

# 129th MAINE LEGISLATURE

### **SECOND REGULAR SESSION-2020**

**Legislative Document** 

No. 2091

S.P. 741

In Senate, January 30, 2020

An Act To Amend the Marijuana Legalization Act and Make Other Implementing Changes

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 203.

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

DAREK M. GRANT Secretary of the Senate

Presented by Senator LUCHINI of Hancock.

3 4	<b>Sec. A-1. 28-B MRSA §102, sub-§20,</b> as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:
5 6 7 8	<b>20. Inherently hazardous substance.</b> "Inherently hazardous substance" means a liquid chemical, compressed gas or commercial product that has a flash point at or lower than 38 degrees Celsius or 100 degrees Fahrenheit, including, but not limited to, butane, propane and, diethyl ether. "Inherently hazardous substance" does not include and any
9	form of alcohol or ethanol.
10 11	<b>Sec. A-2. 28-B MRSA §102, sub-§24,</b> as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:
12 13	<b>24. Licensee.</b> "Licensee" means a person licensed pursuant to this chapter to operate a marijuana establishment or marijuana establishment support entity.
14	Sec. A-3. 28-B MRSA §102, sub-§29-A is enacted to read:
15 16 17 18 19	<b>29-A.</b> Marijuana establishment support entity. "Marijuana establishment support entity" means an individual or business entity licensed under this chapter to provide services to support the specific needs of marijuana establishments licensed under this chapter. "Marijuana establishment support entity" includes, but is not limited to, sample collectors.
20 21	<b>Sec. A-4. 28-B MRSA §102, sub-§35,</b> as amended by PL 2019, c. 528, §19, is further amended to read:
22 23 24 25 26	<b>35. Marijuana trim.</b> "Marijuana trim" means any part of a marijuana plant, whether processed or unprocessed, that is not marijuana flower or a marijuana seed except that "marijuana trim" does not include the stalks or roots of the marijuana plant. "Marijuana trim" does not include any part of a hemp plant as defined in Title 7, section 2231, subsection 1-A, paragraph D.
27	Sec. A-5. 28-B MRSA §102, sub-§50-A is enacted to read:
28	50-A. Sample collector. "Sample collector" means:
29 30 31 32	A. An individual who possesses an individual identification card issued by the department and who is authorized to sample marijuana and marijuana products for mandatory testing required by this chapter and rules adopted pursuant to this chapter; or
33 34	B. An individual or entity that is licensed under this chapter, that is not a testing facility and that employs a sample collector as described in paragraph A.
35 36	<b>Sec. A-6. 28-B MRSA §102, sub-§51,</b> as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:

Be it enacted by the People of the State of Maine as follows:

PART A

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2 A. Not flowering: 3 B. Less than 6 12 inches in height; and 4 C. Less than 6 12 inches in width. PART B 5 6 Sec. B-1. 28-B MRSA §302, sub-§1, as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read: 7 1. Operating plan. The applicant shall submit an operating plan demonstrating the 8 proposed size and layout of the cultivation facility; plans for wastewater and waste 9 10 disposal for the cultivation facility; plans for providing electricity, water and other utilities necessary for the normal operation of the cultivation facility; plans for securing 11 the proposed facility, including plans for obscuring from public view by any person under 12 21 years of age any marijuana or marijuana plants, and otherwise meeting applicable 13 security requirements under this chapter and the rules adopted pursuant to this chapter; 14 15 and plans for compliance with applicable building code and federal and state environmental requirements. 16 PART C 17 18 Sec. C-1. 28-B MRSA §104, sub-§1, ¶A, as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read: 19 20 A. Grant or deny applications for the licensure of marijuana establishments and marijuana establishment support entities under this chapter; and 21 Sec. C-2. 28-B MRSA §201, as enacted by PL 2017, c. 409, Pt. A, §6, is amended 22 23 to read: §201. License process; license types 24 25 The department, upon receipt of an application in the prescribed form that meets all applicable requirements for licensure under this chapter and the rules adopted pursuant to 26 this chapter, shall issue to the applicant a conditional license to operate one or more of the 27 following types of marijuana establishments or marijuana establishment support entities 28 29 or shall deny the application in accordance with section 206: 1. Cultivation facility. Consistent with the requirements and restrictions of section 30 205, subsection 2, paragraph A and subchapter 3, a cultivation facility license; 31 2. Testing facility. Consistent with the requirements and restrictions of section 205, 32 subsection 2, paragraph B and section 503, subsection 2, a testing facility license; 33 34 3. Products manufacturing facility. A products manufacturing facility license; or 35 **4.** Marijuana store. Consistent with the restrictions of section 205, subsection 2,

**51. Seedling.** "Seedling" means a marijuana plant that is:

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paragraph C, a marijuana store license-; or

5. Sample collector. Consistent with the requirements and restrictions of section 205, subsection 2, paragraph B and section 503-A, a sample collector license.

