

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

Sik
ROS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

L D 88

Date: 5-5-2023

Majority

(Filing No H-104)

TAXATION

Reproduced and distributed under the direction of the Clerk of the House

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to HP 56, L D 88, "An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales and Excise Tax Revenues"

Amend the bill in section 1 in §407 in subsection 1 in the 2nd line (page 1, line 5 in L D) by striking out the following "negative effects on local resources" and inserting the following 'the cost'

Amend the bill in section 2 in §1818 in the first indented paragraph in the last line (page 1, line 26 in L.D) by inserting after the following "that" the following ', beginning January 1, 2024,'

Amend the bill in section 3 in §4925 in the first indented paragraph in the 2nd line (page 2, line 2 in L D) by inserting after the following "that" the following ', beginning January 1, 2024,'

Amend the bill by inserting after section 3 the following.

'Sec. 4. Appropriations and allocations. The following appropriations and allocations are made

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Adult Use Cannabis Public Health and Safety Fund and Municipal Opt-In Fund
Z263**

Initiative Reduces allocations to reflect less revenue available for adult use cannabis public health and safety efforts and qualifying expenses of municipalities opting to permit operation of adult use cannabis establishments

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	(\$297,000)	(\$768,000)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$297,000)	(\$768,000)
Local Government Cannabis Revenue Fund N326		

COMMITTEE AMENDMENT

1 Initiative Provides allocations to assist municipalities in offsetting the costs of local
2 regulation and enforcement of adult use cannabis laws

3	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
4	All Other	\$2,475,000	\$6,401,000
5			
6	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$2,475,000</u>	<u>\$6,401,000</u>

7 **Revenue Services, Bureau of 0002**

8 Initiative Provides one-time funding for computer programming costs

9	GENERAL FUND	2023-24	2024-25
10	All Other	\$198,400	\$0
11			
12	GENERAL FUND TOTAL	<u>\$198,400</u>	<u>\$0</u>

14 **ADMINISTRATIVE AND FINANCIAL
15 SERVICES, DEPARTMENT OF
16 DEPARTMENT TOTALS**

17		2023-24	2024-25
18	GENERAL FUND	\$198,400	\$0
19	OTHER SPECIAL REVENUE FUNDS	\$2,178,000	\$5,633,000
20			
21	DEPARTMENT TOTAL - ALL FUNDS	<u>\$2,376,400</u>	<u>\$5,633,000</u>

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

25 **SUMMARY**

26 This amendment clarifies the use of cannabis sales tax and excise tax revenue shared
27 with municipalities where cannabis establishments are operating and provides that the
28 sharing of revenues begins January 1, 2024

29 **FISCAL NOTE REQUIRED**

30 (See attached)



131st MAINE LEGISLATURE

LD 88

LR 488(02)

An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales and Excise Tax Revenues

Fiscal Note for Bill as Amended by Committee Amendment "A" *(H-104)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$2,376,400	\$5,633,000	\$6,444,000	\$7,131,000
Appropriations/Allocations				
General Fund	\$198,400	\$0	\$0	\$0
Other Special Revenue Funds	\$2,178,000	\$5,633,000	\$6,444,000	\$7,131,000
Revenue				
General Fund	(\$2,178,000)	(\$5,633,000)	(\$6,444,000)	(\$7,131,000)
Other Special Revenue Funds	\$2,178,000	\$5,633,000	\$6,444,000	\$7,131,000

Fiscal Detail and Notes

This bill establishes the Local Government Cannabis Revenue Fund (LGCR) in the Office of Cannabis Policy within the Department of Administrative and Financial Services. The bill also directs the transfer of 12% of the sales tax revenue from adult-use cannabis and cannabis products and 12% of the revenue from the cannabis excise tax into the fund. The bill decreases the existing transfer of these revenues to the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund (PHSMO) from 12% of the revenue from cannabis sales and excise taxes to 12% of the difference between the total revenue from cannabis sales and excise taxes and the new transfer to the LGCR fund.

The bill reduces General Fund revenue by \$2,178,000 in fiscal year 2023-24 and \$5,633,000 in fiscal year 2024-25. It provides revenue to the LGCR of \$2,475,000 in fiscal year 2023-24 and \$6,401,000 in fiscal year 2024-25. It decreases revenue to the PHSMO by \$297,000 in fiscal year 2023-24 and by \$768,000 in fiscal year 2024-25.

The bill includes Other Special Revenue Funds allocations to the LGCR of \$2,475,000 in fiscal year 2023-24 and \$6,401,000 in fiscal year 2024-25. It includes deallocations to the PHSMO of \$297,000 in fiscal year 2023-24 and \$768,000 in fiscal year 2024-25.

Finally, the bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services of \$198,400 in fiscal year 2023-24 for the programming costs to track certain sales tax data by location.