



Legislative Update for Cannabis Public Health Advisory Council

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Current Distribution of Cannabis Tax Revenue

General Fund	25% of Tax Revenue off the Top
	Remaining 75% is distributed in this Order
Administrative Expenses of MCA	Not a set percentage
Administrative Expenses of the OSE	Not a set percentage
	After Covering these Administrative Expenses
Community Reinvestment and Repair Fund	35%
Local Governments	5%
Cannabis Public Health Fund	5%
Cannabis Business Assistance Fund	5% (Through FY 2028)
General Fund	All remaining funds go to the General Fund

HB108/SB61-Division of Correction - Release Preparation Program

- Creates a program in which formerly incarcerated individuals visit correctional facilities to assist incarcerated individuals with release preparation
- The costs of this program would be paid by Cannabis Regulation and Enforcement Fund (CREF)
- The CREF is currently used to cover the administrative and enforcement expenses of the MCA and the OSE
- Bill does not indicate when cost for the proposed program will be paid out
- Admin. expenses are paid out prior to the allocation of money to the Cannabis Public Health Fund (CPHF), if the release program expense are paid out at the same it could lead to a decrease in funds available to the CPHF
- A fiscal policy note is not yet available to provide a cost estimate for this new program
- Senate Hearing 1/28 (Judicial Proceedings) and House Hearing not scheduled (Government, Labor, and Elections)

HB 133-Income Tax and Sales and Use Tax - Rate Reductions and Alterations

- Proposes to lower the cannabis sales and use tax from 12% to 3%
- The MGA increased the tax from 9% to 12% last year
- At 3% the cannabis tax revenue would not be sufficient to cover the costs of the MCA let alone provide funds to the CPHF, the counties, Community Reinvestment and Repair Fund, . . .
 - In Q3 of 2025 MCA had \$10.1 million in expenses
 - At 12% tax rate state received \$26.8 million in cannabis tax revenue in Q3
 - Using these same numbers, a 3% tax rate would only generate \$6.7 million
 - Over a \$3 million shortfall for MCA expenses without taking into account 25% General Fund allocation.
- Hearing in Ways and Means 02/05

HB307/SB217: Community Reinvestment and Repair Fund - Alterations

- Alterations to help ensure that the CRRF is supporting the low-income communities that were disproportionately impacted by the enforcement of cannabis laws
- Funds go to counties to distribute to community-based organizations that serve these communities.
- Counties must develop a plan for the distribution of these funds
 - Provide a specific definition of the stake holder that must be included in the planning process
 - Require the plan to be publicly available
 - Must identify the geographic areas and populations most adversely impacted by disproportionate enforcement of cannabis laws
 - Describe how the use of funds will comply with the state's permissible uses
 - Consult with OSE on changes to their plans
- Alter requirements on Annual Report
 - Data on the populations served and services provided

HB307/SB217: Community Reinvestment and Repair Fund – Alterations (continued)

- Funds **shall** be used for
 - Behavioral Health Crisis Response Services
 - Education and After-School Programs
 - Housing and Homelessness Prevention Initiatives
 - Transportation improvements in high density areas that have public transportation
- Increased authority to OSE
 - The Fund shall be administered by the Comptroller **at the direction of the OSE**
- No hearing set in the House (Economic Matters) or Senate (Finance)

HB 114/SB 110 Motor Vehicles - Accidents - Required Testing for Impaired Driving

(Mateo's Law)

- Current Law
 - Impairment testing is mandated in a motor vehicle accident involving death or a life-threatening injury if a **police officer has reasonable grounds to believe** that a person has been driving or attempting to while under the influence or impaired
 - Testing protocol: (1) a breath test for alcohol, (2) a blood test for alcohol, drug, or controlled substance, **or (3) both**
- Proposed Changes
 - Removes police officer discretion
 - If a person is involved in a motor vehicle accident involving death or life-threatening injury impairment testing is required by both (1) a breath test for alcohol **and** (2) a blood test for alcohol, drug, or controlled substance
- Introduced last session and did not receive a committee vote
- Hearing in Senate 1/20 (Judicial Proceedings) and House 1/28 (Judiciary)
- Issues from Judicial Proceedings hearing
 - **Senators James, Muse, and Folden**-raised the issue of lack of good cannabis testing but wanted to establish a standard for determining cannabis impairment that could include field sobriety test and cannabis metabolites