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No. 1880

H.P. 1205

House of Representatives, May 3, 2023

An Act to Amend the Adult Use Cannabis Laws

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

ROBERT B. HUNT

Clerk

Presented by Representative SUPICA of Bangor.

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

Sec. 1. 28-B MRSA §105, first ¶, as amended by PL 2021, c. 628, §1 and c. 669, §5, is further amended to read:

The department shall implement and administer a system, referred to in this section as "the tracking system," for the tracking of cannabis plants, adult use cannabis and adult use cannabis products from immature cannabis plant to the point of retail sale, return, disposal or destruction. The tracking system must allow for cannabis plants at the stage of cultivation and upon transfer from the stage of cultivation to another licensee to be tracked by group. The department may implement a tracking system that allows adult use cannabis or adult use cannabis products to be tracked by group.

Sec. 2. 28-B MRSA §105, 2nd ¶, as amended by PL 2021, c. 628, §1 and c. 669, §5, is further amended to read:

The department shall ensure that the system implemented and administered under this section, whether tracking individually or by group, maintains a detailed record at every stage from immature cannabis plant to the point of retail sale, <u>return</u>, disposal or destruction.

Sec. 3. 28-B MRSA §114 is enacted to read:

§114. Confidentiality

The home or business address, telephone number and e-mail address of the applicant and all natural persons having a direct or indirect financial interest in the applied-for license are confidential.

- **Sec. 4. 28-B MRSA §201, sub-§4,** as amended by PL 2019, c. 676, §5 and PL 2021, c. 669, §5, is further amended to read:
 - **4.** Cannabis store. Consistent with the restrictions of section 205, subsection 2, paragraph C, a cannabis store license; or
- **Sec. 5. 28-B MRSA §201, sub-§5,** as enacted by PL 2019, c. 676, §5, is amended to read:
 - **5. Sample collector.** Consistent with the requirements and restrictions of section 205, subsection 2, paragraph B and section 503-A, a sample collector license-: or
 - Sec. 6. 28-B MRSA §201, sub-§6 is enacted to read:
- **6. Social club.** Consistent with the requirements and restrictions of section 504-B, a cannabis social club license.
 - Sec. 7. 28-B MRSA §207, sub-§6 is enacted to read:
 - 6. License fee waiver. The department shall establish criteria and an application process for the waiver or reduction of license fees established in this section due to financial hardship of the licensee. The department shall adopt rules to implement this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- **Sec. 8. 28-B MRSA §501, sub-§10,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:

10. Tracking. In accordance with the requirements of section 105, a cultivation facility licensee shall track the adult use cannabis it cultivates from immature cannabis plant to the point at which the cannabis plant or the cannabis produced by the cannabis plant is delivered or transferred to <u>or returned from</u> a products manufacturing facility, a testing facility, a cannabis store or another cultivation facility or is disposed of or destroyed.

Sec. 9. 28-B MRSA §501, sub-§11 is enacted to read:

- <u>11. Cannabis flower shelf life limitations.</u> A cultivation facility may not sell or distribute cannabis flower harvested more than 12 months prior to sale or distribution.
- **Sec. 10. 28-B MRSA §502, sub-§13,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
- 13. Tracking. In accordance with the requirements of section 105, a products manufacturing facility licensee shall track the adult use cannabis it uses in its manufacturing processes from the point the cannabis is delivered or transferred to the products manufacturing facility by a cultivation facility to the point the cannabis or cannabis concentrate or an adult use cannabis product produced using the cannabis or cannabis concentrate is delivered or transferred to or returned from another products manufacturing facility, a testing facility or a cannabis store or is disposed of or destroyed.

Sec. 11. 28-B MRSA §502, sub-§14 is enacted to read:

14. Return of adult use cannabis. Notwithstanding any provision of law to the contrary, a products manufacturing facility licensee may return adult use cannabis to a cultivation facility from which the adult use cannabis was received, as long as the products manufacturing facility licensee tracks the adult use cannabis as required in subsection 13.

Sec. 12. 28-B MRSA §502, sub-§15 is enacted to read:

- 15. Cannabis flower shelf life limitations. A products manufacturing facility may not sell or distribute cannabis flower harvested more than 12 months prior to the sale or distribution to a cannabis store or another products manufacturing facility.
- **Sec. 13. 28-B MRSA §503, sub-§9,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
- **9. Tracking.** In accordance with the requirements of section 105, a testing facility licensee shall track all adult use cannabis and adult use cannabis products it receives from a licensee for testing purposes from the point at which the cannabis or cannabis products are delivered or transferred to the testing facility to the point at which the cannabis or cannabis products are returned to the licensee or disposed of or destroyed.

