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Date: (Filing No. H-)

VETERANS AND LEGAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 972, L.D. 1517, “An Act to Create Equity in the State's Cannabis Industry”

Amend the bill by striking out the title and substituting the following:

'An Act to Establish the Social Equity Program'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'PART A

Sec. A-1. 5 MRSA §12004-I, sub-§6-K is enacted to read:

6-K.

Economic Social Equity Program Advisory Not Authorized 5 MRSA
Development Committee §13302

Sec. A-2. 5 MRSA c. 395 is enacted to read:

CHAPTER 395

SOCIAL EQUITY PROGRAM

§13301. Social equity program established

In accordance with the provisions of this chapter, the Department of Economic and Community Development, referred to in this chapter as "the department," shall establish and administer a social equity program, referred to in this chapter as "the program," to increase workforce development programs and provide support to individuals who are members of impacted communities and businesses that are owned by members of impacted communities. For purposes of this chapter, "impacted community" means a racial, ethnic or tribal population that has experienced incarceration at rates disproportionate to the racial, ethnic or tribal population's rate of criminality starting in or about the year 1971 and as a

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1 result the racial, ethnic or tribal population has experienced direct or indirect discrimination
2 in access to housing, employment and education. The department may employ consultants,
3 contract for services or enter into agreements with private and public entities, such as other
4 state agencies, as necessary for the establishment and implementation of the program as
5 long as costs associated with the program do not exceed \$300,000 per biennium.

6 **§13302. Social Equity Program Advisory Committee**

7 The Social Equity Program Advisory Committee, established by section 12004-I,
8 subsection 6-K and referred to in this chapter as "the advisory committee," serves to advise
9 the department on the development and implementation of the program. The advisory
10 committee has 5 members who are members of impacted communities. Two members of
11 the advisory committee are appointed by the President of the Senate and 3 members are
12 appointed by the Speaker of the House. The first-named member appointed by the Speaker
13 of the House is the chair of the advisory committee. The Commissioner of Economic and
14 Community Development, or the commissioner's designee, shall convene the advisory
15 committee as necessary to carry out its advisory duties.

16 **§13303. Report**

17 By December 15, 2026, and biennially thereafter, the department shall file a report with
18 the joint standing committee of the Legislature having jurisdiction over economic and
19 community development matters and the joint standing committee of the Legislature
20 having jurisdiction over cannabis matters detailing the components of the program, the
21 progress and impact of the program and its components and the activities of the advisory
22 committee. Each joint standing committee may report out legislation in the regular or
23 special session of the Legislature in which the report was filed.

24 **Sec. A-3. 28-B MRSA §1101, sub-§2, ¶C-1** is enacted to read:

25 C-1. Money credited to the fund may be expended by the department or transferred by
26 the department to other state agencies to fund the social equity program established in
27 Title 5, chapter 395.

28 **Sec. A-4. 28-B MRSA §1101, sub-§2, ¶D**, as enacted by PL 2023, c. 444, §1, is
29 amended to read:

30 D. Any funds remaining in the fund after expenditures made in accordance with
31 paragraphs A to C C-1 must be used to fund:

32 (1) The cost of the tax deductions for business expenses related to carrying on a
33 business as a cannabis establishment or a testing facility provided pursuant to Title
34 36, section 5122, subsection 2, paragraph PP and Title 36, section 5200-A,
35 subsection 2, paragraph BB. By June 1st annually, the State Tax Assessor shall
36 determine the cost of those deductions during the prior calendar year and report
37 that amount to the State Controller, who shall transfer that amount from the
38 remaining funds in the fund to the General Fund; and

39 (2) The cost of the position in the Bureau of Revenue Services within the
40 department to administer the tax deductions provided pursuant to Title 36, section
41 5122, subsection 2, paragraph PP and Title 36, section 5200-A, subsection 2,
42 paragraph BB. By June 1st annually, the commissioner shall determine the cost of
43 the position in the bureau to administer those deductions during the prior calendar

1 year and report that amount to the State Controller, who shall transfer that amount
2 from the remaining funds in the fund to the General Fund.

