

# MAINE STATE LEGISLATURE

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L.D. 1517

Date: 4/16/24

Majority

(Filing No. H-979)

VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 972, L.D. 1517, "An Act to Create Equity in the State's Cannabis Industry"

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

'An Act to Establish the Social Equity Program'

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

PART A

Sec. A-1. 5 MRSA §12004-I, sub-§6-K is enacted to read:

6-K.

<u>Economic</u>	<u>Social Equity Program Advisory</u>	<u>Not Authorized</u>	<u>5 MRSA</u>
<u>Development</u>	<u>Committee</u>		<u>§13302</u>

Sec. A-2. 5 MRSA c. 395 is enacted to read:

CHAPTER 395

SOCIAL EQUITY PROGRAM

§13301. Social equity program established

In accordance with the provisions of this chapter, the Department of Economic and Community Development, referred to in this chapter as "the department," shall establish and administer a social equity program, referred to in this chapter as "the program," to increase workforce development programs and provide support to individuals who are members of impacted communities and businesses that are owned by members of impacted communities. For purposes of this chapter, "impacted community" means a racial, ethnic or tribal population that has experienced incarceration at rates disproportionate to the racial, ethnic or tribal population's rate of criminality starting in or about the year 1971 and as a

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1 result the racial, ethnic or tribal population has experienced direct or indirect discrimination  
2 in access to housing, employment and education. The department may employ consultants,  
3 contract for services or enter into agreements with private and public entities, such as other  
4 state agencies, as necessary for the establishment and implementation of the program as  
5 long as costs associated with the program do not exceed \$300,000 per biennium.

6 **§13302. Social Equity Program Advisory Committee**

7 The Social Equity Program Advisory Committee, established by section 12004-I,  
8 subsection 6-K and referred to in this chapter as "the advisory committee," serves to advise  
9 the department on the development and implementation of the program. The advisory  
10 committee has 5 members who are members of impacted communities. Two members of  
11 the advisory committee are appointed by the President of the Senate and 3 members are  
12 appointed by the Speaker of the House. The first-named member appointed by the Speaker  
13 of the House is the chair of the advisory committee. The Commissioner of Economic and  
14 Community Development, or the commissioner's designee, shall convene the advisory  
15 committee as necessary to carry out its advisory duties.

16 **§13303. Report**

17 By December 15, 2026, and biennially thereafter, the department shall file a report with  
18 the joint standing committee of the Legislature having jurisdiction over economic and  
19 community development matters and the joint standing committee of the Legislature  
20 having jurisdiction over cannabis matters detailing the components of the program, the  
21 progress and impact of the program and its components and the activities of the advisory  
22 committee. Each joint standing committee may report out legislation in the regular or  
23 special session of the Legislature in which the report was filed.

24 **Sec. A-3. 28-B MRSA §1101, sub-§2, ¶C-1 is enacted to read:**

25 C-1. Money credited to the fund may be expended by the department or transferred by  
26 the department to other state agencies to fund the social equity program established in  
27 Title 5, chapter 395.

28 **Sec. A-4. 28-B MRSA §1101, sub-§2, ¶D, as enacted by PL 2023, c. 444, §1, is**  
29 **amended to read:**

30 **D. Any funds remaining in the fund after expenditures made in accordance with**  
31 **paragraphs A to ¶C-1 must be used to fund:**

32 (1) **The cost of the tax deductions for business expenses related to carrying on a**  
33 **business as a cannabis establishment or a testing facility provided pursuant to Title**  
34 **36, section 5122, subsection 2, paragraph PP and Title 36, section 5200-A,**  
35 **subsection 2, paragraph BB. By June 1st annually, the State Tax Assessor shall**  
36 **determine the cost of those deductions during the prior calendar year and report**  
37 **that amount to the State Controller, who shall transfer that amount from the**  
38 **remaining funds in the fund to the General Fund; and**

39 (2) **The cost of the position in the Bureau of Revenue Services within the**  
40 **department to administer the tax deductions provided pursuant to Title 36, section**  
41 **5122, subsection 2, paragraph PP and Title 36, section 5200-A, subsection 2,**  
42 **paragraph BB. By June 1st annually, the commissioner shall determine the cost of**  
43 **the position in the bureau to administer those deductions during the prior calendar**

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year and report that amount to the State Controller, who shall transfer that amount from the remaining funds in the fund to the General Fund.

