



# 131st MAINE LEGISLATURE

## SECOND REGULAR SESSION-2024

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Legislative Document

No. 2155

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H.P. 1379

House of Representatives, January 3, 2024

**An Act to Clarify Licensing Criteria and Criminal History Record  
Check and Notification Requirements for Adult Use Cannabis  
Establishments**

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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.

A handwritten signature in black ink, reading "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative SUPICA of Bangor.  
Cosponsored by Senator TIMBERLAKE of Androscoggin.

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

2       **Sec. 1. 28-B MRSA §102, sub-§42-A** is enacted to read:

3       **42-A. Principal.** "Principal" means any natural person who manages, directs,  
4 superintends, restricts, regulates, governs, administers or otherwise oversees the applicant's  
5 or licensee's operations, including, but not limited to, activities and tasks that the applicant  
6 or licensee uses to produce goods and services, including planning, organizing, directing,  
7 coordinating and controlling various aspects of production, procurement, manufacturing,  
8 distribution and sales. "Principal" includes, but is not limited to, an officer, director,  
9 member, manager, partner and employee or other natural person given that controlling  
10 authority or leading position over the applicant's or licensee's operations. "Principal" does  
11 not include an owner of an applicant or licensee that is a direct financial interest holder but  
12 that does not have a controlling authority or leading position. For purposes of this  
13 subsection, "operations" does not include human resources, information technology,  
14 marketing or accounting and finance, and "manager" does not include an employee of the  
15 applicant or licensee whose managerial responsibilities are limited to staff supervision  
16 related to the day-to-day operations of a cannabis establishment.

17       **Sec. 2. 28-B MRSA §106, first ¶,** as enacted by PL 2017, c. 409, Pt. A, §6, is  
18 amended to read:

19       The department shall issue individual identification cards to natural persons licensed  
20 under this chapter and, upon the request of a licensee, shall issue individual identification  
21 cards to ~~owners, officers, managers~~ principals, contractors, employees or other support staff  
22 of the licensee who meet the requirements of this section for the issuance of an individual  
23 identification card.

24       **Sec. 3. 28-B MRSA §202, first ¶,** as enacted by PL 2017, c. 409, Pt. A, §6 and  
25 amended by PL 2021, c. 669, §5, is further amended to read:

26       An applicant for a license to operate a cannabis establishment must meet each of the  
27 following requirements, if applicable. Except as otherwise provided in this section, if the  
28 applicant is a business entity, every ~~officer, director, manager and general partner~~ principal  
29 of the business entity must meet each of the requirements of this section. An applicant  
30 shall disclose in or include with its application the names and addresses of the applicant  
31 and all natural persons and business entities having a direct or indirect financial interest in  
32 the applied-for license and the nature and extent of the financial interest held by each person  
33 or entity and, if applicable, the nature and extent of any financial interest the person or  
34 entity has in any other license applied for or issued under this chapter.

35       **Sec. 4. 28-B MRSA §202, sub-§1,** as enacted by PL 2017, c. 409, Pt. A, §6, is  
36 amended to read:

37       **1. Age.** The applicant must be at least 21 years of age. If the applicant is a business  
38 entity, every ~~officer, director, manager and general partner~~ principal of the business entity  
39 must be at least 21 years of age.

40       **Sec. 5. 28-B MRSA §202, sub-§2, ¶A,** as enacted by PL 2017, c. 409, Pt. A, §6,  
41 is amended to read:

42       A. Every ~~officer, director, manager and general partner~~ principal of the business entity  
43 must be a natural person who is a resident; and

**Sec. 6. 28-B MRSA §203, first ¶**, as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:

An applicant for a license to operate a cannabis establishment shall submit, and the department shall consider in determining whether to grant the license, the following additional information. If the applicant is a business entity, the applicant must submit the information required by this section for every ~~officer, director, manager and general partner~~ principal of the business entity.

**Sec. 7. 28-B MRSA §204, first ¶,** as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:

The department shall request a criminal history record check for each applicant for a license under this chapter and may at any time require a licensee to submit to a criminal history record check in accordance with this section. If the applicant is a business entity, every ~~officer, director, manager and general partner~~ principal of the business entity is required to submit to a criminal history record check in accordance with this section. A criminal history record check conducted pursuant to this section must include criminal history record information obtained from the Maine Criminal Justice Information System established in Title 16, section 631 and the Federal Bureau of Investigation.

**Sec. 8. 28-B MRSA §213**, as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:

**§213. Notice of new owner, officer, manager principal or employee**

Before any proposed new ~~owner, officer, manager~~ principal or employee may own, manage, work for or otherwise associate with a licensee, the licensee shall notify the department in writing of the name, address and date of birth of the proposed new ~~owner, officer, manager~~ principal or employee and the proposed new ~~owner, officer, manager~~ principal or employee shall submit to a criminal history record check pursuant to section 204, obtain an individual identification card pursuant to section 106 and, in the case of a new owner or other person assuming an equity ownership interest or a partial equity ownership interest in the license, obtain approval for the transfer of ownership interests pursuant to section 210.

## SUMMARY

This bill amends the laws governing the licensing of adult use cannabis establishments to clarify that the principals of a business entity include officers, directors, members, managers, partners and employees or other natural persons having a controlling or other decision-making authority in the establishment's operation and are subject to all licensing criteria, criminal history record check requirements and new ownership or employment notification requirements. The bill also specifies that an owner of an adult use cannabis establishment is not a principal if that owner is a direct financial interest holder but does not have a controlling authority or leading position, and that the operation of an adult use cannabis establishment includes the activities and tasks that the applicant or licensee uses to produce goods and services but does not include human resources, information technology, marketing or accounting and finance.