

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

SECOND REGULAR SESSION-2024

Legislative Document

No. 2155

H.P. 1379

House of Representatives, January 3, 2024

**An Act to Clarify Licensing Criteria and Criminal History Record
Check and Notification Requirements for Adult Use Cannabis
Establishments**

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 203.

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

A handwritten signature in black ink that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative SUPICA of Bangor.
Cosponsored by Senator TIMBERLAKE of Androscoggin.

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

2 **Sec. 1. 28-B MRSA §102, sub-§42-A** is enacted to read:

3 **42-A. Principal.** "Principal" means any natural person who manages, directs,
4 superintends, restricts, regulates, governs, administers or otherwise oversees the applicant's
5 or licensee's operations, including, but not limited to, activities and tasks that the applicant
6 or licensee uses to produce goods and services, including planning, organizing, directing,
7 coordinating and controlling various aspects of production, procurement, manufacturing,
8 distribution and sales. "Principal" includes, but is not limited to, an officer, director,
9 member, manager, partner and employee or other natural person given that controlling
10 authority or leading position over the applicant's or licensee's operations. "Principal" does
11 not include an owner of an applicant or licensee that is a direct financial interest holder but
12 that does not have a controlling authority or leading position. For purposes of this
13 subsection, "operations" does not include human resources, information technology,
14 marketing or accounting and finance, and "manager" does not include an employee of the
15 applicant or licensee whose managerial responsibilities are limited to staff supervision
16 related to the day-to-day operations of a cannabis establishment.

17 **Sec. 2. 28-B MRSA §106, first ¶**, as enacted by PL 2017, c. 409, Pt. A, §6, is
18 amended to read:

19 The department shall issue individual identification cards to natural persons licensed
20 under this chapter and, upon the request of a licensee, shall issue individual identification
21 cards to ~~owners, officers, managers~~ principals, contractors, employees or other support staff
22 of the licensee who meet the requirements of this section for the issuance of an individual
23 identification card.

24 **Sec. 3. 28-B MRSA §202, first ¶**, as enacted by PL 2017, c. 409, Pt. A, §6 and
25 amended by PL 2021, c. 669, §5, is further amended to read:

26 An applicant for a license to operate a cannabis establishment must meet each of the
27 following requirements, if applicable. Except as otherwise provided in this section, if the
28 applicant is a business entity, every ~~officer, director, manager and general partner~~ principal
29 of the business entity must meet each of the requirements of this section. An applicant
30 shall disclose in or include with its application the names and addresses of the applicant
31 and all natural persons and business entities having a direct or indirect financial interest in
32 the applied-for license and the nature and extent of the financial interest held by each person
33 or entity and, if applicable, the nature and extent of any financial interest the person or
34 entity has in any other license applied for or issued under this chapter.

35 **Sec. 4. 28-B MRSA §202, sub-§1**, as enacted by PL 2017, c. 409, Pt. A, §6, is
36 amended to read:

37 **1. Age.** The applicant must be at least 21 years of age. If the applicant is a business
38 entity, every ~~officer, director, manager and general partner~~ principal of the business entity
39 must be at least 21 years of age.

40 **Sec. 5. 28-B MRSA §202, sub-§2, ¶A**, as enacted by PL 2017, c. 409, Pt. A, §6,
41 is amended to read:

42 A. Every ~~officer, director, manager and general partner~~ principal of the business entity
43 must be a natural person who is a resident; and

1 **Sec. 6. 28-B MRSA §203, first ¶**, as enacted by PL 2017, c. 409, Pt. A, §6 and
2 amended by PL 2021, c. 669, §5, is further amended to read:

3 An applicant for a license to operate a cannabis establishment shall submit, and the
4 department shall consider in determining whether to grant the license, the following
5 additional information. If the applicant is a business entity, the applicant must submit the
6 information required by this section for every ~~officer, director, manager and general partner~~
7 principal of the business entity.

8 **Sec. 7. 28-B MRSA §204, first ¶**, as enacted by PL 2017, c. 409, Pt. A, §6, is
9 amended to read:

10 The department shall request a criminal history record check for each applicant for a
11 license under this chapter and may at any time require a licensee to submit to a criminal
12 history record check in accordance with this section. If the applicant is a business entity,
13 every ~~officer, director, manager and general partner~~ principal of the business entity is
14 required to submit to a criminal history record check in accordance with this section. A
15 criminal history record check conducted pursuant to this section must include criminal
16 history record information obtained from the Maine Criminal Justice Information System
17 established in Title 16, section 631 and the Federal Bureau of Investigation.

18 **Sec. 8. 28-B MRSA §213**, as enacted by PL 2017, c. 409, Pt. A, §6, is amended to
19 read:

20 **§213. Notice of new ~~owner, officer, manager~~ principal or employee**

21 Before any proposed new ~~owner, officer, manager~~ principal or employee may own,
22 manage, work for or otherwise associate with a licensee, the licensee shall notify the
23 department in writing of the name, address and date of birth of the proposed new ~~owner,~~
24 ~~officer, manager~~ principal or employee and the proposed new ~~owner, officer, manager~~
25 principal or employee shall submit to a criminal history record check pursuant to section
26 204, obtain an individual identification card pursuant to section 106 and, in the case of a
27 new owner or other person assuming an equity ownership interest or a partial equity
28 ownership interest in the license, obtain approval for the transfer of ownership interests
29 pursuant to section 210.

30 **SUMMARY**

31 This bill amends the laws governing the licensing of adult use cannabis establishments
32 to clarify that the principals of a business entity include officers, directors, members,
33 managers, partners and employees or other natural persons having a controlling or other
34 decision-making authority in the establishment's operation and are subject to all licensing
35 criteria, criminal history record check requirements and new ownership or employment
36 notification requirements. The bill also specifies that an owner of an adult use cannabis
37 establishment is not a principal if that owner is a direct financial interest holder but does
38 not have a controlling authority or leading position, and that the operation of an adult use
39 cannabis establishment includes the activities and tasks that the applicant or licensee uses
40 to produce goods and services but does not include human resources, information
41 technology, marketing or accounting and finance.