

SENATE BILL 516

A1, J1, Q4

EMERGENCY BILL
ENROLLED BILL

(3lr2933)

— *Finance and Budget and Taxation/Economic Matters* —

Introduced by **Senators Feldman and Hayes**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Cannabis Reform**

3 FOR the purpose of renaming the Alcohol and Tobacco Commission to be the Alcohol,
4 Tobacco, and Cannabis Commission; establishing the Maryland Cannabis
5 Administration as an independent unit of State government; establishing a
6 regulatory and licensing system for adult-use cannabis under the ~~Commission~~
7 Administration; imposing the sales and use tax on the sale of adult-use cannabis at
8 ~~certain rates in certain fiscal years~~ a certain rate; establishing the Office of Social
9 Equity, in the Maryland Cannabis Administration and the Advisory Board on
10 Medical and Adult-Use Cannabis, and the Social Equity Partnership Grant Fund in
11 the Commission; altering provisions of law relating to the Community Reinvestment
12 and Repair Fund; ~~establishing the Cannabis Regulation and Enforcement Division~~
13 ~~in the Commission~~; requiring the Division Administration to establish and maintain
14 a State cannabis testing laboratory; establishing the Cannabis Regulation and
15 Enforcement Fund as a special, nonlapsing fund; requiring that the investment

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 earnings of the Cannabis Regulation and Enforcement Fund be credited to the Fund;
 2 repealing certain provisions of law establishing and governing the Natalie M.
 3 LaPrade Medical Cannabis Commission; requiring the ~~Division Administration~~,
 4 rather than the Natalie M. LaPrade Medical Cannabis Commission, to take certain
 5 actions related to medical cannabis; requiring the ~~Division Administration~~, on or
 6 before a certain date and under certain circumstances, to convert medical cannabis
 7 licenses to licenses to operate a medical and adult-use cannabis business; regulating
 8 the actions that ~~local jurisdictions~~ political subdivisions may take regarding
 9 cannabis businesses; prohibiting certain individuals from taking certain actions
 10 related to cannabis licensees and registrants; establishing the Medical Cannabis
 11 Compassionate Use Fund as a special, nonlapsing fund; requiring that the interest
 12 earnings of the Medical Cannabis Compassionate Use Fund be credited to the Fund;
 13 authorizing certain entities to register with the ~~Division Administration~~ to purchase
 14 cannabis for research purposes; establishing prohibitions related to the advertising
 15 of cannabis and cannabis products; requiring a person to be approved by the ~~Division~~
 16 Administration to offer a certain training program; establishing certain legal
 17 protections related to the use of cannabis; establishing a Capital Access Program in
 18 the Department of Commerce; establishing certain prohibitions related to banking
 19 by cannabis businesses; altering certain provisions of law relating to the Cannabis
 20 Business Assistance Fund; exempting the Commission from State procurement
 21 requirements under certain circumstances; requiring a cannabis licensee, under
 22 certain circumstances, to comply with the State's Minority Business Enterprise
 23 Program; requiring the Administration to contract with an independent consultant
 24 to complete a study on wholesale cannabis licenses; requiring the study to be
 25 submitted to certain persons on or before a certain date; requiring the Maryland
 26 Economic Development Corporation to identify certain locations and submit a
 27 certain report to the General Assembly; requiring the Administration to study and
 28 report on certain matters relating to on-site consumption and certain cannabis
 29 products; requiring that certain growers be awarded certain dispensary licenses
 30 under certain circumstances; providing that certain businesses that were awarded
 31 certain approval for a processor license be entered into a certain lottery; and
 32 generally relating to medical and adult-use cannabis.

33 BY repealing

34 Article – Health – General

35 Section 13–3301 through 13–3316 and the subtitle “Subtitle 33. Natalie M. LaPrade
 36 Medical Cannabis Commission”

37 Annotated Code of Maryland

38 (2019 Replacement Volume and 2022 Supplement)

39 BY repealing

40 Article – Health – General

41 The subtitle designation “Subtitle 46. Community Reinvestment and Repair Fund”
 42 immediately preceding Section 13–4601

43 Annotated Code of Maryland

44 (2019 Replacement Volume and 2022 Supplement)

45 (As enacted by Chapter 26 of the Acts of the General Assembly of 2022)

1 BY transferring
2 Article – Health – General
3 Section 13–4601
4 Annotated Code of Maryland
5 (2019 Replacement Volume and 2022 Supplement)
6 (As enacted by Chapter 26 of the Acts of the General Assembly of 2022)
7 to be
8 Article – Alcoholic Beverages
9 Section 1–322
10 Annotated Code of Maryland
11 (2016 Volume and 2022 Supplement)

12 BY renumbering
13 Article – Alcoholic Beverages
14 Section 1–101(d) through (y) and (z) through (ii)
15 to be Section 1–101(e) through (z) and (bb) through (kk), respectively
16 Annotated Code of Maryland
17 (2016 Volume and 2022 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – Alcoholic Beverages
20 Section 1–101(a)
21 Annotated Code of Maryland
22 (2016 Volume and 2022 Supplement)

