HOUSE OF REPRESENTATIVES
2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1400
TTY: MAINE RELAY 711

Sean Paulhus
677 Middle Street
Bath, ME 04530
Phone: (207) 751-7760
Sean.Paulhus@legislature.maine.gov

March 9, 2023

Testimony of Rep. Sean Paulhus presenting
LD 88, An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales and Excise Tax Revenues
Before the Joint Standing Committee on Taxation

Senator Grohoski, Representative Perry and esteemed colleagues on the Joint Standing Committee on Taxation, I am Sean Paulhus, Representative for House District 50, the city of Bath. I am here to present **LD 88, An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales and Excise Tax Revenues.**

Cannabis businesses are no longer a new phenomenon in many communities across the state. But they still often come with added costs in order to ensure safety and compliance with reasonable regulations. Due to this, communities hosting these businesses often have a bigger price tag than others without such establishments.

This bill would help address that discrepancy by creating a revenue sharing fund called the Local Government Cannabis Revenue Fund. The fund would distribute monies to cannabis host communities in proportion to the ratio of revenue generated by the sales and excise taxes on adult use cannabis and adult use cannabis products within those municipalities.

This will help off-set the costs related to fire and public safety, licensing, zoning and other administrative duties that come with good governance and with welcoming these establishments into a community.

For my community, it would be great if the decision to welcome cannabis businesses did not adversely impact our property tax payers. Revenue sharing is a fair way to address that problem without shifting the cost to other taxpayers.

Thank you for your time and consideration. I am happy to answer any questions although there will be those who will speak after me that may be better equipped to address your questions.