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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 243

H.P. 176

House of Representatives, January 26, 2017

**An Act To Change the Oversight Agency for Recreational
Marijuana from the Department of Agriculture, Conservation and
Forestry to the Department of Administrative and Financial
Services, Bureau of Alcoholic Beverages and Lottery Operations
and To Allocate Funds for Implementation**

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Joint Select Committee on Marijuana Legalization Implementation suggested and ordered printed.

Handwritten signature of Robert B. Hunt in cursive.

ROBERT B. HUNT
Clerk

Presented by Speaker GIDEON of Freeport.
Cosponsored by President THIBODEAU of Waldo and
Representatives: FREDETTE of Newport, GOLDEN of Lewiston, HERBIG of Belfast,
Senators: CUSHING of Penobscot, JACKSON of Aroostook, LIBBY of Androscoggin,
MASON of Androscoggin.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** implementing a system for the regulation and administration of the
4 cultivation, distribution and retail sale of recreational marijuana, a controlled substance, is
5 a complex function with significant financial costs; and

6 **Whereas,** ensuring that possession and use of recreational marijuana is limited to
7 persons who are 21 years of age and older is necessary to protect those who have not yet
8 reached adulthood from the potential negative effects of irresponsible use of a controlled
9 substance; and

10 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
11 the meaning of the Constitution of Maine and require the following legislation as
12 immediately necessary for the preservation of the public peace, health and safety; now,
13 therefore,

14 **Be it enacted by the People of the State of Maine as follows:**

15 **Sec. 1. 7 MRSA §2442, sub-§9,** as enacted by IB 2015, c. 5, §1, is amended to
16 read:

17 **9. Department.** "Department" means the Department of ~~Agriculture, Conservation~~
18 ~~and Forestry~~ Administrative and Financial Services, Bureau of Alcoholic Beverages and
19 Lottery Operations.

20 **Sec. 2. 7 MRSA §2444, first ¶,** as enacted by IB 2015, c. 5, §1, is amended to
21 read:

22 For the purpose of regulating and controlling the licensing of the cultivation,
23 manufacture, distribution, testing and sale of retail marijuana and retail marijuana
24 products in this State, the state licensing authority is the ~~Department of Agriculture,~~
25 ~~Conservation and Forestry~~ Director of the Bureau of Alcoholic Beverages and Lottery
26 Operations within the Department of Administrative and Financial Services.

27 **Sec. 3. 7 MRSA §2444, sub-§1,** as enacted by IB 2015, c. 5, §1, is amended to
28 read:

29 **1. Director is chief administrative officer.** The ~~Commissioner of Agriculture,~~
30 ~~Conservation and Forestry~~ Director of the Bureau of Alcoholic Beverages and Lottery
31 Operations within the Department of Administrative and Financial Services is the chief
32 administrative officer of the state licensing authority and may employ such officers and
33 employees as may be determined to be necessary. The state licensing authority has the
34 authority to:

35 A. Grant or refuse licenses for the cultivation, manufacture, distribution, sale and
36 testing of retail marijuana and retail marijuana products as provided by this chapter;

37 B. Suspend, fine, restrict or revoke licenses under paragraph A upon a violation of
38 this chapter or any rule adopted pursuant to this chapter; and

1 C. Impose any penalty authorized by this chapter or any rule adopted pursuant to this
2 chapter.

3 **Sec. 4. 7 MRSA §2444-A** is enacted to read:

4 **§2444-A. Retail Marijuana Regulatory Coordination Fund**

5 The Retail Marijuana Regulatory Coordination Fund, referred to in this section as
6 "the fund," is established as a dedicated, nonlapsing other special revenue fund in the
7 Bureau of Alcoholic Beverages and Lottery Operations within the Department of
8 Administrative and Financial Services. The fund is administered and used by the
9 Director of the Bureau of Alcoholic Beverages and Lottery Operations for the purposes of
10 adopting rules and establishing regulatory procedures as required by this chapter. To
11 facilitate rulemaking and the establishment of a regulatory framework for the cultivation,
12 distribution and sale of retail marijuana, the director may expend funds from the fund to
13 enter into contracts with consultants and employ staff, as determined necessary by the
14 director, conduct meetings with stakeholders and conduct other activities related to the
15 operation of this chapter.

16 **Sec. 5. Transfer from General Fund unappropriated surplus; Retail**
17 **Marijuana Regulatory Coordination Fund, Other Special Revenue Funds**
18 **account; fiscal year 2016-17.** Notwithstanding any other provision of law, the State
19 Controller shall transfer \$1,600,000 from the General Fund unappropriated surplus to the
20 Retail Marijuana Regulatory Coordination Fund program, Other Special Revenue Funds
21 account within the Department of Administrative and Financial Services no later than
22 February 15, 2017.

23 **Sec. 6. Appropriations and allocations.** The following appropriations and
24 allocations are made.

25 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
26 **Retail Marijuana Regulatory Coordination Fund N233**

27 Initiative: Allocates funds to establish the Retail Marijuana Regulatory Coordination
28 Fund.

29				
30	OTHER SPECIAL REVENUE	2016-17	2017-18	2018-19
31	FUNDS			
32	All Other	\$1,600,000	\$0	\$0
33				
34	OTHER SPECIAL REVENUE	<u>\$1,600,000</u>	<u>\$0</u>	<u>\$0</u>
35	FUNDS TOTAL			

36 **Emergency clause.** In view of the emergency cited in the preamble, this
37 legislation takes effect when approved.

1

SUMMARY

2 This bill changes the state licensing authority under the Marijuana Legalization Act
3 from the Department of Agriculture, Conservation and Forestry to the Director of the
4 Bureau of Alcoholic Beverages and Lottery Operations within the Department of
5 Administrative and Financial Services. It also establishes the Retail Marijuana
6 Regulatory Coordination Fund to be used by the director for rulemaking and other duties
7 related to implementation of a regulatory scheme for the cultivating, distribution and sale
8 of retail marijuana. This bill also transfers \$1,600,000 from unappropriated General Fund
9 surplus to the fund.