



# 132nd MAINE LEGISLATURE

LD 1847

LR 854(03)

## 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

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### Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$14,100	\$18,500	\$17,800
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$0	\$5,279,988	\$5,546,988
<b>Revenue</b>				
General Fund	\$0	(\$14,100)	(\$18,500)	(\$17,800)
Other Special Revenue Funds	\$0	\$2,100	\$3,500	\$3,800

#### Fiscal Detail and Notes

This bill establishes mandatory testing and audit testing programs for the medical use of cannabis, an electronic inventory tracking system and a data management system and makes associated changes to record-keeping, labeling and regulatory requirements for registrants and cannabis testing facilities, including changes to the excise tax treatment of certain cannabis products. This estimate is based on an implementation model in which audit testing would be conducted on a recurring basis across a substantial portion of registrants and would require centralized sample collection, analysis and ongoing compliance monitoring activities supported by dedicated field, supervisory and analytical staff.

The Office of Cannabis Policy (OCP) within the Department of Administrative and Financial Services has indicated that implementation of the provisions of this bill would require additional resources to support testing oversight, audit testing activities, data management, and program administration. OCP would require ongoing Other Special Revenue Funds allocations of \$3,369,874 beginning in fiscal year 2027-28 for 15 OCP Compliance Inspector positions, 3 Field Investigator Supervisor positions, one Chemist II position, 5 Planning and Research Associate II positions, 2 Public Service Coordinator I positions, one Public Relations Representative position, and associated position costs. The staffing levels reflect assumptions regarding the scope and frequency of audit testing activities and assume that OCP would be responsible for sample collection, coordination with testing facilities and evaluation of results.

OCP would also require ongoing Other Special Revenue Funds allocations for the development and maintenance of data management capabilities to support audit testing, trip ticket reporting and compliance monitoring activities, as well as ongoing allocations of \$1,143,114 for audit testing costs based on the assumed frequency and scope of audit testing activities.

In addition, OCP would require Other Special Revenue Funds allocations of \$267,000 beginning in fiscal year 2027-28 for costs associated with the procurement and implementation of an electronic inventory tracking system.

The use of additional Other Special Revenue Funds allocations from the Maine Medical Use of Cannabis Fund to support the expenditures estimated in this bill would increase the rate at which the fund balance is drawn down. Based on current revenue levels and projected expenditures, the fund balance may be depleted more quickly than it is replenished. This could require the identification of alternative funding sources in future biennia and may affect the availability of the fund to support other statutorily authorized purposes, including ongoing program administration and regulatory activities.

The bill would result in a revenue decrease to the General Fund of \$14,100 in fiscal year 2026-27, \$18,500 in fiscal year 2027-28 and \$17,800 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 \$2,100 in fiscal year 2026-27, \$3,500 in fiscal year 2027-28 and \$3,800 in fiscal year 2028-29.

Implementation of the program is expected to occur over time due to rulemaking and a 12- to 18-month procurement process for the inventory-tracking system. As a result, costs in fiscal year 2026-27 are expected to be limited to initial implementation activities. The costs described above represent the estimated resources necessary to support full program implementation beginning in fiscal year 2027-28.