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Before the Joint Standing Committee on Veterans and Legal Affairs  
Hearing Date: June 10, 2019

**LD 1837 – Resolve, Regarding Legislative Review of Chapter 1: Adult Use Marijuana, a Late-filed Major Substantive Rule of the Department of Administrative and Financial Services, Office of Marijuana Policy**

Good afternoon Senator Luchini, Representative Schneck, and Members of the Joint Standing Committee on Veterans and Legal Affairs. My name is Erik Gundersen, and I am the director of the Office of Marijuana Policy (OMP). I am here today to testify on behalf of my office in support of LD 1837.

If approved, LD 1837 would authorize the Department of Administrative and Financial Services and OMP to proceed with adopting rules that will govern Maine's future adult use marijuana program.

**Our mission at OMP is to ensure the health and safety of all Mainers by effectively and responsibly licensing and regulating marijuana establishments.** We're working to fulfill that mission by developing a good faith partnership between the State of Maine and industry stakeholders. Our attempt has been to establish rules which make sense for both the industry and the state and that provides interested consumers with safe, tested products while diminishing an unregulated, untested black market.

The provisionally adopted rules that are subject to today's hearing are our first attempt to launch Maine's adult use market. Our rules include the aspects of a regulated cannabis industry—including licensing, compliance, tracking, packaging, labeling, and enforcement. Not included are testing rules, which are routine technical and do not require approval by the Maine Legislature prior to their adoption by OMP.

The fact that we are even here today—four months after OMP was established—is a testament to the hard work and dedication of my staff and our consulting team of Freedman & Koski and their subcontractor Advocates for Human Potential. This also would not have been possible without the support of Governor Mills, the members of her cabinet, and the countless state employees who assisted OMP in its expeditious rulemaking work.

In early April, we began a series of internal stakeholder meetings. OMP consulted with seven different state agencies including the Department of Agriculture, Conservation and Forestry; Department of Health and Human Services; Department of Labor; Department of Public Safety; Department of Environmental Protection; Department of Professional and Financial Regulation;

and Department of Administrative and Financial Services' Maine Revenue Services. The culmination of these meetings was the draft of our rules that we made publicly available mid-April, followed closely by the proposed rule that was subject to our public hearing in May.

The staff in these organizations, who assisted OMP in its work, represent the very best that state government has to offer. We set several ambitious timelines—as I was often reminded during these meetings—and we were able to meet all of them. I am confident in saying that would not have been possible were it not for the countless hours they dedicated to our rulemaking.

The rules included in the material for discussion today consist of the following sections:

- Section 1 – Administrative
- Section 2 – Licenses and Licensing
- Section 3 – General Compliance
- Section 4 – Tracking
- Section 5 – Advertising
- Section 6 – Licensee Samples
- Section 7 – Authorized Transfers
- Section 8 – Product Safety
- Section 9 – Waste Management
- Section 10 – Wastewater
- Section 11 – Package and Labeling
- Section 12 – Enforcement
- Section 13 – Fee Schedule

The rules we developed are the result of a collaborative effort between the State of Maine, our rulemaking consultants, the public, and the many stakeholders that participated in our public comment process. The goal of OMP has been to put forth the best rules and regulations possible, and that would not have been achievable without the valuable input provided by the public. All told, versions of our rules received a total of 36 days of public input, and I think that is evident in the quality of the document we provisionally adopted.

Due to feedback provided by the public, OMP scaled back packaging requirements for marijuana products due to added costs to future licensees and environmental concerns raised by the public. In addition, testing facilities may now be located adjacent to other marijuana establishments, provided they have separate entrances accessible from public rights of way. Video surveillance footage now only needs to be stored for 45 days, down from 90 days. These are just a few examples of changes made to make the rules work for all interested parties.

As I am sure was evident from your review of our filing, our rules are a Maine product, developed by Maine residents, to meet the requirements of Maine's laws. We should be proud of that.

What I believe to be the last substantive issue needing clarity before the rules proceed is around our residency requirements and what constitutes ownership. These rules were designed to protect against what has been seen in other states: complex business models that have hidden revenue sharing and ownership interests. Some believe that these rules can be simplified. If you deem this clarity a necessary step towards Maine's recreational market, we're happy to work with the

committee and those concerned to make sure we have rules and regulations that work for everyone.

I thank the legislature for agreeing to accept our late filed major substantive rules and thank the members of this committee for the opportunity to provide testimony today. I am happy to try to answer any questions you may have and look forward to participating in the work session of this resolve.