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Testimony of Rep. Quentin Chapman introducing
**L.D. 1820, An Act to Simplify Regulation of the Adult Use
Cannabis Industry**

Before the Joint Standing Committee on Veterans and Legal Affairs
May 5, 2025

Senator Hickman, Representative Supica, and esteemed colleagues of the Veterans and Legal Affairs Committee, I am Quentin Chapman, proudly representing House District 88 in Auburn. I am proud to present L.D. 1820, "An Act to Simplify Regulation of the Adult Use Cannabis Industry."

While I do not use or sell cannabis, I am a passionate advocate for entrepreneurship and believe that excessive regulation stifles innovation and economic growth. I currently work in the adult use spirits world and have found the regulations in adult use cannabis to be burdensome at the least. During the early days of the cannabis industry starting, I attended a Metrc class. After completing two days of training, I returned home to my employer and made the statement that the industry and system was far too cumbersome and imposing. L.D. 1820 addresses these concerns by streamlining rules to empower small businesses, reduce bureaucratic burdens, and foster a competitive cannabis market.

Since Maine voters approved recreational cannabis in 2016, with retail sales launching in October 2020, our state has witnessed remarkable growth in this industry. To date, the adult use cannabis market has generated over \$500 million in tax revenue, created thousands of jobs, and provided consumers with safe, regulated products. However, the regulatory framework established under Title 28-B, while designed to ensure safety and accountability, has proven overly complex and costly. Feedback from business owners, employees, and consumers highlights a common theme: excessive red tape stifles innovation, increases operational expenses, and limits access, particularly in rural areas where only 10% of municipalities permit retail sales.

L.D. 1820 addresses these challenges head-on with over two dozen statutory changes aimed at simplifying and clarifying regulations. The bill focuses on six key areas:

1. Eliminating Individual Identification Card (IIC) Requirements

Under current law, every worker in the cannabis industry—from budtenders to cultivators—must obtain an individual identification card, or IIC, at a cost of \$50 per year, plus additional fingerprinting fees averaging \$40-\$60. This requirement, overseen by the Office of Cannabis Policy (OCP), must be renewed annually, adding a repetitive administrative burden. Yet, this mandate is largely redundant. Businesses already conduct background checks and verify employee identities as part of standard hiring practices.

The IIC requirement imposes unnecessary costs—both financial and temporal—on employers and workers alike. For a dispensary with five employees, that’s at least \$450 annually just to comply with this single rule, not counting lost productivity from processing renewals. L.D. 1820 eliminates this requirement, freeing businesses from a duplicative expense and allowing them to redirect resources toward growth, employee wages, or product improvements. This change is a practical step to support our small businesses, many of which operate on thin margins in a competitive market.

2. Removing Purchase Limits

Currently, Maine law restricts adult-use cannabis purchases to 2.5 ounces of flower per visit, with additional caps on concentrates (5 grams) and edibles (500 mg of THC). While these limits were intended to prevent overconsumption or diversion, they have proven inconvenient and out of step with consumer needs, especially in a state as rural as ours. Imagine a resident of Aroostook County driving 50 miles to the nearest dispensary, only to face a cap that forces them to return another day—or worse, turn to unregulated sources.

L.D. 1820 removes these purchase limits, enhancing convenience and flexibility for consumers. This is particularly critical for rural Mainers, who deserve equitable access to legal cannabis without the burden of multiple trips. For businesses, it means fewer transactions to process the same volume of sales, reducing operational strain. Additionally, an argument could be made that removing limits may perhaps reduce illicit market activity by making legal channels more accessible. This change aligns Maine with national trends, making our market more competitive and consumer-friendly.

3. Simplifying Labeling and Packaging Requirements, removing requirement in §701.1. L: “any other information required by rule by the office”

Today, Maine's labeling rules require cannabis products to list every cannabinoid present, alongside detailed health warnings, batch numbers, and more—often in tiny, hard-to-read print. This level of detail drives up production costs, as businesses must redesign labels frequently to comply with testing results, and it can confuse consumers who just want clear, actionable information. A 2022 study from the Journal of Consumer Affairs found that overly complex labels reduce comprehension, potentially undermining safety rather than enhancing it.