23 BY adding to
24 Article – Alcoholic Beverages
25 Section 1–101(d) and (aa), 1–309.1, 1–309.2, and 1–323; and 36–101 through
26 36–1507 to be under the new division “Division III. Cannabis”
27 Annotated Code of Maryland
28 (2016 Volume and 2022 Supplement)

29 BY repealing and reenacting, with amendments,
30 Article – Alcoholic Beverages
31 Section 1–101(g) and (r)
32 Annotated Code of Maryland
33 (2016 Volume and 2022 Supplement)
34 (As enacted by Section 4 of this Act)

35 BY repealing and reenacting, with amendments,
36 Article – Alcoholic Beverages
37 Section ~~1–101(f) and (e)~~ 1–202; and 1–302, 1–303(a), 1–304, 1–307 through 1–310,
38 and 1–313 to be under the amended subtitle “Subtitle 3. Alcohol, Tobacco, and
39 Cannabis Commission”
40 Annotated Code of Maryland
41 (2016 Volume and 2022 Supplement)

1 ~~BY adding to~~
2 ~~Article – Alcoholic Beverages~~
3 ~~Section 1–309.1, 1–309.2, and 1–323; and 36–101 through 36–1507 to be under the~~
4 ~~new division “Division III. Cannabis”~~
5 ~~Annotated Code of Maryland~~
6 ~~(2016 Volume and 2022 Supplement)~~

7 BY repealing and reenacting, with amendments,
8 Article – Alcoholic Beverages
9 Section 1–322
10 Annotated Code of Maryland
11 (2016 Volume and 2022 Supplement)
12 (As enacted by Section 3 of this Act)

13 BY adding to
14 Article – Tax – General
15 Section 2–1302.2, 11–104(k), and 11–245
16 Annotated Code of Maryland
17 (2022 Replacement Volume)

18 BY repealing and reenacting, with amendments,
19 Article – Tax – General
20 Section 2–1303
21 Annotated Code of Maryland
22 (2022 Replacement Volume)

23 BY repealing and reenacting, with amendments,
24 Article – Economic Development
25 Section 5–1901
26 Annotated Code of Maryland
27 (2018 Replacement Volume and 2022 Supplement)

28 BY repealing and reenacting, without amendments,
29 Article – State Finance and Procurement
30 Section 6–226(a)(2)(i)
31 Annotated Code of Maryland
32 (2021 Replacement Volume and 2022 Supplement)

33 BY repealing and reenacting, with amendments,
34 Article – State Finance and Procurement
35 Section 6–201(e) and 6–226(a)(2)(ii) 170. and 171.
36 Annotated Code of Maryland
37 (2021 Replacement Volume and 2022 Supplement)

38 BY adding to
39 Article – State Finance and Procurement

1 Section 6–226(a)(2)(ii)172. and 173.
2 Annotated Code of Maryland
3 (2021 Replacement Volume and 2022 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – State Personnel and Pensions
6 Section 23–201(a)(13) and (14) and 26–201(a)(22)
7 Annotated Code of Maryland
8 (2015 Replacement Volume and 2022 Supplement)

9 BY adding to
10 Article – State Personnel and Pensions
11 Section 23–201(a)(15)
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2022 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Health – General
16 Section 13–4505
17 Annotated Code of Maryland
18 (2019 Replacement Volume and 2022 Supplement)

19 BY renaming
20 Article – Alcoholic Beverages
21 to be Article – Alcoholic Beverages and Cannabis
22 Annotated Code of Maryland
23 (2016 Volume and 2022 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
25 That Section(s) 13–3301 through 13–3316 and the subtitle “Subtitle 33. Natalie M. LaPrade
26 Medical Cannabis Commission” of Article – Health – General of the Annotated Code of
27 Maryland be repealed.

28 SECTION 2. AND BE IT FURTHER ENACTED, That the subtitle designation
29 “Subtitle 46. Community Reinvestment and Repair Fund” immediately preceding §
30 13–4601 of the Health – General Article be repealed.

31 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 13–4601 of Article
32 – Health – General of the Annotated Code of Maryland be transferred to be Section(s)
33 1–322 of Article – Alcoholic Beverages of the Annotated Code of Maryland.

34 SECTION 4. AND BE IT FURTHER ENACTED, That Section(s) 1–101(d) through
35 (y) and (z) through (ii) of Article – Alcoholic Beverages of the Annotated Code of Maryland
36 be renumbered to be Section(s) 1–101(e) through (z) and (bb) through (kk), respectively.

37 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
38 as follows:

Article – Alcoholic Beverages

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1–101.

(a) In this article the following words have the meanings indicated.

(D) (1) “CANNABIS” MEANS THE PLANT CANNABIS SATIVA L. AND ANY PART OF THE PLANT, INCLUDING ALL DERIVATIVES, EXTRACTS, CANNABINOIDS, ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, WHETHER GROWING OR NOT, WITH A DELTA-9-TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN 0.3% ON A DRY WEIGHT BASIS.

(2) “CANNABIS” INCLUDES CANNABIS PRODUCTS.