3 **PART B**

4 **Sec. B-1. Department of Labor; apprenticeship navigator.** The Department
5 of Labor shall establish a 2-year apprenticeship navigator position with the responsibility
6 of increasing access to workforce development opportunities for impacted communities,
7 including, but not limited to, apprenticeship and preapprenticeship programs. For purposes
8 of this Part, "impacted community" means a racial, ethnic or tribal population that has
9 experienced incarceration at rates disproportionate to the racial, ethnic or tribal population's
10 rate of criminality starting in or about the year 1971 and as a result the racial, ethnic or
11 tribal population has experienced direct or indirect discrimination in access to housing,
12 employment and education.

13 **Sec. B-2. Department of Economic and Community Development; business**
14 **support services; seed funds.** The Department of Economic and Community
15 Development shall increase access to business support services to impacted communities
16 by:

- 17 1. Providing outreach to impacted communities to support business development by
18 and business success of members of impacted communities;
- 19 2. Providing technical assistance to support business development by and business
20 success of members of impacted communities;
- 21 3. Providing funds to members of impacted communities starting, maintaining or
22 expanding a business; and
- 23 4. Providing education and counseling about available tax credits to members of
24 impacted communities.

25 **Sec. B-3. Cannabis business advocate.** The Commissioner of Administrative and
26 Financial Services shall hire a cannabis business advocate as an employee of the
27 Department of Administrative and Financial Services for a period of up to 2 years. The
28 cannabis business advocate may be physically located within or near the office of cannabis
29 policy, referred to in this section as "the office," but is not an employee of the office. The
30 duties of the cannabis business advocate include:

- 31 1. Assisting licensees under the Cannabis Legalization Act and registrants under the
32 Maine Medical Use of Cannabis Act, referred to in this section collectively as
33 "participants," in navigating the regulatory process and resolving problems with the office;
- 34 2. Identifying areas in which participants have problems in dealings with the office;
- 35 3. Receiving complaints from participants, mediating conflicts between participants
36 and the office and, when appropriate, making recommendations to the director of the office
37 with respect to these complaints. Within 3 months of receiving recommendations, the
38 director of the office shall provide a formal response to the cannabis business advocate on
39 all recommendations submitted;
- 40 4. Proposing changes in the administrative practices of the office to mitigate problems
41 identified under subsections 1, 2 and 3; and

1 5. Maintaining a record of the volume, nature and resolution status of complaints
 2 received from participants and providing the director of the office with this information by
 3 November 1st of each year.

4 **Sec. B-4. Reports; authority to report out legislation.** By December 15, 2026,
 5 the Department of Labor, the Department of Economic and Community Development and
 6 the Department of Administrative and Financial Services shall separately file a report with
 7 the joint standing committee of the Legislature having jurisdiction over labor matters, the
 8 joint standing committee of the Legislature having jurisdiction over economic and
 9 community development matters and the joint standing committee of the Legislature
 10 having jurisdiction over cannabis matters. The departments must include in their reports
 11 details on the activities and impact of their efforts required under this Part. The Department
 12 of Administrative and Financial Services shall also include in its report the volume, nature
 13 and resolution of complaints received by the cannabis business advocate established in
 14 section 3 of this Part.

15 **Sec. B-5. Appropriations and allocations.** The following appropriations and
 16 allocations are made.

17 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
 18 **Adult Use Cannabis Public Health and Safety Fund and Municipal Opt-In Fund**
 19 **Z263**

20 Initiative: Establishes one limited-period Public Service Coordinator II position for a
 21 cannabis business advocate effective August 1, 2024 through July 31, 2026 and provides
 22 funding for related All Other costs.

