

Marijuana Legalization in Maine: Issues and Questions for Municipalities

Ted Kelleher
Amy Tchao

A National Trend Toward Legalization

- 28 states with medical marijuana
- 8 with full “adult use,” i.e., recreational legalization (CO, OR, WA, AK, CA, MA, NE and ME)
- All New England states now have medical marijuana
- 14 additional states have “decriminalized” marijuana possession

But....

- Marijuana is a Schedule 1 substance under U.S. Controlled Substances Act
- All growing, selling, distributing marijuana is federal felony
- Obama Administration has issued policy guidance taking a cautious, wait and see, hands-off for now approach to states with medical or recreational marijuana, articulated in a series of memos from the Justice Department
- Trump Administration position unclear

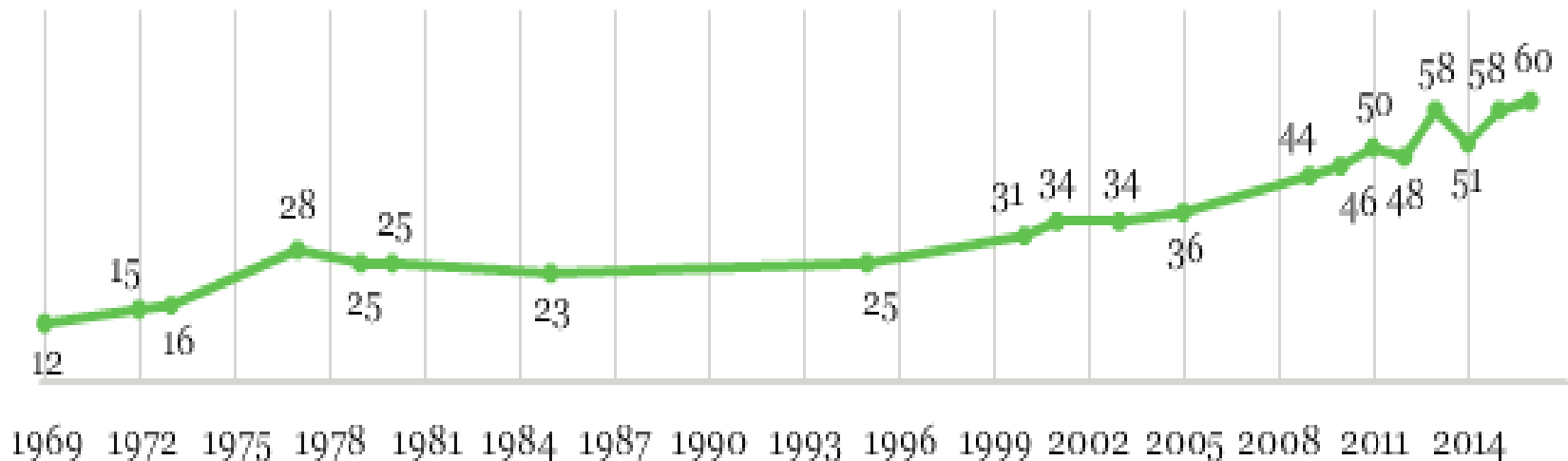
Changing Public Opinion

National support of legalization 60 % in October 2016

Americans' Views on Legalizing Marijuana

Do you think the use of marijuana should be made legal, or not?