(3) “CANNABIS” DOES NOT INCLUDE HEMP OR HEMP PRODUCTS, AS DEFINED IN § 14–101 OF THE AGRICULTURE ARTICLE.

~~(g)~~ (g) “Commission” means the Alcohol [and], Tobacco, AND CANNABIS Commission.

~~(r)~~ (r) (1) “License holder” means the holder of [a] ~~AN ALCOHOLIC BEVERAGE~~ **BEVERAGES** license issued or a permit granted under this article.

(2) “License holder” includes:

(i) a county liquor control board and a county dispensary; and

(ii) for the delivery and billing purposes of Title 2, Subtitle 3 and §§ 2–213 and 2–314 of this article, a corporation on behalf of which an individual has obtained a license.

(AA) “POLITICAL SUBDIVISION” MEANS A COUNTY OR A MUNICIPALITY.

1–202.

(a) To the extent that a statement of a general rule of law conflicts or is inconsistent with an exception or a qualification applicable to a special area, particular person, or set of circumstances, the exception or qualification prevails.

(b) A provision in Division II of this article prevails over a conflicting or inconsistent provision in Division I of this article or a provision in the Tax – General Article relating to alcoholic beverages.

1 **(C) A PROVISION IN DIVISION III OF THIS ARTICLE PREVAILS OVER A**
 2 **CONFLICTING OR INCONSISTENT PROVISION IN DIVISION I OF THIS ARTICLE OR A**
 3 **PROVISION IN THE TAX – GENERAL ARTICLE RELATING TO CANNABIS.**

4 Subtitle 3. Alcohol [and], Tobacco, AND CANNABIS Commission.

5 1–302.

6 There is an Alcohol [and], Tobacco, AND CANNABIS Commission.

7 1–303.

8 (a) (1) The Commission consists of [five] SEVEN members to be appointed by
 9 the Governor with the advice and consent of the Senate.

10 (2) The presiding officer of either House of the General Assembly may
 11 recommend to the Governor a list of individuals for appointment to the Commission.

12 (3) Of the Commission members:

13 (i) one shall be knowledgeable and experienced in public health
 14 matters;

15 (ii) one shall be knowledgeable and experienced in law enforcement
 16 matters;

17 (iii) one shall be knowledgeable and experienced in the alcoholic
 18 beverages industry; [and]

19 (IV) ~~TWO SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN~~
 20 ~~THE CANNABIS INDUSTRY~~ **ONE SHALL HAVE EXPERTISE IN CANNABIS RESEARCH**
 21 **AND POLICY;**

22 (V) **ONE SHALL HAVE EXPERTISE IN ALCOHOL AND TOBACCO**
 23 **POLICY; AND**

24 [(iv)] ~~(v)~~ (VI) two shall be members of the public who are
 25 knowledgeable and experienced in fiscal matters and shall have substantial experience:

26 1. as an executive with fiduciary responsibilities in charge of
 27 a large organization or foundation;

28 2. in an academic field relating to finance or economics; or

29 3. as an accountant, an economist, or a financial analyst.

1 (4) In addition to the members appointed under paragraph (3) of this
2 subsection, the Secretary of Health and the Secretary of State Police, or their designees,
3 may participate in the Commission as ex officio nonvoting members.

4 1–304.

5 (a) A member of the Commission may not:

6 (1) have a direct or indirect financial interest, ownership, or management,
7 including holding any stocks, bonds, or other similar financial interests, in the alcohol [or],
8 tobacco, **OR CANNABIS** industries;

9 (2) have an official relationship to a person who holds a license or permit
10 under this article or Title 16, Title 16.5, Title 16.7, or Title 16.9 of the Business Regulation
11 Article;

12 (3) be an elected official;

13 (4) receive or share in, directly or indirectly, the receipts or proceeds of any
14 activities conducted in the alcohol [or], tobacco, **OR CANNABIS** industries;

15 (5) have a beneficial interest in any contract for the manufacture or sale of
16 any device or product or the provision of any independent consulting services in connection
17 with a holder of a license or permit issued under this article or Title 16, Title 16.5, Title
18 16.7, or Title 16.9 of the Business Regulation Article; or

19 (6) accept a contribution of money or property worth at least \$100 from an
20 entity or individual associated with the alcohol [or], tobacco, **OR CANNABIS** industries with
21 respect to the regulation of alcohol [or], tobacco, **OR CANNABIS**.

22 (b) A member of the Commission shall file a financial disclosure statement with
23 the State Ethics Commission in accordance with Title 5, Subtitle 6 of the General
24 Provisions Article.

25 1–307.

26 (a) The Commission has the powers and duties set forth in this section.

27 (b) The Commission shall:

28 (1) educate the public, by resource sharing and serving as an information
29 clearinghouse, on such topics as:

30 (i) recent increases in alcohol content for popular beer and other
31 beverages;

- 1 (ii) the proper limits of drinking for adults;
- 2 (iii) the adverse consequences of surpassing those limits;
- 3 (iv) parental or adult responsibility for serving alcohol to underage
4 individuals; and
- 5 (v) comparable topics relating to smoking, vaping, tobacco, other
6 tobacco products, [and] electronic nicotine delivery systems, **CANNABIS, AND CANNABIS**
7 **PRODUCTS**; and

8 (2) subject to federal approval, ensure that all alcoholic beverages sold in
9 the State with an alcohol content exceeding 4.5% by volume bear a large and conspicuous
10 label stating the percentage of alcohol content.