23	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
24	Personal Services	\$0	\$118,854
25	All Other	\$0	\$9,453
26			
27	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$128,307

28
 29 **ADMINISTRATIVE AND FINANCIAL**
 30 **SERVICES, DEPARTMENT OF**
 31 **DEPARTMENT TOTALS**

32		2023-24	2024-25
33	OTHER SPECIAL REVENUE FUNDS	\$0	\$128,307
34			
35	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$128,307

36 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**

37 **Social Equity Program N495**

38 Initiative: Allocates ongoing funds for the costs to implement and administer a social equity
 39 program to increase workforce development programs and provide support to individuals
 40 who are members of impacted communities and businesses that are owned by members of
 41 impacted communities.

42	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
43	All Other	\$0	\$300,000

1			
2	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$300,000
3			
4	ECONOMIC AND COMMUNITY		
5	DEVELOPMENT, DEPARTMENT OF		
6	DEPARTMENT TOTALS	2023-24	2024-25
7			
8	OTHER SPECIAL REVENUE FUNDS	\$0	\$300,000
9			
10	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$300,000
11	LABOR, DEPARTMENT OF		
12	Maine Apprenticeship Program Z375		
13	Initiative: Establishes one limited-period CareerCenter Consultant position effective		
14	August 1, 2024 through July 31, 2026 to increase access to workforce development		
15	opportunities for impacted communities and provides funding for related All Other costs.		
16	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
17	Personal Services	\$0	\$79,335
18	All Other	\$0	\$9,500
19			
20	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$88,835
21			
22	LABOR, DEPARTMENT OF		
23	DEPARTMENT TOTALS	2023-24	2024-25
24			
25	OTHER SPECIAL REVENUE FUNDS	\$0	\$88,835
26			
27	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$88,835
28			
29	SECTION TOTALS	2023-24	2024-25
30			
31	OTHER SPECIAL REVENUE FUNDS	\$0	\$517,142
32			
33	SECTION TOTAL - ALL FUNDS	\$0	\$517,142

34 '
 35 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 36 number to read consecutively.

37 **SUMMARY**

38 This amendment, which is the majority report of the committee, replaces the bill and
 39 changes the title. The amendment establishes a social equity program within the
 40 Department of Economic and Community Development to increase workforce
 41 development programs and provide support to individuals who are members of impacted

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1 communities and businesses that are owned by members of impacted communities. For
2 purposes of this amendment, "impacted community" means a racial, ethnic or tribal
3 population that has experienced incarceration at rates disproportionate to the racial, ethnic
4 or tribal population's rate of criminality starting in or about the year 1971 and as a result
5 the racial, ethnic or tribal population has experienced direct or indirect discrimination in
6 access to housing, employment and education. The costs to implement the program may
7 not exceed \$300,000 per biennium.

8 The amendment also creates the Social Equity Program Advisory Committee of 5
9 individuals who are members of impacted communities. The committee must be convened
10 by the Commissioner of Economic and Community Development or the commissioner's
11 designee.

12 The amendment creates the following time-limited programs to implement the work of
13 the program:

14 1. An apprenticeship navigator position within the Department of Labor to increase
15 access to workforce development opportunities for impacted communities, including, but
16 not limited to, apprenticeship and preapprenticeship programs;

17 2. An array of business support services targeted to impacted communities by the
18 Department of Economic and Community Development; and

19 3. A cannabis business advocate position within the Department of Administrative and
20 Financial Services to assist participants under the Cannabis Legalization Act and the Maine
21 Medical Use of Cannabis Act, respectively.

22 Funds from the Adult Use Cannabis Public Health and Safety and Municipal Opt-in
23 Fund may be expended to support the activities in this amendment.

24 Each department must submit a report by December 15, 2026 to the joint standing
25 committees of the Legislature having jurisdiction over labor matters, economic and
26 community development matters and cannabis matters.

27 **FISCAL NOTE REQUIRED**

28 **(See attached)**