■ % Yes, legal

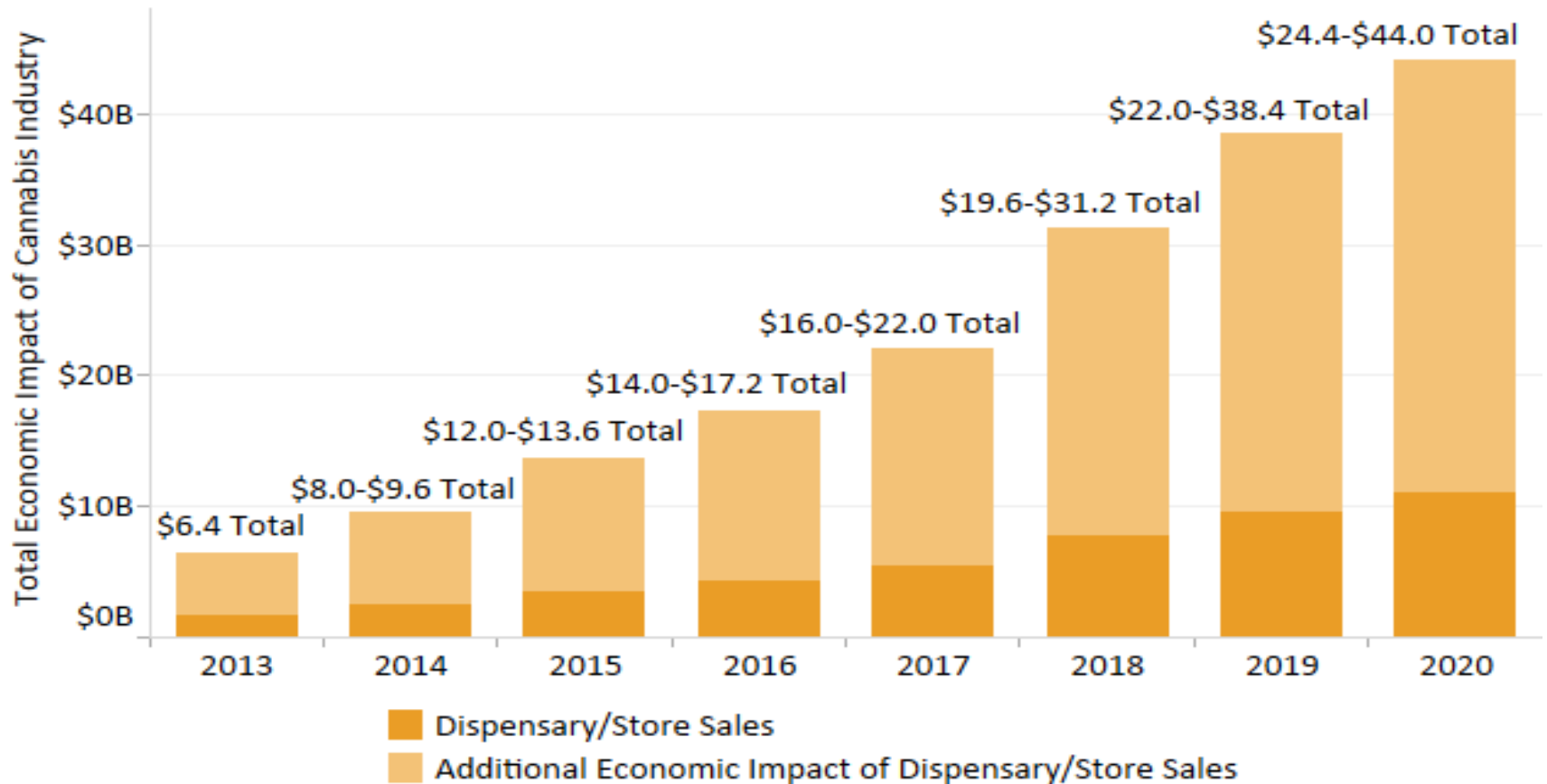


GALLUP

Business Opportunities in Cannabis

U.S. Cannabis Industry Total Economic Impact: 2013-2020

In Billions of U.S. Dollars



Source: Marijuana Business Factbook 2016

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Size of the Maine cannabis markets:

- Maine Medical Marijuana, 2015: \$40.5 million
- Projected 2016: \$49.3 million
- Projected recreational market size:
 - 2018 \$60 million
 - 2020 \$210 million
- Utilization rate: 12.9%

Medical Marijuana in Maine

- “Qualifying patients” with one of several enumerated conditions can get a “certification” for marijuana use
- Can get marijuana from 3 sources: Grow it themselves, 8 dispensaries or “caregivers”
- Only 8 dispensary licenses, large operations with unlimited number of patients
- Caregivers can have 5 patients and grow 6 plants per patient (something like 3,000 caregivers in Maine)
- Considered one of the more liberal systems in the country, expansive list of qualifying conditions, reciprocity

Marijuana Legalization Act

- Legalizes cultivation, production, and possession of marijuana for retail sale to individuals 21 year of age and older.
- 5 classes of license:
 - Cultivation
 - Product Manufacturing Facility
 - Retail Marijuana Store
 - Marijuana Social Club
 - Retail Marijuana Testing Facility

License Classes

- Cultivation – grow marijuana for wholesale sale of flower, two tiered system of licenses
- Manufacturing – convert cannabis flower into edible products, topicals, concentrates, etc.
- Testing – perform lab tests on cannabis flower to test for purity, potency, heavy metals, etc.
- Retail sales – sell marijuana products to the public
- Social clubs – sell marijuana and marijuana products for purposes of on-premises consumption only

Marijuana Legalization Act Highlights

- Tax rate set at 10% (low by national standards)
- Regulated by Department of Agriculture
- Strong element of local control
 - Municipalities may ban all commercial marijuana activity
 - Must approve any license issued by state
- 800,000 square foot statewide limit on canopy
- No limit on number of retail sales, processing or social clubs
- Extensive labeling requirements

Marijuana Legalization Act Highlights, cont'd.

