



127th MAINE LEGISLATURE

LD 1401

LR 1783(01)

An Act To Allow for and Regulate the Adult Use of Cannabis

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Dion of Portland

Committee: Criminal Justice and Public Safety

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	(\$4,255,769)	(\$5,264,696)	(\$5,462,282)	(\$5,584,413)
Appropriations/Allocations				
General Fund	\$68,731	\$1,942,804	\$1,745,218	\$1,623,087
Other Special Revenue Funds	\$1,281,084	\$5,021,712	\$2,620,576	\$2,912,715
Revenue				
General Fund	\$4,324,500	\$7,207,500	\$7,207,500	\$7,207,500
Other Special Revenue Funds	\$1,255,500	\$5,039,500	\$2,631,500	\$2,916,500
Transfers				
Other Special Revenue Funds	\$0	\$0	\$0	\$0

Correctional and Judicial Impact Statements

Eliminates Class D crimes, Class E crimes and civil violations;

Establishes new Class D crimes and civil violations;

The new impact on General Fund fine revenue can not be estimated at this time.

Fiscal Detail and Notes

This legislation legalizes the sale of cannabis and cannabis products and establishes a 10% tax rate in addition to the regular 5% tax rate. General Fund revenues would increase by \$4,324,500 in fiscal year 2015-16 and \$7,207,500 in fiscal year 2016-17 and Local Government Fund revenue would increase by \$139,500 in fiscal year 2015-16 and \$232,500 in fiscal year 2016-17. This analysis assumes an effective date of 10-1-15. The Department of Administrative and Financial Services would require a General Fund appropriation of \$12,000 in fiscal year 2015-16 for computer programming to add a line to the sales tax return to capture the tax information.

The Regulation and Enforcement program within the Department of Labor will 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 to support the increase in enforcement activity associated with this legislation.

The Department of Education will require Other Special Revenue Funds allocations of \$558,000 in fiscal year 2015-16 and \$930,000 in fiscal year 2016-17 to a newly created School Construction - Cannabis Revenue program account to expend the funds projected to be received for its share of the sales tax on cannabis products on school construction projects.

The bill renames the Bureau of Alcoholic Beverages and Lottery Operations as the Bureau of Alcoholic Beverages, Cannabis and Lottery Operations (ABCLO). The ABCLO will require General Fund appropriations of \$1,867,617 in fiscal year 2016-17 for 5 Office Associate II positions, 14 Marijuana Inspector positions and certain one-time and ongoing IT costs. The bill establishes the Cannabis Regulation and Licensing Fund within the ABCLO and receives funds from applications and renewal registrations, certain penalties and fines and 10% of revenue from the 10% tax rate. It will receive an estimated Other Special Revenue Funds revenue of \$558,000 and \$3,877,000 in fiscal years 2015-16 and 2016-17, respectively, from application and renewal registration fees and 10% of revenue from the 10% tax rate. 25% of license application fees are directed to the locality the applicant desires to operate in and results in localities receiving an estimated total of \$280,500.

The Department of Agriculture, Conservation and Forestry will require Other Special Revenue Funds allocations of \$165,084 and \$214,712 in fiscal years 2015-16 and 2016-17, respectively, to establish 2 Environmental Specialist II positions and one part-time Certified Seed Specialist position for inspection purposes and for changes to industrial hemp laws.

The Department of the Attorney General will require an additional Assistant Attorney General position estimated to be \$85,762 in fiscal year 2015-16 and \$113,016 in fiscal ywae 2016-17 to provide legal assistance related to the Cannabis Regulation Act.