11 (c) (1) The Commission shall conduct studies of:

12 (i) the operation and administration of similar laws in other states
13 or countries; and

14 (ii) federal laws that may affect the operation of the alcohol [or],
15 tobacco, **OR CANNABIS** industries, the literature on those industries, and the reaction of
16 residents of the State to existing and potential features of those industries.

17 (2) The Commission shall submit to the Governor and, in accordance with
18 § 2–1257 of the State Government Article, the General Assembly the studies required under
19 this subsection.

20 1–308.

21 The Commission shall develop best practices for:

22 (1) the dedication of a minimum effective portion of the budget of a local
23 licensing board to administrative enforcement activities, such as inspections, compliance
24 checks, overservice, operations, and trade practice violations;

25 (2) the carrying out of compliance checks for alcoholic beverages licenses,
26 in which each license is checked at least once a year;

27 (3) the development of guidelines for the minimum capacity of inspections
28 carried out by inspectors of local licensing boards, based on the number and type of licensed
29 outlets in the licensing jurisdiction;

30 (4) ensuring that alcoholic beverages inspections be based on data such as
31 the violation history of the license holder, and calls for emergency assistance, emergency

1 medical service, or nonemergency service, so that resources are being allocated based on
2 where the greatest need is;

3 (5) the reporting of aggregate data between local police and local licensing
4 boards;

5 (6) the development of mandatory State-provided training for liquor
6 inspectors;

7 (7) reporting by the State to the affected local licensing board of a
8 State-issued license or permit within 10 days after the State receives an application;

9 (8) the development of a public health impact statement for all changes to
10 the State alcoholic beverages laws; [and]

11 (9) ensuring that:

12 (i) all license holders, managers, and servers receive certification
13 from an approved alcohol awareness program; and

14 (ii) at least one employee who is certified in an alcohol awareness
15 program be on the licensed premises at all times when alcoholic beverages are served;

16 **(10) REGULATING THE CANNABIS INDUSTRY AND IMPLEMENTING**
17 **PUBLIC HEALTH MEASURES RELATING TO CANNABIS; AND**

18 **(11) REGULATING, TO THE EXTENT POSSIBLE, MEDICAL AND**
19 **ADULT-USE CANNABIS IN A SIMILAR MANNER.**

20 1-309.

21 (a) With the advice and consent of the Senate, the Governor shall appoint an
22 Executive Director of the Commission.

23 (b) The Executive Director serves at the pleasure of the Governor.

24 (c) The Executive Director shall:

25 (1) have the training and experience, including knowledge of the Maryland
26 alcohol, **TOBACCO, AND CANNABIS** regulatory system, that is needed to direct the work of
27 the Commission; **AND**

28 (2) ~~be a sworn police officer with the powers granted to an officer or~~
29 ~~employee of the Field Enforcement Division under § 1-313 of this subtitle; and~~

1 ~~(3)~~ devote full time to the duties of office and may not engage in another
2 profession or occupation.

3 (d) THE EXECUTIVE DIRECTOR MAY BE A SWORN POLICE OFFICER WITH
4 THE POWERS GRANTED TO AN OFFICER OR EMPLOYEE OF THE FIELD
5 ENFORCEMENT DIVISION UNDER § 1-313 OF THIS SUBTITLE.

6 (E) The Executive Director is entitled to the salary provided in the State budget.
7 1-309.1.

8 (A) (1) THERE IS AN OFFICE OF SOCIAL EQUITY ~~WITHIN IN THE~~
9 ~~COMMISSION.~~

10 (2) THE OFFICE IS AN INDEPENDENT OFFICE THAT FUNCTIONS
11 WITHIN THE MARYLAND CANNABIS ADMINISTRATION.

12 (B) (1) THE GOVERNOR SHALL APPOINT AN EXECUTIVE DIRECTOR OF
13 THE OFFICE OF SOCIAL EQUITY.

14 (2) THE EXECUTIVE DIRECTOR OF THE OFFICE OF SOCIAL EQUITY
15 SHALL HAVE AT LEAST 5 YEARS OF EXPERIENCE IN CIVIL RIGHTS ADVOCACY, CIVIL
16 RIGHTS LITIGATION, OR ANOTHER AREA OF SOCIAL JUSTICE.

17 (C) THE OFFICE OF SOCIAL EQUITY MAY EMPLOY STAFF AND RETAIN
18 CONTRACTORS AS MAY BE REQUIRED TO CARRY OUT THE FUNCTIONS OF THE
19 OFFICE.