- Mandatory testing
- Relatively low license fees compared to national averages
- Licenses can be transferred, but requires state and local approval
- Home growing permitted (up to six plants)
- Medical marijuana system is not changed by Marijuana Legalization Act and will continue as a separate system

Timelines

- Governor has 10 days to certify results (after recount)
- Act becomes effective 30 days after that
- Regulator has 9 months to promulgate extensive regulations on all aspects of industry (including licensure) – this process took a year in CO and WA
- Must begin accept license applications within 30 days of regs becoming final

Timelines, cont'd.

- Unclear how long license issuance will take
- There is a level of municipal approval as well
- Takes approximately 4 months to grow marijuana from clone or seedling to mature flowering plant
- Probably means retail sales starting in early 2018 at the earliest, probably more likely mid- to late 2018

Possible legislative changes

- Clarify issues around possession and use by minors
- Change regulator from Department of Agriculture to BABLO
- Raise tax rate
- Many others will be looking to make changes

Local Control of Marijuana

- Marijuana Legalization Act contains provisions giving municipalities substantial control over commercial marijuana activities
- However, the Act provides little guidance about how municipalities should make decisions
- Municipalities will need to make substantive decisions about marijuana commercial activities and potentially establish processes to deal with licensure and oversight
- Some provisions of the Act are unclear or inconsistent

Substantive questions for towns

- Do you want to prohibit commercial marijuana operations entirely? The “dry town” option.
7 MRSA § 2447(4)
- Do you want to limit the number of licenses available in the town in any of the license categories? 7 MRSA § 2447(4)
- What are the numerical limits on licenses?
- What are the criteria for selecting licensees if you limit the number of licenses? 7 MRSA § 2447 (3)(D)

Substantive questions for towns, cont'd:

- If you allow marijuana operations, where can they be? I.e., how will you zone for marijuana operations? 7 MRSA § 2449(1)
- Will you impose local licensing requirements? 7 MRSA § 2449(4)
- Will you impose local licensing fees?
- What aspects of marijuana operations will you regulate? Some areas of concern: Fire code, life safety, security, advertising & signage, banning sales of certain products, access to premises and records by local officials.

Process questions for towns

- How will you process and approve license applications? State approves license applications first, then forwards them to town for approval. Town can hold public hearing. Act has some confusing provisions on timelines, but seems to require municipal action within 14 days of receiving application from State. No provisions on what happens if this timeframe is not met. 7 MRSA § 2449(4)
- Who will be point person for these issues?

Process questions for towns, cont'd

- Will you impose moratoria? Pros and cons:
 - Technically, licenses won't be issued for many months, so no clear legal need to impose moratorium now – retail sale of marijuana is illegal without a license
 - However, few people have read the Marijuana Legalization Act, or understand the regulatory and licensing process about to unfold
 - So a moratorium is a way to send a public message that the town is considering what its marijuana policy will be, and a freeze on activity is in place until final decisions are made

What does the marijuana industry look like?

