



132nd MAINE LEGISLATURE

LD 1847

LR 854(02)

An Act to Institute Testing and Tracking of Medical Use Cannabis and Cannabis Products Similar to Adult Use Cannabis and Cannabis Products, Dedicate a Portion of the Adult Use Cannabis Sales and Excise Tax to Medical Use Cannabis Programs and Create a Study Group

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	\$0	\$7,000	\$18,200	\$17,700
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$0	\$267,000	\$1,014,000
Revenue				
General Fund	\$0	(\$7,000)	(\$18,200)	(\$17,700)
Other Special Revenue Funds	\$0	\$1,000	\$3,200	\$3,700

Fiscal Detail and Notes

This bill establishes a mandatory testing program, an inventory tracking system for medical use of cannabis and a reimbursement program for certain registrants covering a portion of testing costs. The bill also makes associated changes to labeling, record-keeping and regulatory requirements for cannabis testing facilities, including changes to the excise tax treatment of certain cannabis products. This estimate is based on an implementation model in which testing requirements are applied broadly across registrants but are administered through existing regulatory and compliance structures without expanding audit or inspection activities.

The Office of Cannabis Policy (OCP) within the Department of Administrative and Financial Services would require additional allocations of Other Special Revenue Funds to implement testing requirements, establish and maintain an inventory-tracking system, and administer the reimbursement program. Due to the bill's effective dates and implementation timeline, these allocations are projected to begin in fiscal year 2027-28 and would include \$267,000 in fiscal year 2027-28 and \$534,000 in fiscal year 2028-29 for inventory-tracking system costs, and \$480,000 annually beginning in fiscal year 2028-29 for the reimbursement program.

The bill would result in a revenue decrease to the General Fund of \$7,000 in fiscal year 2026-27, \$18,200 in fiscal year 2027-28 and \$17,700 in fiscal year 2028-29 from increased prices leading to a reduction in quantity sold in the medical market with a partially offsetting increase in sales of adult use cannabis. The bill would also result in a revenue increase to the Local Government Fund and the Adult Use Cannabis Public Health and Safety Fund totaling \$1,000 in fiscal year 2026-27, \$3,200 in fiscal year 2027-28 and \$3,700 in fiscal year 2028-29.

The inventory tracking system estimate is based on recent RFPs and procurement costs for a similar system in the adult use program, adjusted for the larger number of medical registrants. The estimate assumes a 12- to 18-month procurement process, with partial-year implementation in fiscal year 2027-28 and full-year costs thereafter. Actual costs may vary depending on the results of the competitive procurement process.

The reimbursement program requires the Office to reimburse registrants with annual gross revenue of less than \$125,000 for mandatory testing costs that exceed 10% of gross revenue, up to \$100 per batch. Based on available data and assumptions regarding testing frequency and the number of qualifying registrants, annual reimbursement costs are estimated to be approximately \$480,000. This estimate reflects a subset of registrants expected to meet the statutory eligibility criteria and is subject to variability based on individual business operations and actual testing practices. The estimate assumes that program administration, including verification of reimbursement eligibility and oversight of testing compliance, would be accommodated within existing staffing levels.