20 (D) THE OFFICE OF SOCIAL EQUITY SHALL:

21 (1) PROMOTE AND ENCOURAGE FULL PARTICIPATION IN THE
22 REGULATED CANNABIS INDUSTRY BY PEOPLE FROM COMMUNITIES THAT HAVE
23 PREVIOUSLY BEEN DISPROPORTIONATELY ~~HARMED~~ IMPACTED BY THE WAR ON
24 DRUGS IN ORDER TO POSITIVELY IMPACT THOSE COMMUNITIES;

25 (2) CONSULT WITH AND ASSIST THE COMPTROLLER IN THE
26 ADMINISTRATION OF THE COMMUNITY REINVESTMENT AND REPAIR FUND UNDER
27 § 1-322 OF THIS SUBTITLE;

28 (3) CONSULT WITH AND ASSIST THE DEPARTMENT OF COMMERCE IN
29 THE ADMINISTRATION OF THE CANNABIS BUSINESS ASSISTANCE FUND UNDER §
30 5-1901 OF THE ECONOMIC DEVELOPMENT ARTICLE;

1 (4) IDENTIFY AND OPPOSE REGULATIONS THAT UNNECESSARILY
2 BURDEN OR UNDERMINE THE LEGISLATIVE INTENT OF THE OFFICE, INCLUDING
3 REGULATIONS THAT IMPOSE UNDUE RESTRICTIONS OR FINANCIAL REQUIREMENTS;

4 (5) PROVIDE RECOMMENDATIONS TO THE COMMISSION ON
5 REGULATIONS RELATED TO:

6 (I) DIVERSITY; AND

7 (II) SOCIAL EQUITY APPLICATIONS;

8 (6) WORK WITH THE ~~COMMISSION~~ MARYLAND CANNABIS
9 ADMINISTRATION TO IMPLEMENT FREE TECHNICAL ASSISTANCE FOR SOCIAL
10 EQUITY AND MINORITY CANNABIS BUSINESS APPLICANTS;

11 (7) PRODUCE REPORTS AND RECOMMENDATIONS ON DIVERSITY AND
12 EQUITY IN OWNERSHIP, MANAGEMENT, AND EMPLOYMENT IN THE LEGAL CANNABIS
13 ECONOMY; AND

14 (8) ASSIST BUSINESSES WITH OBTAINING FINANCING THROUGH THE
15 CAPITAL ACCESS PROGRAM UNDER TITLE 36, SUBTITLE 14 OF THIS ARTICLE; ~~AND~~

16 ~~(9) DETERMINE WHICH INDIVIDUALS AND ENTITIES SHALL BE~~
17 ~~GRANTED LOANS OR GRANTS FROM THE CANNABIS BUSINESS ASSISTANCE FUND~~
18 ~~UNDER § 5-1901 OF THE ECONOMIC DEVELOPMENT ARTICLE.~~

19 (E) (1) ON OR BEFORE MARCH 1 EACH YEAR, THE OFFICE OF SOCIAL
20 EQUITY SHALL PRODUCE AND MAKE PUBLICLY AVAILABLE A REPORT ON HOW THE
21 FUNDS IN THE COMMUNITY REINVESTMENT AND REPAIR FUND UNDER § 1-322 OF
22 THIS SUBTITLE ~~AND THE CANNABIS BUSINESS ASSISTANCE FUND UNDER § 5-1901~~
23 ~~OF THE ECONOMIC DEVELOPMENT ARTICLE WERE~~ WAS ALLOCATED DURING THE
24 IMMEDIATELY PRECEDING CALENDAR YEAR.

25 (2) THE REPORT SHALL ALSO BE SUBMITTED TO THE GENERAL
26 ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

27 (F) (1) ON OR BEFORE NOVEMBER 1 EACH YEAR, THE OFFICE OF SOCIAL
28 EQUITY SHALL SOLICIT PUBLIC INPUT ON THE USES OF THE FUNDS IN THE
29 COMMUNITY REINVESTMENT AND REPAIR FUND UNDER § 1-322 OF THIS SUBTITLE
30 ~~AND THE CANNABIS BUSINESS ASSISTANCE FUND UNDER § 5-1901 OF THE~~
31 ~~ECONOMIC DEVELOPMENT ARTICLE.~~

32 (2) ON OR BEFORE DECEMBER 15 EACH YEAR, THE OFFICE OF
33 SOCIAL EQUITY SHALL PUBLISH A REVIEW OF THE INPUT RECEIVED UNDER

1 PARAGRAPH (1) OF THIS SUBSECTION ON A PUBLICLY ACCESSIBLE PART OF THE
2 COMMISSION'S WEBSITE.

3 1-309.2.

4 (A) IN THIS SECTION, "ADVISORY BOARD" MEANS THE ADVISORY BOARD
5 ON MEDICAL AND ADULT-USE CANNABIS.

6 (B) THERE IS AN ADVISORY BOARD ON MEDICAL AND ADULT-USE
7 CANNABIS.