 Except as provided in section 205, the department may not impose any limitation on the number of each type of license that it issues to a qualified individual applicant or on the total number of each type of license that it issues to qualified applicants pursuant to this chapter.

- **Sec. C-3. 28-B MRSA §205, sub-§2, ¶B,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by c. 452, §37, is further amended to read:
  - B. If the applicant has applied for the issuance or renewal of a testing facility license or sample collector license, the applicant or, in the case of a sample collector licensee, any individual or entity contracting with or employing the applicant, may not be a caregiver or registered caregiver or have an interest in a registered dispensary, a cultivation facility license, a products manufacturing facility license or a marijuana store license. If the applicant has applied for the issuance or renewal of any license under this chapter that is not a testing facility license or a sample collector license, the applicant may not have an interest in a testing facility license or a sample collector license. An applicant that meets the requirements for the issuance of a testing facility license under this chapter and the requirements of this paragraph may apply for and be issued multiple testing facility licenses. For purposes of this paragraph, "interest" means an equity ownership interest or a partial equity ownership interest or any other type of financial interest, including, but not limited to, being an investor or serving in a management position; and
- **Sec. C-4. 28-B MRSA §205, sub-§3,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:
- **3. Issuance of conditional license.** Within 90 days of receipt of an application for a license to operate a marijuana establishment or a marijuana establishment support entity or for renewal of an existing license to operate a marijuana establishment or a marijuana establishment support entity, the department either shall issue to the applicant a conditional license to operate the marijuana establishment or marijuana establishment support entity if the applicant meets all applicable requirements for licensure under this chapter and the rules adopted pursuant to this chapter or shall deny the application in accordance with section 206.
  - A. A licensee that has been issued a conditional license by the department may not engage in the cultivation, manufacture, testing, sampling or sale of adult use marijuana or adult use marijuana products until the department has issued an active license to the licensee pursuant to subsection 4.
  - B. A conditional license issued by the department pursuant to this subsection is effective for a period of one year from the date of issuance and may not be renewed. If a licensee issued a conditional license by the department fails to obtain an active license from the department pursuant to subsection 4 within one year from the date of issuance of the conditional license, the conditional license expires.

**Sec. C-5. 28-B MRSA §205, sub-§4, ¶B,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:

- B. The department shall prepare and furnish to applicants, except applicants for a sample collector license, municipalities and the Maine Land Use Planning Commission a certification form by which the municipality may certify to the department that the applicant has obtained local authorization as required by section 402, subsection 3, paragraph B or, in the case of a marijuana establishment to be located in the unorganized and deorganized areas, the Maine Land Use Planning Commission may certify to the department that the applicant has obtained local authorization as required by section 403, subsection 3, paragraphs B and C. Applicants for a sample collector license are not required to seek local authorization prior to issuance of an active license by the department but must submit all other information required by the department under this chapter.
  - Sec. C-6. 28-B MRSA §207, sub-§3-A is enacted to read:
- 3-A. Fees for sample collectors. For a sample collector license, the department shall require payment of an application fee of \$100 and a license fee of not more than \$250.
- Sec. C-7. 28-B MRSA §209, sub-§3, as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:
  - **3. Operation under expired license.** A licensee that files an application for renewal of its existing license and pays all required fees under this section prior to the expiration of the license may continue to operate the marijuana establishment or the marijuana establishment support entity under that license notwithstanding its expiration until such time as the department takes final action on the renewal application, except when the department suspends or revokes the license in accordance with the provisions of subchapter 8 prior to taking final action on the renewal application.
  - **Sec. C-8. 28-B MRSA §209, sub-§4,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:
  - **4. Expired license; cessation of activity and forfeiture of marijuana and marijuana products.** Except as provided in subsection 3, a person whose license has expired shall immediately cease all activities relating to the operation of the marijuana establishment or marijuana establishment support entity previously authorized under that license and ensure that all adult use marijuana and adult use marijuana products cultivated, manufactured, sampled or otherwise in the possession of the person pursuant to that license are forfeited to the department for destruction in accordance with section 803.
  - **Sec. C-9. 28-B MRSA §209, sub-§5,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:
  - 5. Renewal application process; fees; rules. An applicant seeking renewal of a license to operate a marijuana establishment or marijuana establishment support entity

must pay to the department a renewal application fee or, if applicable, a late renewal application fee, and must demonstrate continued compliance with all applicable licensing criteria under this chapter, including, but not limited to, obtaining local authorization as required by section 402, subsection 3, paragraph B or, in the case of a marijuana establishment located in the unorganized and deorganized areas, as required by section 403, subsection 3, paragraphs B and C, except that an applicant seeking renewal of a license is not required to submit to a criminal history record check under section 204 unless specifically required to do so by the department.

