

**132nd MAINE LEGISLATURE****LD 948****LR 2174(02)****An Act to Reduce Administrative Burdens and Expand Access in the Laws Governing Cannabis****Fiscal Note for Bill as Amended by Committee Amendment " "****Committee: Veterans and Legal Affairs****Fiscal Note Required: Yes**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$1,257,614	\$1,357,724	\$1,500,675	\$1,465,691
Appropriations/Allocations				
General Fund	\$1,257,614	\$1,357,724	\$1,500,675	\$1,465,691
Other Special Revenue Funds	\$120,652	\$120,652	\$120,652	\$120,652
Revenue				
Other Special Revenue Funds	\$0	(\$4,106,571)	\$0	(\$4,106,571)

Fiscal Detail and Notes

This bill extends the duration of Adult Use Cannabis and Medical Use Cannabis registrations and licenses from one to two years and establishes an expedited renewal process for licensees and registrants in good standing.

The transition from annual to two-year registrations and licenses will reduce Other Special Revenue Funds revenue to the Medical Use of Cannabis Fund by \$2,451,151 and the Adult-Use Cannabis Regulatory Coordination Fund by \$1,655,420 in fiscal year 2026-27 and are projected to decrease revenue by similar amounts in fiscal year 2028-29. This estimate is based on current registration and license data.

The Office of Cannabis Policy (OCP) within the Department of Administrative and Financial Services has indicated that because the licensing platform cannot automatically verify whether a registrant has remained violation-free, staff will need to review each file and manually verify the compliance determination. Additionally, the annual renewal process was previously the time when a majority of applicants updated ownership percentages, operating plans, and local authorizations and used that updated information for other required licenses, registrations, and certificates from other state and local entities. As a result, OCP anticipates an increase in off-cycle change applications due to the shift in license terms from one to two years. Along with the administrative review needs, OCP has indicated that most licenses are currently inspected on a rolling 18-month cycle, and the changes outlined in this bill would necessitate shifting that inspection cycle to an annual basis.

The bill includes ongoing General Fund appropriations of \$1,257,614 and Other Special Revenue Funds allocations of \$120,652 beginning in fiscal year 2025-26 for the additional licensing and compliance staff listed below.

Compliance Staff	Number
OCP Chief Licensing Investigator	1
OCP Compliance Inspector	5
Field Investigator Supervisor	1
Licensing Staff	
Office Associate II	1
Office Specialist I	1
OCP Licensing Analyst	3

Because this bill includes statutory references to both the Adult-Use and Medical Use of Cannabis programs, the appropriations and allocations noted above have been proportionally funded across both programs. This distribution is noted below.

Adult Use

General Fund	\$503,044
Other Special Revenue Funds	\$48,261

Medical Use

General Fund	\$754,570
Other Special Revenue Funds	\$72,391