Sec. 14. 28-B MRSA §503, sub-§11 is enacted to read:

- 11. Return of adult use cannabis. Notwithstanding any provision of law to the contrary, a testing facility licensee may return adult use cannabis to a cultivation facility or products manufacturing facility from which the adult use cannabis was received, provided the testing facility licensee tracks the adult use cannabis as required in subsection 9.
- **Sec. 15. 28-B MRSA §504, sub-§2, ¶C,** as amended by PL 2021, c. 667, §1 and c. 669, §5, is further amended by amending subparagraph (4) to read:
 - (4) A delivery service, except as provided by subsection 9; or

- Sec. 16. 28-B MRSA §504, sub-§2, ¶D, as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
 - D. Sell adult use cannabis or adult use cannabis products to a person who is visibly intoxicated-; or
 - **Sec. 17. 28-B MRSA §504, sub-§2,** ¶E is enacted to read:

- E. Sell cannabis flower harvested more than 18 months prior to sale.
- **Sec. 18. 28-B MRSA §504, sub-§8,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
- **8. Tracking.** In accordance with the requirements of section 105, a cannabis store licensee shall track all adult use cannabis and adult use cannabis products from the point at which the cannabis or cannabis products are delivered or transferred to the cannabis store by a cultivation facility or a products manufacturing facility to the point at which the cannabis or cannabis products are sold to a consumer, delivered or transferred to a testing facility, returned to a cultivation facility or a products manufacturing facility or disposed of or destroyed.
- **Sec. 19. 28-B MRSA §504, sub-§9,** as enacted by PL 2021, c. 667, §3 and amended by c. 669, §5, is further amended to read:
- **9. Limited delivery service.** A cannabis store may operate a limited delivery service for the delivery of immature cannabis plants, seedlings, adult use cannabis and adult use cannabis products in accordance with the requirements of this subsection. A cannabis store may not deliver adult use cannabis or an immature cannabis plant, seedling or adult use cannabis product to a person under 21 years of age. A cannabis store operating a limited delivery service may deliver in any municipality of the State regardless of whether the municipality has approved the operation of cannabis stores.
 - A. A cannabis store operating a limited delivery service shall ensure that cannabis store employees engaging in delivery have received training, prescribed by the department by rule, on how to properly verify the age of a person making a purchase for delivery and how to ensure that no deliveries are made to a person under 21 years of age.
 - B. A cannabis store operating a limited delivery service may deliver only to a residential dwelling and may not deliver to any residential dwelling not located within a safe zone designated by a municipality under Title 30-A, section 3253. A cannabis store operating a limited delivery service may deliver to a residential dwelling in any municipality in the State regardless of whether the municipality has approved the operation of cannabis stores.
 - C. A cannabis store operating a limited delivery service may deliver to a hotel or business as long as the cannabis store has received written consent for delivery to the hotel or business from an authorized employee of the hotel or business.
- The department shall adopt rules to implement this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
 - Sec. 20. 28-B MRSA §504, sub-§11 is enacted to read:

11. Return of adult use cannabis. Notwithstanding any provision of law to the contrary, a cannabis store licensee may return adult use cannabis to a testing facility, cultivation facility or products manufacturing facility from which the adult use cannabis was received, provided the cannabis store licensee tracks the adult use cannabis as required in subsection 8.

Sec. 21. 28-B MRSA §504-B is enacted to read:

§504-B. Operation of cannabis social club

- A cannabis social club must be operated in accordance with the provisions of this section and the rules adopted pursuant to this chapter.
- 1. Products authorized for sale. Except as provided in subsection 2, a cannabis social club may sell to a person 21 years of age or older:
 - A. Adult use cannabis and adult use cannabis products for consumption on the licensed premises, except consumption by smoking as defined in Title 22, section 1541, subsection 6;
- B. Cannabis paraphernalia;

- C. Consumable products not containing cannabis, including, but not limited to, sodas,
 candies and baked goods; and
 - D. Any other nonconsumable products, including, but not limited to, apparel and cannabis products.
- **2. Prohibitions.** A cannabis social club may not:
 - A. Give away adult use cannabis, adult use cannabis products or cannabis plants or sell or give away mature cannabis plants or consumable products containing tobacco or alcohol; or
 - B. Sell adult use cannabis or adult use cannabis products to a person who is visibly intoxicated.
 - 3. Verification of purchaser's age. A person must be 21 years of age or older to make a purchase from a cannabis social club. A cannabis social club may not sell any item to a person under 21 years of age.
 - A. Prior to initiating a sale in a cannabis social club, an employee of the cannabis social club licensee shall verify that the consumer has a valid government-issued photographic identification card, or other acceptable photographic identification, demonstrating that the consumer is 21 years of age or older.
 - B. The department shall by rule determine the forms of photographic identification that a cannabis social club licensee may accept when verifying a consumer's age.
 - 4. Controlled, indoor entry area. A cannabis social club may have a controlled, indoor entry area directly inside the cannabis social club in which an employee of the cannabis social club licensee may verify the identification and age of persons awaiting entry into the sales area of the cannabis social club. A controlled, indoor entry area under this subsection must be physically separated from the sales area of the cannabis social club.

5. Signs, marketing and advertising. All signs used by and all marketing and advertising conducted by or on behalf of a cannabis social club must comply with the requirements of section 702 and the rules adopted pursuant to section 702.

