



# 127th MAINE LEGISLATURE

LD 1380

LR 10(02)

## An Act To Legalize, Tax and Regulate Marijuana

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Criminal Justice and Public Safety

Fiscal Note Required: Yes

### Fiscal Note

Current biennium cost increase - General Fund  
Contingent current biennium cost increase - General Fund  
Contingent current biennium revenue increase - General Fund

### Correctional and Judicial Impact Statements

Eliminates Class D crimes, Class E crimes and civil violations.  
Establishes new Class D crimes, Class E crimes and civil violations.  
The net impact on General Fund fine revenue can not be estimated at this time.

### Referendum Costs

Month/Year	Election Type	Question	Length
Nov-15	General	Referendum	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.

### Fiscal Detail and Notes

If this legislation is approved by the voters, General Fund revenue would increase by \$2,185,500 in fiscal year 2015-16 and \$5,463,750 in fiscal year 2016-17 and Local Government Fund revenue would increase by \$93,000 in fiscal year 2015-16 and \$232,500 in fiscal year 2016-17. The Department of Administrative and Financial Services would require a General Fund appropriation of \$222,904 in fiscal year 2015-16 and \$292,266 in fiscal year 2016-17 for one Tax Examiner position and 2 Revenue Agent positions and related computer programming and administrative costs to implement and administer the new excise tax and audit the increased number of facilities and retailers. The Regulation and Enforcement program within the Department of Labor will also require General Fund appropriations of \$56,731 in fiscal year 2015-16 and \$75,187 in fiscal year 2016-17 for one Labor/Safety Inspector position and related all other costs associated with an increase in enforcement activity.

The legislation also establishes a process for a municipality to hold a referendum to vote for an imposition of a local sales tax of 2%. The tax collected would be remitted to the municipalities. Since it is unknown if, or how many, municipalities would elect to enact this tax, an estimate of the revenue has not been made.

The legislation provides that an estimated \$46,500 in fiscal year 2015-16 and \$116,250 in fiscal year 2016-17 must be credited to a statewide sheriff's association for enforcement activities for deterring underage sales of marijuana and alcohol. It also provides that \$93,000 in fiscal year 2015-16 and \$232,500 in fiscal year 2016-17 must be credited to fund up to 14 Investigative Agent positions in the Department of Public Safety, up to 4 Assistant Attorney General positions that will be dedicated to prosecuting drug crimes and up to 4 District Court Judges to hear criminal drug cases.

The legislation provides that \$46,500 in fiscal year 2015-16 and \$116,250 in fiscal year 2016-17 must be credited to a new Youth Marijuana Prevention and Control program within the Maine Center for Disease Control and Prevention for the purpose of an ongoing public awareness campaign to reduce youth marijuana, alcohol and tobacco consumption, including the creation of the Youth Marijuana Prevention and Control Advisory Council. It also provides that \$93,000 in fiscal year 2015-16 and \$232,500 in fiscal year 2016-17 must be credited to the Office of Substance Abuse and Mental Health Services for the purpose of providing addiction treatment services.

This legislation designates the Bureau of Alcoholic Beverages and Lottery Operations (BABLO) as the regulating authority for marijuana and marijuana products. BABLO will require General Fund appropriations of \$1,152,559 and \$1,667,384 in fiscal years 2015-16 and 2016-17, respectively, for 14 Marijuana Inspector positions, 5 Office Associate II positions and certain one-time and ongoing IT costs. Licenses issued by BABLO for marijuana establishments will generate estimated General Fund revenues of \$1,133,000 in fiscal year 2015-16 and \$423,500 in fiscal year 2016-17. The bill directs 25% of license application fees to go to the municipalities that applicants operate in. Municipalities will receive an estimated \$81,000 in fiscal year 2015-16. The bill also establishes the Marijuana Regulation and Licensing Fund within BABLO and the Low-income Marijuana Patient Access Program Fund within the Department of Administrative and Financial Services. Both funds will receive \$46,500 and \$116,250 in fiscal years 2015-16 and 2016-17, respectively.

Finally, the legislation requires that the first \$30,000,000 in sales tax revenue from the sales tax on marijuana and marijuana products each year be used to fund school construction or renovation. Sales tax revenue from this source is estimated to be \$3,720,000 in fiscal year 2015-16 and \$9,300,000 in fiscal year 2016-17.