



**MAINE MUNICIPAL
ASSOCIATION SINCE 1936**

60 Community Drive | Augusta, ME 04330-9486

1-800-452-8786 (in state)

(T) 207-623-8428

(F) 207-624-0129

Testimony of the Maine Municipal Association

In Opposition To

LD 40, An Act to Amend the Cannabis Laws

March 4, 2024

Senator Hickman, Representative Supica and members of the Veterans and Legal Affairs Committee, my name is Rebecca Lambert, and I am providing testimony in opposition to LD 40, *An Act to Amend the Cannabis Laws*, on behalf of the Maine Municipal Association's (MMA) elected 70-member Legislative Policy Committee, who establish the position on bills of municipal interest.

Aside from the many issues contained in LD 40, there is growing frustration with the lack of transparency and speed at which complex policy measures are contemplated. Less than one week is insufficient time to provide a comprehensive review of a 66-page amendment to a concept draft before the public hearing. MMA is fortunate to have expert municipal attorneys on staff that provided their insight on the amendment after a brief review, however, we recognize that not everyone has that resource at their disposal, particularly members of the public.

In short, this bill is not helpful for local regulation or enforcement in both the medical and adult use industries. By cutting off state and local regulation authority for medical caregivers, it may reduce financial burdens for caregivers, but it also creates a statutory shield for unauthorized and illegal activity. The news has reported illegal cannabis activity recently and it's been demonstrated there is a need to reign in unlawful activity, but this bill would hinder rather than assist those efforts.

Although not completely municipally relevant, but somewhat alarming, is the avenue used to shift responsibilities for limiting underage access to cannabis. While the bill reduces the requirements and safeguards for adult use cannabis establishments to ensure customers are 21 years of age, it also imposes additional penalties on minors who access products for their personal use.

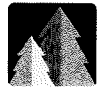
The following is a list of the major issues that MMA has flagged as problematic in LD 40, separated by medical and adult use categories.

Medical Cannabis

Creates a new caregiver retail store loophole. This bill changes the definition of "caregiver retail store" (22 MRS § 2422(1-F)) to essentially eliminate the requirement for a municipal legislative body to approve such operations. If LD 40 were to pass as written, all caregivers could circumvent the need for approval of the municipal legislative body is to launch a commercial scale operation and simply sell products "by appointment only."



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Authorizes unfettered sale of medical cannabis outside registered properties. As written, the bill expands the “authorized activity” for registered caregivers to the sale of cannabis plants and harvested cannabis, not only on their own property or property they rent or lease, but also at “trade shows, festivals or other industry related events, or through deliveries or other private arrangements.” All terms are undefined and could be interpreted to mean that caregivers would have an unfettered right to sell products however and whenever they want. This part is drastically different from the adult use cannabis law, which allows municipalities to regulate or prohibit off premises sales by cannabis stores at “specialized events” within their jurisdiction, an authority rendered essentially ineffectual if it does not also include medical cannabis sales at similar “specialized events.”

LD 40 cripples local safety and land use regulatory authority over caregiver operations. It repeals the current confidentiality provision for registered caregiver and dispensary applications (22 MRS § 2425-A(12)(E)) and replaces it with a new provision that greatly expands the confidentiality protections for applications and accompanying information.

Currently, municipalities have the limited ability to contact OCP to verify caregiver registration identification cards. In the new confidentiality provision, it limits this authority even further to only allow access to this information by law enforcement and code enforcement officers and only for release of addresses (no additional information) of registered caregivers residing on the same property where the operation is located. This is problematic since any larger scale cannabis operations do exist on property other than the caregiver’s residence.

Eliminates the prohibition on caregiver collectives. The bill repeals 22 MRS § 2430-D, which is the provision that prohibits caregivers from establishing a collective, or a group of caregivers who combine operations for mutual benefit. Absent regulation of large-scale medical cultivation operations (which currently is nonexistent in the medical law because they are not allowed) this will drastically expand a caregiver’s cultivation operation ability. Registered caregivers are currently only allowed 30 plants, or 500 sq. ft., and they cannot combine or share the plants they cultivate with other caregivers growing in common facilities.

Adult Use

Overall, it’s worth noting that the adult use law currently contains more effective regulatory structures than the medical law, and LD 40 erodes these regulatory structures, especially with respect to coordination between state and local regulatory authorities.

Eliminates local authority to approve license renewals for adult use cannabis establishments. Currently in 28-B MRS § 209(5), a licensee seeking license renewal with the state must demonstrate continued compliance with all applicable licensing criteria, including obtaining a local authorization form. OCP cannot issue the renewal until it receives local authorization. This bill would eliminate that requirement and that once local approval has been provided, it is presumed effective until the municipality contacts OCP to rescind its local authorization.





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Eliminates notification requirements for license ownership transfers. LD 40 would only require licensees to notify OCP of a transfer in ownership, rather than seeking approval of the transfer at the time of license renewal. Coupled with the changes to the renewal process, eliminating the condition of local approval means that municipalities will have no notice of ownership transfers from the state and licensees have no reason to notify the municipality themselves, unless required to by a local licensing process.

Alters notice of termination requirements. The bill would still require the licensee to notify OCP and the municipality of a voluntary abandonment of a licensed premises but would not require notification to the municipality if the abandonment is due to a license revocation. It also would eliminate the 48 hour timeframe within which the licensee must notify OCP and the municipality prior to voluntary abandonment.

Eliminates ability of authorized state and local officials to inspect licensed premises on demand. The bill would amend 28-B MRS § 512 to require 24 hours' notice of an inspection during regular business hours.

In the spirit of trying to offer a glimmer of positivity, local leaders appreciate that a representative of municipal government would be included on the task force to review how other states regulate cannabis hospitality establishments. It's important to lean into a solid state-municipal partnership in order make the best policy decisions for the citizens of Maine.

It is for all these reasons MMA is opposed to LD 40. I appreciate your time, attention, and for considering the municipal perspective on this issue.