- 6. Compliance with packaging, labeling and health and safety requirements. All adult use cannabis and adult use cannabis products sold or offered for sale at a cannabis social club must meet all applicable packaging, labeling and health and safety requirements of subchapter 7 and the rules adopted under subchapter 7.
- 7. Sales tax. A cannabis social club licensee shall ensure that the tax imposed on the sale of adult use cannabis and adult use cannabis products to a consumer is collected and remitted in accordance with the requirements of Title 36, Part 3.
- 8. Tracking. In accordance with the requirements of section 105, a cannabis social club licensee shall track all adult use cannabis and adult use cannabis products from the point at which the cannabis or cannabis products are delivered or transferred to the cannabis social club by a cultivation facility or a products manufacturing facility to the point at which the cannabis or cannabis products are sold to a consumer, returned to a cultivation facility or a products manufacturing facility, disposed of or destroyed.
- 9. Rules. The department shall adopt rules to implement this section. Rules adopted pursuant to this section are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.
- **Sec. 22. 28-B MRSA §602, sub-§1,** ¶C, as enacted by PL 2017, c. 409, Pt. A, §6, is amended to read:
 - C. Dangerous <u>yeasts</u>, molds and mildew <u>as specified in rules adopted by the department</u>;
- **Sec. 23. 28-B MRSA §702, sub-§1, ¶B,** as enacted by PL 2017, c. 409, Pt. A, §6, is repealed.
- **Sec. 24. 28-B MRSA §702, sub-§2,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
- **2. Rules on signs, advertising and marketing.** The department shall adopt rules regarding the <u>content</u>, placement and use of signs, advertising and marketing by or on behalf of a licensee, which may include, but are not limited to:
 - A. A prohibition on health or physical benefit claims in advertising or marketing, including, but not limited to, health or physical benefit claims on the label or packaging of adult use cannabis or an adult use cannabis product;
 - B. A prohibition on unsolicited advertising or marketing on the Internet, including, but not limited to, banner advertisements on mass-market websites;
 - C. A prohibition on opt-in advertising or marketing that does not permit an easy and permanent opt-out feature; and
- D. A prohibition on advertising or marketing directed toward location-based devices, including, but not limited to, cellular telephones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature-; and

E. Specific limitations on the content of signs, advertising and marketing to minimize appeal of adult use cannabis and adult use cannabis products to persons under 21 years of age.

- **Sec. 25. 28-B MRSA §703, sub-§1, ¶F,** as amended by PL 2021, c. 558, §4, is further amended to read:
 - F. May not contain more than 10 milligrams of THC per serving of the product and may not contain more than 100 300 milligrams of THC per package of the product, with an allowable variance rate of 10%, except that the allowable variance may not be less than 0.6 milligrams or greater than 5 milligrams. In the calculation of the amount of THC allowed under this paragraph, the allowable variance rate must be in addition to the allowable variance rate applicable to a testing facility pursuant to section 602, subsection 3;
- **Sec. 26. 28-B MRSA §1501, sub-§1, ¶B,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
 - B. Use, possess or transport at any one time up to 2 1/2 ounces of cannabis or 2 1/2 ounces of a combination of cannabis and cannabis concentrate that includes no more than 5 14 grams of cannabis concentrate;
- **Sec. 27. 28-B MRSA §1501, sub-§1, ¶C,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
 - C. Transfer or furnish, without remuneration, to a person 21 years of age or older up to 2 1/2 ounces of cannabis or 2 1/2 ounces of a combination of cannabis and cannabis concentrate that includes no more than 5 14 grams of cannabis concentrate;
- **Sec. 28. 28-B MRSA §1501, sub-§1,** ¶**F,** as enacted by PL 2017, c. 409, Pt. A, §6 and amended by PL 2021, c. 669, §5, is further amended to read:
 - F. Subject to the limitations imposed under paragraph B, purchase up to 2 1/2 ounces of adult use cannabis or 2 1/2 ounces of a combination of adult use cannabis and cannabis concentrate that includes no more than 5 14 grams of cannabis concentrate from a cannabis store; and

29 SUMMARY

This bill clarifies that adult use cannabis and adult use cannabis products may be returned by a licensee to the licensee from which the cannabis or cannabis product was received. It authorizes social clubs for the on-site consumption of adult use cannabis and adult use cannabis products, excluding smoking, which includes vaping. It creates a shelf life for cannabis flower. It allows a cannabis store to deliver in municipalities that have not approved the operation of cannabis stores and to deliver to businesses or hotels if written consent is given by an authorized employee of the business or hotel. It replaces the advertising and marketing restrictions on advertising and marketing designed or likely to reach persons under 21 years of age with a requirement that the Department of Administrative and Financial Services adopt rules that identify specific limitations on signs, advertising and marketing to minimize the appeal of adult use cannabis and adult use cannabis products to persons under 21 years of age. It removes or increases certain limitations on the amount of THC, cannabis and cannabis concentrate that may be used, possessed, transported or furnished. It makes the personal information of a licensee

- included on an application confidential. It requires the Department of Administrative and Financial Services to adopt rules with criteria and an application process for a licensee experiencing financial hardship to be granted a waiver or reduction in license fees. 1
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