



129th MAINE LEGISLATURE

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Legislative Document

No. 335

H.P. 260

House of Representatives, January 24, 2019

**An Act To Require the State To Distribute 25 Percent of Adult Use
Marijuana Retail Sales and Excise Tax Revenue to Generating
Municipalities**

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative WARREN of Hallowell.
Cosponsored by Senator DESCHAMBAULT of York and
Representatives: FAY of Raymond, FOLEY of Biddeford, JOHANSEN of Monticello,
PICKETT of Dixfield, Senator: DAVIS of Piscataquis.

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

2 **Sec. 1. 28-B MRSA §407** is enacted to read:

3 **§407. Revenue allocation to municipalities**

4 **1. Local Government Marijuana Revenue Fund established.** In recognition of
5 the local costs of regulation and enforcement with respect to the activities associated with
6 the legalization of adult use marijuana under this chapter and to assist in offsetting
7 negative effects on local resources, there is established the Local Government Marijuana
8 Revenue Fund, referred to in this section as "the fund."

9 **2. Fund sources.** The fund receives money transferred to the fund pursuant to
10 section 1003, subsection 1 and Title 36, section 1818, subsection 1.

11 **3. Distribution of funds.** The Treasurer of State shall transfer the balance in the
12 fund on the 20th day of each month. Money in the fund must be distributed to each
13 municipality in which the legislative body has voted to adopt a new ordinance, amend an
14 existing ordinance or approve a warrant article allowing a marijuana establishment within
15 the municipality, in proportion to the ratio of state revenues generated by all marijuana
16 establishments operating within the municipality to the state revenues generated by all
17 marijuana establishments operating within the State.

18 **4. Unorganized and deorganized areas.** For purposes of municipal marijuana
19 revenue allocation pursuant to this section, unorganized and deorganized areas must be
20 treated as if they are municipalities.

21 **Sec. 2. 28-B MRSA §1003**, as enacted by PL 2017, c. 409, Pt. A, §6, is repealed
22 and the following enacted in its place:

23 **§1003. Application of excise tax revenue**

24 All excise tax revenue collected by the department pursuant to this subchapter on the
25 sale of adult use marijuana must be deposited into the General Fund, except that:

26 **1. Transfer to Local Government Marijuana Revenue Fund.** On or before the
27 10th day of each month, the department shall transfer to the Local Government Marijuana
28 Revenue Fund established under section 407 without any reduction 25% of the excise tax
29 revenue received by the department during the preceding month pursuant to this
30 subchapter; and

31 **2. Transfer to Adult Use Marijuana Public Health and Safety Fund.** On or
32 before the last day of each month, the department shall transfer to the Adult Use
33 Marijuana Public Health and Safety Fund established under section 1101 12% of the
34 difference between the excise tax revenue received by the department during the
35 preceding month pursuant to this subchapter and the transfer made pursuant to subsection
36 1.

1 **Sec. 3. 36 MRSA §1818**, as enacted by PL 2017, c. 409, Pt. D, §4, is repealed and
2 the following enacted in its place:

3 **§1818. Tax on adult use marijuana and adult use marijuana products**

4 All sales tax revenue collected pursuant to section 1811 on the sale of adult use
5 marijuana and adult use marijuana products must be deposited into the General Fund,
6 except that:

7 **1. Transfer to Local Government Marijuana Revenue Fund.** On or before the
8 10th day of each month, the State Controller shall transfer to the Local Government
9 Marijuana Revenue Fund established under Title 28-B, section 407 without any reduction
10 25% of the sales tax revenue received by the assessor during the preceding month
11 pursuant to section 1811; and

12 **2. Transfer to Adult Use Marijuana Public Health and Safety Fund.** On or
13 before the last day of each month, the State Controller shall transfer to the Adult Use
14 Marijuana Public Health and Safety Fund established under Title 28-B, section 1101 12%
15 of the difference between the sales tax revenue received by the assessor during the
16 preceding month pursuant to section 1811 and the transfer made pursuant to subsection 1.

17 **SUMMARY**

18 This bill allocates 25% of the gross sales and excise tax revenue generated by adult
19 use marijuana establishments in the State to the municipalities where the revenue was
20 generated and makes a reduction to the amount deposited in the Adult Use Marijuana
21 Public Health and Safety Fund.