8 (C) THE ADVISORY BOARD SHALL:

9 (1) CONSIDER ALL MATTERS SUBMITTED TO IT BY THE COMMISSION,
10 THE GOVERNOR, THE ~~CANNABIS REGULATION AND ENFORCEMENT DIVISION~~
11 MARYLAND CANNABIS ADMINISTRATION, OR THE GENERAL ASSEMBLY; AND

12 (2) ON ITS OWN INITIATIVE, PROVIDE RECOMMENDATIONS TO THE
13 COMMISSION OR THE ~~CANNABIS REGULATION AND ENFORCEMENT DIVISION~~
14 MARYLAND CANNABIS ADMINISTRATION ESTABLISHED UNDER § 36-201 OF THIS
15 ARTICLE REGARDING GUIDELINES, RULES, AND REGULATIONS THAT THE ADVISORY
16 BOARD CONSIDERS IMPORTANT OR NECESSARY FOR REVIEW AND CONSIDERATION
17 BY THE COMMISSION OR THE ~~CANNABIS REGULATION AND ENFORCEMENT~~
18 ~~DIVISION~~ MARYLAND CANNABIS ADMINISTRATION.

19 (D) THE ADVISORY BOARD CONSISTS OF:

20 (1) THE DIRECTOR OF THE ~~CANNABIS REGULATION AND~~
21 ~~ENFORCEMENT DIVISION~~ MARYLAND CANNABIS ADMINISTRATION, WHO SHALL
22 SERVE AS CHAIR OF THE ADVISORY BOARD; AND

23 (2) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR WITH
24 THE ADVICE AND CONSENT OF THE SENATE:

25 (I) THREE MEMBERS THAT HAVE SUBSTANTIAL EXPERIENCE IN
26 ONE OR MORE OF THE FOLLOWING:

- 27 1. CANNABIS LAW, SCIENCE, OR POLICY;
- 28 2. PUBLIC HEALTH OR HEALTH CARE;
- 29 3. AGRICULTURE;
- 30 4. FINANCE; OR

1 **5. ADDICTION TREATMENT;**

2 **(II) ONE ACADEMIC RESEARCHER WITH AT LEAST 5 YEARS OF**
 3 **EXPERIENCE IN SOCIAL OR HEALTH EQUITY;**

4 **(III) ONE REPRESENTATIVE OF AN INDEPENDENT TESTING**
 5 **LABORATORY REGISTERED UNDER § 36-408 OF THIS ARTICLE;**

6 **(IV) ~~THREE~~ TWO REPRESENTATIVES WHO HOLD A STANDARD**
 7 **GROWER, ~~PROCESSOR, OR DISPENSARY~~ LICENSE UNDER § 36-401 OF THIS ARTICLE;**

8 **(V) TWO REPRESENTATIVES WHO HOLD A STANDARD**
 9 **PROCESSOR LICENSE UNDER § 36-401 OF THIS ARTICLE;**

10 **(VI) TWO REPRESENTATIVES WHO HOLD A STANDARD**
 11 **DISPENSARY LICENSE UNDER § 36-401 OF THIS ARTICLE;**

12 **~~(V)~~ (VII) ~~THREE~~ TWO REPRESENTATIVES WHO HOLD A MICRO**
 13 **GROWER, ~~PROCESSOR, OR DISPENSARY~~ LICENSE UNDER § 36-401 OF THIS ARTICLE;**

14 **(VIII) TWO REPRESENTATIVES WHO HOLD A MICRO PROCESSOR**
 15 **LICENSE UNDER § 36-401 OF THIS ARTICLE;**

16 **(IX) TWO REPRESENTATIVES WHO HOLD A MICRO DISPENSARY**
 17 **LICENSE UNDER § 36-401 OF THIS ARTICLE;**

18 **(X) ONE REPRESENTATIVE WHO HOLDS AN INCUBATOR SPACE**
 19 **LICENSE UNDER § 36-401 OF THIS ARTICLE;**

20 **(XI) ONE REPRESENTATIVE WHO HOLDS AN ON-SITE**
 21 **CONSUMPTION LICENSE UNDER § 36-401 OF THIS ARTICLE;**

22 **~~(VI)~~ (XII) ONE REPRESENTATIVE OF AN ORGANIZATION THAT**
 23 **ADVOCATES ON BEHALF OF PATIENTS WHO ENGAGE IN THE MEDICAL USE OF**
 24 **CANNABIS;**

25 **~~(VII)~~ (XIII) ONE REPRESENTATIVE OF AN ORGANIZATION THAT**
 26 **ADVOCATES ON BEHALF OF CONSUMERS WHO ENGAGE IN THE ADULT USE OF**
 27 **CANNABIS; AND**

28 **~~(VIII)~~ (XIV) ONE HEALTH CARE PROVIDER WHO IS REGISTERED**
 29 **TO CERTIFY PATIENTS TO OBTAIN MEDICAL CANNABIS UNDER § 36-301 OF THIS**
 30 **ARTICLE.**

1 (E) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
2 MAY RECOMMEND TO THE GOVERNOR A LIST OF INDIVIDUALS FOR APPOINTMENT
3 TO THE ADVISORY BOARD.

4 (F) (1) THE TERM OF A MEMBER OF THE ADVISORY BOARD IS 4 YEARS.