Clone Room



Vegetative



Flower



Plants Ready for Harvest



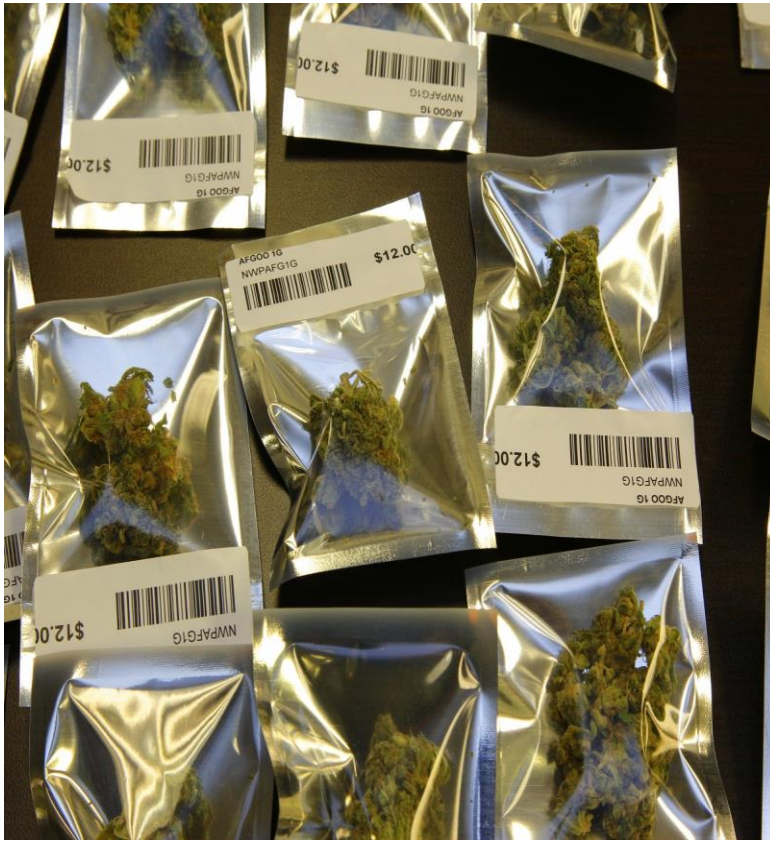
Drying Room



Trim Room



Packaging



Hydro-Carbon Extractor



Retail Store

Phat Fruity 1/8 only
EXCLUSIVE

Snake Venom 1/8 only
EXCLUSIVE

Viper Cookie 1/8 only
EXCLUSIVE

Swain 1/8 only
EXCLUSIVE

Strawberry Lemonade
Cannabutter

Tin Man Cookie
Cannabutter

Goats Glue #4
Maltol

White Walker OG
Cannabutter

Jardin OG
Green Box

Tanglepop
Maltol

Hot Sauce Cookies
Maltol

JARDIN

Strain Pricing

	1 G	1/8	1/2	OZ
RESERVA	\$20	\$65	\$175	\$300
PRIVADO	\$15	\$45	\$145	\$250
CLASICO		\$25		

Pre-Rolls

Bluebirds	\$5
Premium Pre-Rolls OG Kush	\$12
Premium Pre-Rolls Jack Herer	\$12
Premium Pre-Rolls Key Lime Pie	\$12
Ultra Premium Pre-Rolls OG Kush	\$36
Green Life Variety Pack	\$48

Super Sour Diesel
Maltol

Firejacker

Hope of Herb

LT Sebastian

Deep Roots

Harle Tui

Cannavative

Jack Herer

Green Box

Segeblom Haze

Deep Roots

Golden Goat

Deep Roots

Lucy Skywalker

House of Herb

Chern Dwing

Maltol

Concentrates

Extracts	Price
Tangle Moxie	\$50
Viper City OG Moxie	\$50
Blueberry Badder Moxie	\$50
Bubble Gum Badder Moxie	\$50
Lemon Cake Badder Moxie	\$50
Larry OG Cannavative	\$34
MTF Cannavative	\$34
Pineapple Chunk Cannavative	\$30

Vape Cartridges	Price
Jilly Clear Cannavative (CBG) 120mg	\$70
Blueberry Diesel PURE 645mg	\$45
Super Lemon Haze PURE 679mg	\$45
Tres Leches PURE 590mg	\$45
Lemon Haze Moxie 500mg	\$40
Red Delicious Moxie 500mg	\$40
Strawberry Banana Moxie 500mg	\$40
Key Lime Pie Moxie 500mg	\$40

Distillate	Price
OG Super Live Cannavative	\$60
OG Ringo Cross Cannavative	\$70
Super Tangle Cannavative	\$70

JARDIN


Topicals

Good Pain Relief Oil Desert Rose Scent	\$95
Good Pain Relief Oil Mint Unwind Scent	\$95
Good Pain Relief Oil Unscented	\$45

LIMITED RELEASE

BLUEBERRY DIESEL - 645MG
SUPER LEMON HAZE - 679MG
TRES LECHES - 590MG

CARTRIDGE+BATTERY \$55.00
CARTRIDGE \$43.00



Edibles

Gummies	THC	Price
Sour Watermelon (US-90)	100mg	\$24
Waterfalls		
Cheeba Chew Indica	78.56mg	\$17
Cheeba Chew Sativa	74mg	\$17
Cheeba Chew Hybrid	94.72mg	\$17

Candy	THC	Price
Peeps Maltol Indica	100 mg	\$27
Peeps Maltol Sativa		
Awakening Mints Dixie	80mg	\$26
Relaxing Mints Dixie	80mg	\$26
Boulder Bar Incredibles	100 mg	\$20

Capsules	THC	Price
Sativa Capsules Cannavative	100mg	\$30
OG Capsules Cannavative	11.5mg	\$20

Tinctures	THC	Price
Hybrid Tincture KYNO	332mg	\$55
OG Tincture KYNO (OG 162mg)	73mg	\$40
OG Cannavative (OG 145)	17%	\$70



Edible Display



Flower Display



