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H.P. 1129

House of Representatives, April 25, 2023

An Act Authorizing the Governor to Enter into Interstate Agreements Regarding the Cannabis Industry

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative PERRY of Bangor.

Be it enacted by the People of the State of Maine as follows: Sec. 1. 28-B MRSA c. 1, sub-c. 12 is enacted to read:
SUBCHAPTER 12
INTERSTATE AGREEMENTS
<u>§1201. Definitions</u>
As used in this subchapter, unless the context otherwise indicates, the following tern have the following meanings.
1. Agreement. "Agreement" means an agreement entered into under this subchapt between the Governor and another state or states regarding commercial cannabis activity
2. Commercial cannabis activity. "Commercial cannabis activity" means the transportation, cultivation, manufacture, testing, purchase, sale or distribution of cannabis or cannabis products.
3. Contracting state. "Contracting state" means a state with which the Governor h entered into an agreement pursuant to this subchapter.
4. Maine commercial cannabis business. "Maine commercial cannabis business means an individual or entity authorized to engage in commercial cannabis activity in the State pursuant to this chapter or Title 22, chapter 558-C.
5. Out-of-state commercial cannabis business. "Out-of-state commercial cannabis business" means an individual or entity authorized under the laws of another state to engagin commercial cannabis activity within that state.
<u>6. State. "State" means a state of the United States or any district, commonwealt</u> territory or possession subject to the legislative authority of the United States.
§1202. Agreement by Governor
The Governor may enter into one or more agreements with another state or stat authorizing commercial cannabis activity in this State by an out-of-state commercial cannabis business or authorizing a Maine commercial cannabis business to engage commercial cannabis activity in the contracting state, as long as the provisions of the subchapter are met.
§1203. Federal action required
An agreement entered into pursuant to this subchapter takes effect upon or after t occurrence of the following:
<u>1. Federal law permits interstate transfer.</u> Federal law authorizes the interstate commercial cannabis activities authorized by the agreement;
2. Federal expenditures prohibited. Federal law prohibits the expenditure of federal funds to prevent the interstate commercial cannabis activities authorized by the agreement
<u>3. Opinion of United States Department of Justice.</u> The United States Department of Justice issues an opinion or memorandum allowing or tolerating the interstate commercial cannabis activities authorized by the agreement; or

1 2 3	4. Opinion of Attorney General of United States. The Attorney General of the United States issues a written opinion that, based on review of federal judicial decisions and administrative action, implementation of the agreement will not result in significant
4	legal risk to this State.
5	<u>§1204. Agreement requirements</u>
6	An agreement entered into pursuant to this subchapter must contain provisions that:
7 8 9	1. Department authorization. Require an out-of-state commercial cannabis business to comply with the requirements of this Title or Title 22, chapter 558-C, as appropriate, in order to engage in commercial cannabis activity in this State;
10 11 12	2. Standards. Require the contracting state to apply standards to out-of-state commercial cannabis businesses operating in the contracting state that meet or exceed the standards found in this chapter or Title 22, chapter 558-C, as appropriate, regarding:
13 14 15	A. Tracking and tagging cannabis plants, adult use cannabis and adult use cannabis products from immature cannabis plant to the point of retail sale, disposal or destruction;
16 17 18 19	B. Testing cannabis and cannabis products prior to selling or distributing to ensure the cannabis and cannabis products do not exceed the maximum level of allowable contamination for any contaminate that is injurious to health and for which testing is required and to ensure correct labeling:
20 21	C. Identifying adulterated or misbranded cannabis products and destroying those products; and
22	D. Packaging, labeling, marketing and advertising of cannabis and cannabis products;
23 24 25 26 27	3. Public health and safety emergencies. Require the appropriate regulatory authority of the contracting state to address public health and welfare emergencies concerning cannabis or cannabis products that are sold or intended for sale within this State, including the prompt recall or embargo of adulterated or misbranded cannabis or cannabis products;
28 29 30 31 32	4. Investigate alleged noncompliance. Require the appropriate regulatory authority of the contracting state to investigate and reasonably cooperate with this State's investigation of instances of alleged noncompliance with the agreement and laws and rules applicable to out-of-state commercial cannabis businesses operating in this State in accordance with mutually agreed-upon procedures;
33 34 35 36	5. Promote inclusion. Require the contracting state to promote the inclusion and support of individuals and communities in the cannabis industry who are linked to populations and neighborhoods that were negatively or disproportionately affected by cannabis criminalization as determined by the Governor; and
37 38 39	<u>6. Transportation prohibited.</u> Prohibit the transportation of cannabis or cannabis products by an out-of-state commercial cannabis business or a Maine commercial cannabis business through a state that does not authorize that transportation.
40	<u>§1205. License required; rules</u>
41 42	An out-of-state commercial cannabis business may not engage in commercial cannabis activity in this State unless authorized to do so in accordance with this Title or Title 22,

chapter 558-C, as appropriate. The department shall adopt rules to implement, administer
and enforce this subchapter. Rules adopted pursuant to this section are routine technical
rules as defined in Title 5, chapter 375, subchapter 2-A.

4 §1206. Affix signature

5 When the Governor, on behalf of the State, executes an agreement pursuant to this 6 subchapter, the Governor shall affix the Governor's signature to the agreement under a 7 recital that the agreement is executed pursuant to the provisions of this subchapter and 8 subject to the limitations and qualifications contained in this subchapter.

9 <u>§1207. Report</u>

By January 15, 2024, and annually thereafter, the department shall submit a report to the joint standing committee of the Legislature having jurisdiction over adult use cannabis and medical use cannabis matters listing all agreements entered into pursuant to this subchapter, including, but not limited to, information regarding the terms and conditions of each agreement, the activities undertaken by the department and other state agencies to implement the agreement and the effects of the agreement on the adult use and medical use cannabis industries in this State.

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SUMMARY

18 This bill permits the Governor to enter into interstate agreements authorizing the 19 transportation, cultivation, manufacture, testing, purchase, sale or distribution of cannabis 20 or cannabis products into and out of this State by entities licensed in Maine pursuant to the 21 Maine Revised Statutes, Title 28-B, chapter 1 or Title 22, chapter 558-C. Such agreements 22 will be effective if one of the following occurs: (1) federal law allows for the interstate 23 transfer of cannabis or cannabis products; (2) federal law specifically prohibits the expenditure of federal funds to prevent the interstate transfer of cannabis or cannabis 24 products; (3) the United States Department of Justice issues an opinion or memorandum 25 26 allowing or tolerating the interstate transfer of cannabis products; or (4) the Attorney 27 General of the United States issues a written opinion that implementation of these 28 agreements will not result in significant legal risk to this State.

29 The agreements must require a cannabis business from the contracting state to be authorized to operate in this State pursuant to either Title 28-B, chapter 1 or Title 22, 30 31 chapter 558-C and that the contracting state apply standards on these businesses equal to 32 or exceeding Maine standards on: tracking; tagging; testing; identifying and destroying 33 adulterated or misbranded cannabis products; labeling; marketing; and advertising. The 34 contracting state must also agree to address public health and safety emergencies concerning cannabis and cannabis products and agree to assist in investigations of 35 36 noncompliance with the agreement or Maine's laws or rules. The agreements must also 37 prohibit the transportation of cannabis or cannabis products in states that do not authorize 38 such transportation.