



128th MAINE LEGISLATURE

LD 1539

LR 1833(02)

An Act To Amend Maine's Medical Marijuana Law

Fiscal Note for Bill as Amended by Committee Amendment " "
Committee: Health and Human Services
Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$0	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$111,294	\$90,960	\$90,960
Other Special Revenue Funds	\$0	\$457,779	\$469,340	\$480,952
Revenue				
General Fund	\$0	(\$240,100)	(\$194,750)	(\$199,500)
Other Special Revenue Funds	\$0	(\$4,900)	(\$10,250)	(\$10,500)
Transfers				
General Fund	\$0	\$351,394	\$285,710	\$290,460
Other Special Revenue Funds	\$0	(\$351,394)	(\$285,710)	(\$290,460)

Correctional and Judicial Impact Statements

Increases the number of civil suits.

The additional workload associated with the minimal number of new cases filed in the court system does not require additional funding at this time.

The collection of additional filing fees and fines may increase General Fund or other dedicated revenue by minor amounts.

Fiscal Detail and Notes

The bill includes an Other Special Revenue Funds allocation of \$110,976 in fiscal year 2018-19 to the Office of the Attorney General (OAG) to establish one full-time Assistant Attorney General position to advise the Department of Health and Human Services on the interpretation of new medical marijuana program provisions and to assist with the enforcement thereof.

The bill also includes Other Special Revenue allocations to the Department of Health and Human Services (DHHS) of \$235,827 in fiscal year 2018-19 to establish 2 Field Investigator positions and 1 Office Specialist position to handle increased investigations. DHHS will also receive an allocation of \$110,976 to reimburse the OAG for its new position.

The bill includes a General Fund appropriation to the Department of Administrative and Financial Services of \$111,294 in fiscal year 2018-19 for one Tax Examiner position and related costs to review and process income tax returns. There will be a reduction in General Fund revenue of \$240,100 and a reduction in Local Government Fund revenue of \$4,900 in fiscal year 2018-19 from allowing medical marijuana dispensaries and registered caregivers to deduct expenses from corporate and individual income tax.

The bill requires that any new costs to the General Fund created by the bill be reimbursed through transfers from the Medical Use of Marijuana Fund in the Department of Health and Human Services to the unappropriated surplus of the General Fund. The transfer for fiscal year 2018-19 is estimated to be \$351,394.

The DHHS may receive requests from patients for reimbursement of the costs associated with obtaining a 2nd opinion, in certain circumstances. As it is not known how many individuals may make this request and how many individuals would receive reimbursement, no estimate of the increased costs is made at this time.

The DHHS is also required to establish the medical marijuana research grant program to provide grant money to support objective scientific research, including observational and clinical trials and existing research, on the efficacy of marijuana as part of medical treatment and the health effects of marijuana used as part of medical treatment. The program must be funded from the Medical Use of Marijuana Fund. The DHHS is required to adopt rules outlining requirements of the program including the amount of funds distributed and duration of the research, so no estimate of cost can be made at this time.

Additionally, there is a potential increase in registration fees to the DHHS for facilities that register to produce marijuana concentrate by a process involving inherently hazardous substances. Currently, manufacturing facilities are not required to register or notify the DHHS of their operations, so no estimates of the increase in registration fees or the increased costs to the DHHS for registration and auditing program compliance are made at this time.

The bill also creates new registration tiers for manufacturing facilities, which could also increase the overall registration fees to the DHHS. As the decision to change the tier of registration lies with each provider, no estimate of the increase in registration fees are made at this time.

The DHHS is required to issue 6 additional dispensary registration certificates in addition to the 8 current registered dispensaries and, after January 1, 2021, the department may not limit the number of registration certificates it issues to a person or entity to operate as a dispensary. The 6 additional dispensaries would pay a \$12,000 application fee, which would yield \$72,000 in additional revenue. However, it is not known if 6 new registration certificates will be awarded during the year, so no revenue increase is made at this time. After January 1, 2021 there will be no limit on the number of dispensaries, which could potentially increase future revenue.

Any additional costs to the Department of Health and Human Services for rulemaking, to report to the legislature on the new electronic tracking portal and to consult with statewide associations representing licensed medical professionals to develop and provide educational materials related to medical marijuana to medical providers are expected to be minor and can be absorbed within existing budgeted resources.

Allowing facilities that test medical marijuana samples to operate in the absence of rules, clarifying that qualified and non qualified persons may manufacture marijuana concentrate by a process of extraction not involving inherently hazardous substances and establishing a process for persons to become authorized to produce marijuana concentrate by a process involving inherently hazardous substances may increase marijuana products sales. No estimate of the potential increase in General Fund and Local Government Fund revenues as a result of increased sales tax collections is made at this time.