5 (2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL
6 A SUCCESSOR IS APPOINTED AND QUALIFIES.

7 (3) AN APPOINTED MEMBER MAY NOT SERVE MORE THAN TWO FULL
8 TERMS.

9 (4) THE POSITIONS FOR MEMBERS APPOINTED UNDER SUBSECTION
10 (D)(2)(VII) THROUGH (XI) OF THIS SECTION BECOME EFFECTIVE WHEN THE FIRST
11 LICENSES ARE ISSUED UNDER THOSE RESPECTIVE LICENSE TYPES.

12 (G) AN APPOINTED MEMBER OF THE ADVISORY BOARD MUST BE:

13 (1) AT LEAST 25 YEARS OLD;

14 (2) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE FOR
15 AT LEAST THE IMMEDIATELY PRECEDING 5 YEARS BEFORE THE APPOINTMENT; AND

16 (3) A REGISTERED VOTER OF THE STATE.

17 (H) THE ADVISORY BOARD SHALL ESTABLISH AT LEAST TWO
18 SUBCOMMITTEES TO FOCUS ON MEDICAL AND ADULT-USE CANNABIS.

19 (I) TO THE EXTENT PRACTICABLE AND CONSISTENT WITH FEDERAL AND
20 STATE LAW, THE MEMBERSHIP OF THE ADVISORY BOARD SHALL REFLECT THE
21 RACIAL, ETHNIC, AND GENDER DIVERSITY OF THE STATE.

22 1-310.

23 The Executive Director and all employees in the Office of the Executive Director may
24 not accept a contribution of money or property worth at least \$100 from an entity or
25 individual associated with the alcohol [or], tobacco, OR CANNABIS industries with respect
26 to regulation of alcohol [or], tobacco, OR CANNABIS.

27 1-313.

28 (a) There is a Field Enforcement Division in the Office of the Executive Director.

1 (b) (1) The Field Enforcement Division may employ officers and employees as
2 provided in the State budget.

3 (2) The officers and employees of the Field Enforcement Division:

4 (i) shall be sworn police officers;

5 (ii) shall have the powers, duties, and responsibilities of peace
6 officers to enforce the provisions of this article relating to:

7 1. the unlawful importation of alcoholic beverages [and],
8 tobacco, **AND CANNABIS** into the State;

9 2. the unlawful manufacture of alcoholic beverages [and],
10 tobacco, **AND CANNABIS** in the State;

11 3. the transportation and distribution throughout the State
12 of alcoholic beverages [and], tobacco, **AND CANNABIS** that are manufactured illegally and
13 on which any alcoholic beverages taxes [or], tobacco taxes, **OR CANNABIS TAXES** imposed
14 by the State are due and unpaid; and

15 4. the manufacture, sale, barter, transportation,
16 distribution, or other form of owning, handling, or dispersing alcoholic beverages [or],
17 tobacco, **OR CANNABIS** by any person not licensed or authorized under this article,
18 provisions of the Tax – General Article relating to alcoholic beverages [or], tobacco, **OR**
19 **CANNABIS**, or provisions of the Business Regulation Article relating to tobacco **OR**
20 **CANNABIS**; and

21 (iii) may make cooperative arrangements for and work and cooperate
22 with the Office of the Comptroller, local State's Attorneys, sheriffs, bailiffs, police, and other
23 prosecuting and peace officers to enforce this article.

24 (c) The Field Enforcement Division:

25 (1) shall consult with and advise the local State's Attorneys and other law
26 enforcement officials and police officers regarding enforcement problems in their respective
27 jurisdictions; and

28 (2) may recommend changes to improve the administration of this article,
29 provisions of the Tax – General Article relating to alcoholic beverages [and], tobacco, **AND**
30 **CANNABIS**, and provisions of the Business Regulation Article relating to tobacco.

31 1–322.

32 (a) (1) There is a Community Reinvestment and Repair Fund.

1 (2) The purpose of the Fund is to provide funds to community-based
2 organizations that serve communities determined by **THE OFFICE OF SOCIAL EQUITY,**
3 **IN CONSULTATION WITH** the Office of the Attorney General, to have been the most
4 impacted by disproportionate enforcement of the cannabis prohibition before July 1, 2022.

5 (3) The Comptroller shall administer the Fund.

6 (4) (i) The Fund is a special, nonlapsing fund that is not subject to §
7 7–302 of the State Finance and Procurement Article.

8 (ii) The State Treasurer shall hold the Fund separately, and the
9 Comptroller shall account for the Fund.

10 (5) The Fund consists of:

11 (i) [Revenue distributed to the Fund that is at least 30% of the
12 revenues from adult-use cannabis] **SALES AND USE TAX REVENUE DISTRIBUTED TO**
13 **THE FUND UNDER § 2–1302.2 OF THE TAX – GENERAL ARTICLE;**

14 (ii) [Licensing] **CONVERSION** fees paid by [dual-licensed cannabis
15 establishments] **BUSINESSES UNDER § 36–403 OF THIS ARTICLE;** and

16 (iii) [Any] **ANY** other money from any other source accepted for the
17 benefit of the Fund, in accordance with any conditions adopted by the Comptroller for the
18 acceptance of donations or gifts to the Fund.

