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Testimony of Rep. Adam Lee presenting LD 347, An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales Tax and Excise Tax Revenue Before the Joint Standing Committee on Veterans and Legal Affairs

Senator Hickman, Representative Supica and distinguished members of the Joint Standing Committee on Veterans and Legal Affairs, I am Adam Lee, and I represent House District 89 which is Downtown Auburn and New Auburn. I'm here to introduce LD 347, An Act to Provide Qualifying Municipalities a Percentage of Adult Use Cannabis Sales Tax and Excise Tax Revenue.

LD 347 proposes to provide municipalities 12% of the revenue from the sales and excise taxes on adult use cannabis and cannabis products. To be clear, this bill does not in any way alter the amount of taxes assessed on these products. This allocation represents a thoughtful balance between state revenue needs and local municipal support.

I've brought this bill because it honors an important component of the original referendum vote that occurred in 2016, that municipalities that opted into the sale of adult-use cannabis would receive a portion of the proceeds of the tax on sales of those products. I remember this component. I was a City Councilor at the time in Auburn. This aspect of the referendum was essential to my vote and my support for it. Auburn has embraced this industry. As a consequence of the legislature's actions obviating this portion of the proposed referendum statute, it has received very little in return for its embrace of the industry.

This revenue is particularly important for our municipalities to defray the expenses caused by the embrace of the industry. These expenses often include additional administrative costs, zoning modifications and enhanced public safety measures that many of our towns and cities have had to implement.

The proposed 12% revenue share represents a carefully considered approach that acknowledges the significant responsibilities and costs borne by our local governments.

I respectfully ask the committee to support LD 347. This legislation will create a more equitable framework for cannabis revenue sharing while ensuring our communities have the resources they need to manage this growing industry properly.

Thank you for your consideration. I would be happy to answer any questions you may have.

District 89: Part of Auburn