



130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 1185

H.P. 863

House of Representatives, March 22, 2021

**An Act To Distribute Tax Revenue To Offset Costs Incurred by
Adult Use Marijuana Host Municipalities**

Received by the Clerk of the House on March 18, 2021. Referred to the Committee on
Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT
Clerk

Presented by Representative PERRY of Bangor.

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.** To assist in offsetting
5 negative effects on local resources of local regulation and enforcement of adult use
6 marijuana laws, there is established the Local Government Marijuana Revenue Fund,
7 referred to in this section as "the fund."

8 **2. Fund sources.** The fund receives money transferred to the fund pursuant to Title
9 36, section 1818, subsection 2 and Title 36, section 4925, subsection 2.

10 **3. Distribution of funds.** The Treasurer of State shall distribute the balance in the
11 fund on the 20th day of each month. Money in the fund must be distributed to each
12 municipality that has authorized, pursuant to sections 401 to 403, a marijuana establishment
13 within the municipality in proportion to the ratio of revenues generated by the sale of adult
14 use marijuana and adult use marijuana products pursuant to Title 36, sections 1811 and
15 4925 by all marijuana establishments operating within the municipality to the revenues
16 generated by the sale of adult use marijuana and adult use marijuana products pursuant to
17 Title 36, sections 1811 and 4925 by all marijuana establishments operating within the State.

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

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 D, §4, is repealed and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

23 **§1818. Tax on adult use marijuana and adult use marijuana products**

24 All sales tax revenue collected pursuant to section 1811 on the sale of adult use
25 marijuana and adult use marijuana products must be deposited into the General Fund,
26 except that, on or before the last day of each month, the State Controller shall transfer:

27 **1. Adult Use Marijuana Public Health and Safety Fund.** Twelve percent of the
28 sales tax revenue received by the State Tax Assessor during the preceding month pursuant
29 to section 1811 to the Adult Use Marijuana Public Health and Safety Fund established
30 under Title 28-B, section 1101; and

31 **2. Local Government Marijuana Revenue Fund.** Twelve percent of the sales tax
32 revenue received by the State Tax Assessor during the preceding month pursuant to section
33 1811 to the Local Government Marijuana Revenue Fund established under Title 28-B,
34 section 407 calculated after the transfer pursuant to subsection 1 and after the subtraction
35 of the costs of the State Tax Assessor in administering this subsection. For the purposes of
36 this subsection, "costs of the State Tax Assessor in administering this subsection" means,
37 for each month in the 12-month period after the effective date of this subsection, the actual
38 and anticipated cost to the State Tax Assessor of administering this subsection and, in all
39 subsequent months, the previous month's actual cost of administering this subsection.

40 **Sec. 3. 36 MRSA §4925**, as enacted by PL 2019, c. 231, Pt. B, §7, is repealed and
41 the following enacted in its place:

42 **§4925. Application of excise tax revenue**

1 All excise tax revenue collected by the State Tax Assessor on the sale of adult use
2 marijuana pursuant to this chapter must be deposited into the General Fund, except that, on
3 or before the last day of each month, the State Tax Assessor shall transfer:

4 **1. Adult Use Marijuana Public Health and Safety Fund.** Twelve percent of the
5 excise tax revenue received during the preceding month pursuant to this chapter to the
6 Adult Use Marijuana Public Health and Safety Fund established under Title 28-B, section
7 1101; and

8 **2. Local Government Marijuana Revenue Fund.** Twelve percent of the excise tax
9 revenue received during the preceding month into the Local Government Marijuana
10 Revenue Fund established under Title 28-B, section 407 calculated after the transfer
11 pursuant to subsection 1 and after the subtraction of the costs of the State Tax Assessor in
12 administering this subsection. For the purposes of this subsection, "costs of the State Tax
13 Assessor in administering this subsection" means, for each month in the 12-month period
14 after the effective date of this subsection, the actual and anticipated cost to the State Tax
15 Assessor of administering this subsection and, in all subsequent months, the previous
16 month's actual cost of administering this subsection.

17 SUMMARY

18 This bill establishes the Local Government Marijuana Revenue Fund and requires the
19 transfer to the fund of 12% of revenue from the sales tax on adult use marijuana and adult
20 use marijuana products and the marijuana excise tax. The fund must be distributed to a
21 municipality where marijuana establishments are operating in proportion to the ratio of
22 revenues generated by the sales and excise taxes on adult use marijuana and adult use
23 marijuana products within the municipality to the revenues generated by all marijuana
24 establishments operating in the State.