- A. The department may not issue an active license to a licensee seeking renewal of a license until the licensee obtains local authorization as required by section 402, subsection 3, paragraph B or, in the case of a marijuana establishment located in the unorganized and deorganized areas, as required by section 403, subsection 3, paragraphs B and C, pays the applicable license fee required under section 207 and meets all other applicable requirements for the issuance of an active license under section 205, subsection 4. A sample collector licensee is not required to seek local authorization as a condition for renewal of that license by the department but must submit all other information required by the department under this chapter.
- B. The department shall by rule set forth requirements for the submission, processing and approval of a renewal application, which must include, but are not limited to, setting of a reasonable renewal application fee and a reasonable late renewal application fee.
- **Sec. C-10. 28-B MRSA §401, last ¶,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:

Notwithstanding any other provision of law to the contrary, a municipal ordinance regulating marijuana establishments within the municipality adopted pursuant to this subchapter is not subject to the requirements or limitations of Title 7, chapter 6 or 8-F. Nothing in this subchapter may be construed to require an applicant for a sample collector license or a sample collector licensee to seek local authorization prior to the issuance or renewal of an active license.

Sec. C-11. 28-B MRSA c. 1, sub-c. 5, headnote is amended to read:

#### SUBCHAPTER 5

# OPERATING REQUIREMENTS FOR MARIJUANA ESTABLISHMENTS AND MARIJUANA ESTABLISHMENT SUPPORT ENTITIES

- **Sec. C-12. 28-B MRSA §503, sub-§3,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:
- 3. Compliance with testing protocols, standards and criteria. A testing facility shall follow all testing protocols, standards and criteria adopted by rule by the department for the testing of different forms of marijuana and marijuana products; determining batch size; sampling; testing validity; and approval and disapproval of tested marijuana and marijuana products. A testing facility may use an independent sample collector for the

- collection of samples for mandatory testing, as long as the testing facility has indicated the use of an independent sample collector in its operating plan and standard operating procedures.
- **Sec. C-13. 28-B MRSA §503, sub-§8,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by c. 452, §37, is further amended to read:
- **8.** Independence of testing facility interest. A person with an interest in a testing facility may not be a caregiver or a registered caregiver or have an interest in a registered dispensary, a marijuana store license, a cultivation facility license or a products manufacturing facility license, but may hold or have an interest in multiple testing facility or sample collector licenses. A person who is a caregiver or a registered caregiver or who has an interest in a registered dispensary, a marijuana store license, a cultivation facility license or a products manufacturing facility license may not have an interest in a testing facility or sample collector license. As used in this subsection, "interest" has the same meaning as in section 205, subsection 2, paragraph B.

#### Sec. C-14. 28-B MRSA §503-A is enacted to read:

#### §503-A. Operation of sample collectors

A sample collector shall operate in accordance with the provisions of this section and the rules adopted pursuant to this chapter.

- 1. Sample collector may operate as independent contractor, as entity or as employee of testing facility. A sample collector is authorized to collect samples from a marijuana establishment for mandatory and other testing by a marijuana testing facility. A sample collector may operate as an independent contractor, as an employee of a marijuana testing facility or as an employee of a business entity that is not a registered caregiver, registered dispensary, registered manufacturing facility under the Maine Medical Use of Marijuana Act, registered manufacturing facility using inherently hazardous substances for marijuana extraction in accordance with Title 22, section 2423-F, cultivation facility, products manufacturing facility or marijuana store if that entity employs more than one individual who is a sample collector.
- 2. Compliance with sampling protocols, standards and criteria. A sample collector shall follow all sampling protocols, standards and criteria adopted by rule or otherwise approved by the department for the sampling of different forms of marijuana and marijuana products.
- <u>3. Record keeping.</u> A sample collector shall maintain records of all business transactions in accordance with the record-keeping requirements of section 511 and section 602, subsections 2 and 3.
- 4. Disposal of marijuana and marijuana products. A sample collector shall dispose of or destroy used, unused and waste marijuana and marijuana products in accordance with rules adopted by the department.

