend an existing ordinance or approve a warrant article  
15 allowing a marijuana establishment within the municipality, in proportion to the ratio of  
16 state revenues generated by all marijuana establishments operating within the municipality  
17 to the state revenues generated by all marijuana establishments operating within the State.

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

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 D, §4, is repealed and  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

23 **§1818. Tax on adult use marijuana and adult use marijuana products**

24 All sales tax revenue collected pursuant to section 1811 on the sale of adult use  
25 marijuana and adult use marijuana products must be deposited into the General Fund,  
26 except that:

27 **1. Transfer to Local Government Marijuana Revenue Fund.** On or before the 10th  
28 day of each month, the State Controller shall transfer to the Local Government Marijuana  
29 Revenue Fund established under Title 28-B, section 407 5% of the sales tax revenue  
30 received by the assessor during the preceding month pursuant to section 1811; and

31 **2. Transfer to Adult Use Marijuana Public Health and Safety Fund.** On or before  
32 the last day of each month, the State Controller shall transfer to the Adult Use Marijuana  
33 Public Health and Safety Fund established under Title 28-B, section 1101 12% of the  
34 difference between the sales tax revenue received by the assessor during the preceding  
35 month pursuant to section 1811 and the transfer made pursuant to subsection 1.

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

38 **§4925. Application of excise tax revenue**

39 All excise tax revenue collected by the assessor pursuant to this chapter on the sale of  
40 adult use marijuana must be deposited into the General Fund, except that:

1 **1. Transfer to Local Government Marijuana Revenue Fund.** On or before the 10th  
2 day of each month, the State Controller shall transfer to the Local Government Marijuana  
3 Revenue Fund established under Title 28-B, section 407 5% of the excise tax revenue  
4 received by the assessor during the preceding month pursuant to this subchapter; and

5 **2. Transfer to Adult Use Marijuana Public Health and Safety Fund.** On or before  
6 the last day of each month, the State Controller shall transfer to the Adult Use Marijuana  
7 Public Health and Safety Fund established under Title 28-B, section 1101 12% of the  
8 difference between the excise tax revenue received by the assessor during the preceding  
9 month pursuant to this subchapter and the transfer made pursuant to subsection 1.

## 10 SUMMARY

11 This bill allocates 5% of the gross sales and excise tax revenue generated by adult use  
12 marijuana establishments in the State to the municipalities where the revenue was  
13 generated and makes a reduction to the amount deposited in the Adult Use Marijuana Public  
14 Health and Safety Fund.