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Amendment Review

LD 1195

L.D. 1195

(Filing No. H-)

3/29/22

3

TAXATION

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

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STATE OF MAINE

6

HOUSE OF REPRESENTATIVES

7

130TH LEGISLATURE

8

SECOND REGULAR SESSION

9

COMMITTEE AMENDMENT " " 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"

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

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

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

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

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§108. Public health and safety programs

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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.

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COMMITTEE AMENDMENT

1 **Sec. 2. 28-B MRSA §109**, as amended by PL 2021, c. 226, §4, is further amended
2 to read:

3 **§109. Enhanced training for criminal justice agencies and municipalities**

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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.

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

23 **SUBCHAPTER 11**

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

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

29 **§1101. Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund**

30 The Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund,
31 referred to in this section as "the fund," is established as a dedicated, nonlapsing fund within
32 the department for the purposes specified in this section.

33 **1. Sources of fund.** The State Controller shall credit to the fund:

- 34 A. Money received from the excise tax imposed on the sale of adult use marijuana
35 pursuant to Title 36, chapter 723 in the amount required under Title 36, section 4925;
- 36 B. Money received from the sales tax imposed on the sale of adult use marijuana and
37 adult use marijuana products by a marijuana store licensee to a consumer pursuant to
38 Title 36, section 1811 in the amount required under Title 36, section 1818;
- 39 C. All money from any other source, whether public or private, designated for deposit
40 into or credited to the fund; and

1 D. Interest earned or other investment income on balances in the fund.

2 **2. Uses of fund.** Money credited to the fund pursuant to subsection 1 may be used by
3 the department as provided in this subsection.

4 A. ~~No more than 50% of all money~~ Money credited to the fund may be expended by
5 the department to fund public health and safety awareness and education programs,
6 initiatives, campaigns and activities relating to the sale and use of adult use marijuana
7 and adult use marijuana products conducted in accordance with section 108 by the
8 department, another state agency or department or any other public or private entity.

9 B. ~~No more than 50% of all money~~ Money credited to the fund may be expended by
10 the department to fund enhanced law enforcement training programs relating to the sale
11 and use of adult use marijuana and adult use marijuana products for local, county and
12 state law enforcement officers conducted in accordance with section 109 by the
13 department, the Maine Criminal Justice Academy, another state agency or department
14 or any other public or private entity.

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

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1 **3. Application of fund to departmental expenses prohibited.** Money in the fund
2 may not be applied to any expenses incurred by the department in implementing,
3 administering or enforcing this chapter.

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

6 **§1818. Tax on adult use marijuana and adult use marijuana products**

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

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

15 **§4925. Application of excise tax revenue**

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

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

23 **SUMMARY**

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

31 **FISCAL NOTE REQUIRED**

32 (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 " "

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.