- 5. Independence of sample collector interest. A person with an interest in a sample collector license may not be a caregiver or a registered caregiver or have an interest in a registered dispensary, a marijuana store license, a cultivation facility license or a products manufacturing facility license but may hold or have an interest in a business entity that employs multiple sample collectors, in a testing facility license or in multiple testing facility licenses. A person who is a caregiver or a registered caregiver or who has an interest in a registered dispensary, a marijuana store license, a cultivation facility license or a products manufacturing facility license may not have an interest in a sample collector license. As used in this subsection, "interest" has the same meaning as in section 205, subsection 2, paragraph B.
- 6. Tracking. In accordance with the requirements of section 105, a sample collector shall track all adult use marijuana and adult use marijuana products it collects from a licensee for testing purposes from the point at which the marijuana or marijuana products are collected from a licensee to the point at which the marijuana or marijuana products are delivered to a testing facility or the marijuana or marijuana products are disposed of or destroyed.
- 7. Rules. The department shall adopt rules regarding the sampling of marijuana and marijuana products by sample collectors pursuant to this chapter, including, but not limited to, rules establishing acceptable sampling methods, sample collector record keeping, documentation and business practices, and regarding the disposal of used, unused and waste marijuana and marijuana products. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- **Sec. C-15. 28-B MRSA §601,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:

#### §601. Testing program established

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The department shall establish a testing program for adult use marijuana and adult use marijuana products. Except as otherwise provided in this subchapter, the program must require a licensee, prior to selling or distributing adult use marijuana or an adult use marijuana product to a consumer or to another licensee, to submit the marijuana or marijuana product does not exceed the maximum level of allowable contamination for any contaminant that is injurious to health and for which testing is required and to ensure correct labeling. The department shall adopt rules establishing a testing program pursuant to this section, rules identifying the types of contaminants that are injurious to health for which marijuana and marijuana products must be tested under this subchapter and, rules regarding the maximum level of allowable contamination for each contaminant and rules regarding the qualifications of sample collectors authorized by the department to sample marijuana and marijuana products for mandatory testing and the approval of sampling protocols implemented by sample collectors. Rules adopted pursuant to this subchapter are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. C-16. 28-B MRSA §604,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:

#### §604. Sampling for testing

 If a test to be performed by a testing facility is a mandatory test under section 602, an employee or designee of the testing facility or an independent sample collector must perform the sampling required for the test. If a test to be performed by a testing facility is not a mandatory test, the owner of the marijuana or marijuana product, or a designee of the owner, may perform the sampling required for the test.

PART D

#### Sec. D-1. 36 MRSA §191, sub-§2, ¶KKK is enacted to read:

KKK. The disclosure by employees of the bureau to an authorized representative of the Department of Administrative and Financial Services, office of marijuana policy for determining the eligibility for registration under the Maine Medical Use of Marijuana Act or eligibility for an individual identification card or license issued under the Marijuana Legalization Act.

PART E

# Sec. E-1. 1 MRSA §402, sub-§3, ¶U, as amended by PL 2017, c. 118, §2, is further amended to read:

- U. Records provided by a railroad company describing hazardous materials transported by the railroad company in this State, the routes of hazardous materials shipments and the frequency of hazardous materials operations on those routes that are in the possession of a state or local emergency management entity or law enforcement agency, a fire department or other first responder. For the purposes of this paragraph, "hazardous material" has the same meaning as set forth in 49 Code of Federal Regulations, Section 105.5; and
- **Sec. E-2. 1 MRSA §402, sub-§3, ¶V,** as enacted by PL 2017, c. 118, §3, is amended to read:
  - V. Participant application materials and other personal information obtained or maintained by a municipality or other public entity in administering a community well-being check program, except that a participant's personal information, including health information, may be made available to first responders only as necessary to implement the program. For the purposes of this paragraph, "community well-being check program" means a voluntary program that involves daily, or regular, contact with a participant and, when contact cannot be established, sends first responders to the participant's residence to check on the participant's well-being.; and

#### Sec. E-3. 1 MRSA §402, sub-§3, ¶W is enacted to read:

W. Application materials obtained by the Department of Administrative and Financial Services, office of marijuana policy containing information regarding the security of marijuana establishments licensed or registered by that office; trade secrets related to marijuana cultivation, marijuana product recipes or marijuana extraction methods; or standard operating procedures for marijuana establishments.

1 SUMMARY

2 This bill does the following.

In the Marijuana Legalization Act, it amends the definition of "inherently hazardous substance" to include ethanol and alcohol, amends the definition of "marijuana trim" to exclude from that definition stalks and roots of the marijuana plant, amends the definition of "seedling" to include larger plants and adds definitions of "marijuana establishment support entity" and "sample collector."

In the Marijuana Legalization Act, it changes the requirements of the operating plan for cultivation facilities to require such facilities to obscure from public view by anyone under 21 years of age any marijuana or marijuana plants.

In the Marijuana Legalization Act, it provides for sample collectors to collect samples of marijuana and marijuana products for mandatory testing by marijuana testing facilities and provides for the licensing of marijuana establishment support entities.

It allows the Department of Administrative and Financial Services, Maine Revenue Services to provide tax information directly to the Department of Administrative and Financial Services, office of marijuana policy for the purposes of determining applicant eligibility for licenses issued by the office.

It amends the Freedom of Access Act to exclude from the definition of "public record" application materials provided to the office of marijuana policy regarding security, trade secrets and standard operating procedures.