L.D. 1820 streamlines these requirements, mandating only essential details: THC and CBD content, a clear health warning, and traceability information like batch numbers. This reduces compliance costs and makes products more affordable. For consumers, simpler labels mean easier decisions: a glance tells you potency and safety info without needing a magnifying glass. Maine can achieve balance, cutting costs for businesses while improving safety and transparency for users.

4. Streamlining Delivery and Tracking Processes

Maine law currently allows cannabis delivery under Sections 504 and 504-A, tracked via Metrc, a system used successfully in 20+ states. However, businesses in Maine must also record deliveries on video, adding equipment costs and raising privacy concerns for customers and workers. This ambiguity creates confusion and expense, particularly for small operators offering delivery to remote areas.

L.D. 1820 clarifies that video recordings are not required, relying instead on Metrc's real-time, tamper-proof tracking. This saves businesses money—no need for cameras or storage systems—and respects consumer privacy, a growing concern in the digital age. Consider a delivery driver serving Penobscot County: under the current setup, they might need to manage video gear alongside inventory, slowing service and increasing costs. By streamlining this process, the bill makes delivery more viable, expanding access for consumers and boosting revenue for businesses.

5. Protecting Licensee Rights

A troubling aspect of current policy is the OCP's use of forms like the Adult Use Release of Information, which requires licensees to waive broad constitutional and statutory rights as a condition of participation. Imagine a small cultivator forced to surrender their right to appeal an unfair penalty just to keep their license. This practice is not only unjust; it deters participation in an industry we want to grow. No other regulated sector in Maine, from fishing to pharmacies, demands such waivers.

L.D. 1820 prohibits the OCP from imposing these conditions, ensuring that licensees retain their legal protections. This fosters trust and fairness, encouraging more entrepreneurs to enter the market without fear of arbitrary overreach. For example, I read about a dispensary owner in Bangor that hesitated to expand due to unclear enforcement risks—this bill removes that barrier. Protecting rights isn't a loophole; it's a foundation for a stable, thriving industry.

6. Clarifying Excise Taxes on Cannabis Biomass

Taxation of cannabis biomass has been a gray area under Title 36. Currently, flower is taxed at \$335 per pound and trim at \$94 per pound, but biomass for extraction often falls into dispute, with some producers facing higher rates unexpectedly. This uncertainty hampers planning for cultivators and manufacturers, who rely on concentrates for products like edibles and vape pens, a fast-growing market segment.

L.D. 1820 amends Title 36 to clarify that biomass used for extraction is taxed as trim (\$94 per pound), not flower. This reduces the tax burden and provides predictability. For instance, a manufacturer in Portland could confidently scale up edible production, knowing their costs won't spike due to a tax misclassification. This clarity supports innovation, keeps prices competitive, and ensures Maine's tax policy reflects the product's value, not bureaucratic guesswork. It's a win for businesses and consumers alike. These changes will level the playing field for Maine's small businesses, particularly in rural areas where cannabis operations create jobs and economic opportunity. By reducing regulatory overreach, L.D. 1820 encourages entrepreneurship, maintains costs for consumers, and strengthens the legal market against illicit competition. It also respects the privacy and rights of business owners, aligning with Maine's values of individual liberty and limited government.

As someone who has seen the challenges of over-regulation firsthand, I believe L.D. 1820 is a commonsense step toward a more vibrant and equitable cannabis industry. I urge the committee to support this bill to unleash the potential of Maine's entrepreneurs and honor the will of voters who envisioned a thriving legal cannabis market.

Thank you for your consideration, and although I am not a cannabis industry expert, I am willing to answer any questions.

Thank you.

Quentin Chapman
State Representative