**PART B**

**Sec. B-1. Department of Labor; apprenticeship navigator.** The Department of Labor shall establish a 2-year apprenticeship navigator position with the responsibility of increasing access to workforce development opportunities for impacted communities, including, but not limited to, apprenticeship and preapprenticeship programs. For purposes of this Part, "impacted community" means a racial, ethnic or tribal population that has experienced incarceration at rates disproportionate to the racial, ethnic or tribal population's rate of criminality starting in or about the year 1971 and as a result the racial, ethnic or tribal population has experienced direct or indirect discrimination in access to housing, employment and education.

**Sec. B-2. Department of Economic and Community Development; business support services; seed funds.** The Department of Economic and Community Development shall increase access to business support services to impacted communities by:

- 1. Providing outreach to impacted communities to support business development by and business success of members of impacted communities;
- 2. Providing technical assistance to support business development by and business success of members of impacted communities;
- 3. Providing funds to members of impacted communities starting, maintaining or expanding a business; and
- 4. Providing education and counseling about available tax credits to members of impacted communities.

**Sec. B-3. Cannabis business advocate.** The Commissioner of Administrative and Financial Services shall hire a cannabis business advocate as an employee of the Department of Administrative and Financial Services for a period of up to 2 years. The cannabis business advocate may be physically located within or near the office of cannabis policy, referred to in this section as "the office," but is not an employee of the office. The duties of the cannabis business advocate include:

- 1. Assisting licensees under the Cannabis Legalization Act and registrants under the Maine Medical Use of Cannabis Act, referred to in this section collectively as "participants," in navigating the regulatory process and resolving problems with the office;
- 2. Identifying areas in which participants have problems in dealings with the office;
- 3. Receiving complaints from participants, mediating conflicts between participants and the office and, when appropriate, making recommendations to the director of the office with respect to these complaints. Within 3 months of receiving recommendations, the director of the office shall provide a formal response to the cannabis business advocate on all recommendations submitted;
- 4. Proposing changes in the administrative practices of the office to mitigate problems identified under subsections 1, 2 and 3; and

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1 5. Maintaining a record of the volume, nature and resolution status of complaints  
2 received from participants and providing the director of the office with this information by  
3 November 1st of each year.

4 **Sec. B-4. Reports; authority to report out legislation.** By December 15, 2026,  
5 the Department of Labor, the Department of Economic and Community Development and  
6 the Department of Administrative and Financial Services shall separately file a report with  
7 the joint standing committee of the Legislature having jurisdiction over labor matters, the  
8 joint standing committee of the Legislature having jurisdiction over economic and  
9 community development matters and the joint standing committee of the Legislature  
10 having jurisdiction over cannabis matters. The departments must include in their reports  
11 details on the activities and impact of their efforts required under this Part. The Department  
12 of Administrative and Financial Services shall also include in its report the volume, nature  
13 and resolution of complaints received by the cannabis business advocate established in  
14 section 3 of this Part.

15 **Sec. B-5. Appropriations and allocations.** The following appropriations and  
16 allocations are made.

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

20 Initiative: Establishes one limited-period Public Service Coordinator II position for a  
21 cannabis business advocate effective August 1, 2024 through July 31, 2026 and provides  
22 funding for related All Other costs.

23	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
24	Personal Services	\$0	\$118,854
25	All Other	\$0	\$9,453
26			
27	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$0</b>	<b>\$128,307</b>

28  
29 **ADMINISTRATIVE AND FINANCIAL**  
30 **SERVICES, DEPARTMENT OF**  
31 **DEPARTMENT TOTALS**

31		<b>2023-24</b>	<b>2024-25</b>
32			
33	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$128,307</b>
34			
35	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$128,307</b>

36 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**

37 **Social Equity Program N495**

38 Initiative: Allocates ongoing funds for the costs to implement and administer a social equity  
39 program to increase workforce development programs and provide support to individuals  
40 who are members of impacted communities and businesses that are owned by members of  
41 impacted communities.

42	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
43	All Other	\$0	\$300,000

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OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$300,000
<b>ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF DEPARTMENT TOTALS</b>	<b>2023-24</b>	<b>2024-25</b>
OTHER SPECIAL REVENUE FUNDS	\$0	\$300,000
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$300,000
<b>LABOR, DEPARTMENT OF</b>		
<b>Maine Apprenticeship Program Z375</b>		
Initiative: Establishes one limited-period CareerCenter Consultant position effective August 1, 2024 through July 31, 2026 to increase access to workforce development opportunities for impacted communities and provides funding for related All Other costs.		
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
Personal Services	\$0	\$79,335
All Other	\$0	\$9,500
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$88,835
<b>LABOR, DEPARTMENT OF DEPARTMENT TOTALS</b>	<b>2023-24</b>	<b>2024-25</b>
OTHER SPECIAL REVENUE FUNDS	\$0	\$88,835
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$88,835
<b>SECTION TOTALS</b>	<b>2023-24</b>	<b>2024-25</b>
OTHER SPECIAL REVENUE FUNDS	\$0	\$517,142
SECTION TOTAL - ALL FUNDS	\$0	\$517,142

