



130th MAINE LEGISLATURE

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Legislative Document

No. 1195

H.P. 873

House of Representatives, March 22, 2021

**An Act To Increase Funding to Qualifying Municipalities by
Sharing Adult Use Marijuana Sales and Excise Tax Revenue**

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 "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative ROBERTS of South Berwick.
Cosponsored by Senator HICKMAN of Kennebec and
Representatives: JOHANSEN of Monticello, MEYER of Eliot, WARREN of Hallowell.

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.** In recognition of the
5 local costs of regulation and enforcement with respect to the activities associated with the
6 legalization of adult use marijuana under this chapter and to assist in offsetting negative
7 effects on local resources, there is established the Local Government Marijuana Revenue
8 Fund, referred to in this section as "the fund."

9 **2. Fund sources.** The fund receives money transferred to the fund pursuant to Title
10 36, section 1818, subsection 1 and Title 36, section 4925.

11 **3. Distribution of funds.** The Treasurer of State shall transfer the balance in the fund,
12 less the actual costs of administering the fund, on the 20th day of each month. Money in
13 the fund must be distributed to each municipality in which the legislative body has voted
14 to adopt a new ordinance, amend an existing ordinance or approve a warrant article
15 allowing a marijuana establishment within the municipality, in proportion to the ratio of
16 state revenues generated by all marijuana establishments operating within the municipality
17 to the state revenues generated by all marijuana establishments operating within the State.

18 **4. Unorganized and deorganized areas.** For purposes of municipal marijuana
19 revenue allocation 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 D, §4, is repealed and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:

27 **1. Transfer to Local Government Marijuana Revenue Fund.** On or before the 10th
28 day of each month, the State Controller shall transfer to the Local Government Marijuana
29 Revenue Fund established under Title 28-B, section 407 5% of the sales tax revenue
30 received by the assessor during the preceding month pursuant to section 1811; and

31 **2. Transfer to Adult Use Marijuana Public Health and Safety Fund.** On or before
32 the last day of each month, the State Controller shall transfer to the Adult Use Marijuana
33 Public Health and Safety Fund established under Title 28-B, section 1101 12% of the
34 difference between the sales tax revenue received by the assessor during the preceding
35 month pursuant to section 1811 and the transfer made pursuant to subsection 1.

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

38 **§4925. Application of excise tax revenue**

39 All excise tax revenue collected by the assessor pursuant to this chapter on the sale of
40 adult use marijuana must be deposited into the General Fund, except that:

