

To: Subscribers of MMA's Legislative Bulletin Email List

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Re: Update Regarding the Recent Special Session of the Legislature

Date: Wednesday, October 25, 2017

On Monday the Maine Legislature voted to enact [LD 1650, An Act To Amend the Marijuana Legalization Act](#), by a margin of [84-52 in the House](#) and [22-9 in the Senate](#). Governor LePage now has until Nov. 3 to either (1) sign LD 1650 into law, (2) allow the bill to become law without his signature, or (3) veto the legislation. The vote in the House fell slightly short of the 2/3 necessary to override a potential veto.

During the House and Senate debates on LD 1650, many opponents expressed concerns with the bill's municipal "opt-in" approach, and the payment of excise taxes directly to municipalities.

The opt-in language, described in [last week's action alert](#), makes clear that commercial recreational marijuana operators may not apply for or receive permission to operate in a community before the municipality's legislative body has adopted a warrant article or adopted or amended an ordinance addressing this new industry.

The excise tax concern is related to such taxes being perceived as the start of a "slippery slope" toward state authorization of local option taxation in Maine. Yet unlike a local option tax, the amount of excise tax provided for in this bill is established and controlled entirely by the state. As structured in LD 1650, a ten percent excise tax would be applied to cultivation and manufacturing facilities' sales of recreational marijuana. Five percent of that amount (i.e., \$0.005 per each dollar of wholesale product sold) would be remitted directly by the facility to the municipality. All other states that have legalized recreational marijuana subject marijuana products to excise taxes.

Because these objections happen to be two of the key reasons the municipal community supports this legislation, municipal officials are strongly encouraged to communicate their support of the bill, particularly the opt-in language found in section 402, to their legislators.

Other updates. The Legislature took action on four additional measures of interest to municipalities on Monday.

- Community development funding. [LD 328](#) was passed to be enacted. The bill adds a new category to the list of eligible costs that can be covered by the Fund, which are capital grants, including grants for: (1) facility, infrastructure or utility system acquisition, (2) the repair, rehabilitation or renovation of existing facilities; (3) new construction or expansion of existing facilities, and (4) purchase of major equipment or systems.
- Food Sovereignty. The Legislature enacted [LD 725](#) this past session, which required the state to recognize as valid municipal ordinances exempting agricultural products raised and sold within the municipality from state regulation. In July, [the U.S. Department of Agriculture notified Maine](#) of its

intent to exercise its authority to subject meat and poultry to federal inspection if the law were not amended to allow the state to continue its inspections. The law, which was scheduled to become effective on November 1st, was amended yesterday through the unanimous passage of [LD 1648](#), to exempt meat and poultry from the Act.

- Ranked Choice Voting. The citizen-adopted law to convert state elections to a ranked-choice system of voting had been the subject of a rift following an opinion issued by the Maine Supreme Court at the request of the Legislature that found the system to be incompatible with a requirement in the State Constitution. The rift was resolved by enacting [Committee Amendment B to LD 1646](#), which delays the law from taking effect until December of 2021. If a constitutional amendment is not adopted allowing for this voting system in the interim, the law will be automatically repealed at that time.
- GIS Funding. Funding for the Maine Office of Geographic Information Systems (GIS) was inadvertently excluded from the most recently adopted biennial state budget. [LD 1649](#) was passed to rectify that funding oversight. The Office assists state, county, and municipal entities as well as the public with geospatial technology used to map a wide variety of assets, from floodplains to cemeteries to broadband to roads and trails, and everything in between.

Questions regarding this legislation may be directed to Garrett Corbin at gcorbin@memun.org or 1-800-452-8786.