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

**SUMMARY**

This amendment, which is the majority report of the committee, replaces the bill and changes the title. The amendment establishes a social equity program within the Department of Economic and Community Development to increase workforce development programs and provide support to individuals who are members of impacted

**COMMITTEE AMENDMENT**

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1 communities and businesses that are owned by members of impacted communities. For  
2 purposes of this amendment, "impacted community" means a racial, ethnic or tribal  
3 population that has experienced incarceration at rates disproportionate to the racial, ethnic  
4 or tribal population's rate of criminality starting in or about the year 1971 and as a result  
5 the racial, ethnic or tribal population has experienced direct or indirect discrimination in  
6 access to housing, employment and education. The costs to implement the program may  
7 not exceed \$300,000 per biennium.

8 The amendment also creates the Social Equity Program Advisory Committee of 5  
9 individuals who are members of impacted communities. The committee must be convened  
10 by the Commissioner of Economic and Community Development or the commissioner's  
11 designee.

12 The amendment creates the following time-limited programs to implement the work of  
13 the program:

- 14 1. An apprenticeship navigator position within the Department of Labor to increase  
15 access to workforce development opportunities for impacted communities, including, but  
16 not limited to, apprenticeship and preapprenticeship programs;
- 17 2. An array of business support services targeted to impacted communities by the  
18 Department of Economic and Community Development; and
- 19 3. A cannabis business advocate position within the Department of Administrative and  
20 Financial Services to assist participants under the Cannabis Legalization Act and the Maine  
21 Medical Use of Cannabis Act, respectively.

22 Funds from the Adult Use Cannabis Public Health and Safety and Municipal Opt-in  
23 Fund may be expended to support the activities in this amendment.

24 Each department must submit a report by December 15, 2026 to the joint standing  
25 committees of the Legislature having jurisdiction over labor matters, economic and  
26 community development matters and cannabis matters.

27 **FISCAL NOTE REQUIRED**  
28 (See attached)

# COMMITTEE AMENDMENT



# 131st MAINE LEGISLATURE

LD 1517

LR 2215(02)

## An Act to Create Equity in the State's Cannabis Industry

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-979)

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$517,142	\$392,943	\$170,918
<b>Transfers</b>				
Other Special Revenue Funds	\$0	\$0	\$0	\$0

#### Fiscal Detail and Notes

This bill includes Other Special Revenue Funds allocations totaling \$517,142 in fiscal year 2024-25 for the costs associated with implementing the requirements of this legislation.

Of this amount, a one-time Other Special Revenue Funds allocation to the Department of Administrative and Financial Services of \$128,307 in fiscal year 2024-25 is included for a Cannabis Business Advocate position effective from August 1, 2024 through July 31, 2026 to assist businesses participating in the Cannabis Legalization Act and the Maine Medical Use Cannabis Act.

Additionally, an ongoing Other Special Revenue Funds allocation of \$300,000 in fiscal year 2024-25 to a newly created Social Equity Program within the Department of Economic and Community Development is included for the costs associated with implementing and administering a program to increase workforce development programs and provide support to businesses owned by or individuals who are members of impacted communities. The department will require ongoing Other Special Revenue Funds allocations of \$150,000 per year beginning in fiscal year 2025-26 for the ongoing costs of the program. Transfers of \$300,000 in fiscal year 2024-25 and \$150,000 per year thereafter are provided from the Adult Use Cannabis Public Health and Safety Municipal Opt-In Fund to fund the allocations.

Finally, a one-time Other Special Revenue Funds allocation of \$88,835 in fiscal year 2024-25 to the Maine Apprenticeship Program within the Department of Labor is included to establish one limited-period CareerCenter Consultant position effective August 1, 2024 through July 31, 2026 to increase access to workforce development opportunities for impacted communities. The department will require Other Special Revenue Funds allocations of \$99,163 in fiscal year 2025-26 and \$8,533 in fiscal year 2026-27 to support the cost of the position through July of 2026. Corresponding transfers are provided from the Adult Use Cannabis Public Health and Safety Municipal Opt-In Fund to fund the allocations.