19 (6) (i) The Fund may be used only for:

20 1. [Funding] **FUNDING** community-based initiatives
21 intended to benefit low-income communities;

22 2. [Funding] **FUNDING** community-based initiatives that
23 serve [communities disproportionately harmed by the cannabis prohibition and
24 enforcement] **DISPROPORTIONATELY ~~IMPACTED~~ ~~HARMED~~ IMPACTED AREAS, AS**
25 **DEFINED IN § 36–101 OF THIS ARTICLE;** and

26 3. [Any] **ANY** related administrative expenses.

27 (ii) Money may not be expended from the Fund for law enforcement
28 agencies or activities.

29 (iii) Money expended from the Fund is supplemental to and may not
30 supplant funding that otherwise would be appropriated for preexisting local government
31 programs.

1 (7) The State Treasurer shall invest the money of the Fund in the same
2 manner as other State money may be invested.

3 (8) No part of the Fund may revert or be credited to:

4 (i) [The] THE General Fund of the State; or

5 (ii) [Any] ANY other special fund of the State.

6 (9) The Comptroller shall pay out money from the Fund.

7 (10) The Fund is subject to audit by the Office of Legislative Audits as
8 provided for in § 2-1220 of the State Government Article.

9 (b) (1) ~~The~~ **BASED ON THE PERCENTAGE ALLOCABLE TO EACH COUNTY**
10 **DETERMINED BY THE OFFICE OF SOCIAL EQUITY AND REPORTED BY THE OFFICE TO**
11 **THE COMPTROLLER ON OR BEFORE JULY 31 EACH YEAR, THE** Comptroller shall
12 distribute funds from the Fund to each county in an amount that, for the period from July
13 1, 2002, to [June 30, 2022] **JANUARY 1, 2023**, both inclusive, is proportionate to the total
14 number of ~~cannabis arrests~~ **POSSESSION CHARGES** in the county compared to the total
15 number of ~~cannabis arrests~~ **POSSESSION CHARGES** in the State] ~~INDIVIDUALS~~
16 ~~RESIDING IN THE COUNTY WHO WERE CHARGED WITH A CANNABIS CRIME~~
17 ~~COMPARED TO THE TOTAL NUMBER OF INDIVIDUALS CHARGED WITH CANNABIS~~
18 ~~CRIMES IN THE STATE.~~

19 (2) (i) Subject to the limitations under subsection (a)(6) of this section,
20 each county shall adopt a law establishing the purpose for which money received from the
21 Fund may be used.

22 (ii) On or before December 1 every 2 years, beginning in 2024, each
23 ~~local jurisdiction~~ **POLITICAL SUBDIVISION THAT RECEIVES FUNDS FROM THE FUND**
24 **UNDER PARAGRAPH (1) OF THIS SUBSECTION** shall submit a report to the Governor and,
25 in accordance with § 2-1257 of the State Government Article, the Senate Budget and
26 Taxation Committee[, the Senate Finance Committee, the House Judiciary Committee, and
27 the House Health and Government Operations Committee] **AND THE HOUSE**
28 **APPROPRIATIONS COMMITTEE** on how funds received from the Fund were spent during
29 the immediately preceding 2 fiscal years.

30 **1-323.**

31 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
32 INDICATED.

33 (2) **“ADMINISTRATION” HAS THE MEANING STATED IN § 36-101 OF**
34 **THIS ARTICLE.**

1 ~~(2)~~ (3) “CANNABIS LICENSEE” HAS THE MEANING STATED IN §
2 36-101 OF THIS ARTICLE.

3 ~~(3)~~ ~~“DIVISION” HAS THE MEANING STATED IN § 36-101 OF THIS~~
4 ~~ARTICLE.~~

5 (4) “GRANT PROGRAM” MEANS THE SOCIAL EQUITY PARTNERSHIP
6 GRANT PROGRAM.

7 (5) “OFFICE” MEANS THE OFFICE OF SOCIAL EQUITY.

8 ~~(5)~~ (6) (I) “QUALIFYING PARTNERSHIP” MEANS A MEANINGFUL
9 PARTNERSHIP BETWEEN AN OPERATIONAL CANNABIS LICENSEE AND A SOCIAL
10 EQUITY LICENSEE THAT:

11 1. SUPPORTS OR ADVISES THE SOCIAL EQUITY
12 LICENSEE; AND

13 2. IS AUTHORIZED BY THE ~~COMMISSION~~
14 ADMINISTRATION.

15 (II) “QUALIFYING PARTNERSHIP” INCLUDES A PARTNERSHIP
16 THROUGH WHICH THE OPERATIONAL CANNABIS LICENSEE PROVIDES ANY OF THE
17 FOLLOWING TO A SOCIAL EQUITY LICENSEE:

18 1. TRAINING;

19 2. MENTORSHIP; OR

20 3. SHARED COMMERCIAL SPACE OR EQUIPMENT.

21 ~~(6)~~ (7) ~~(I)~~ “SOCIAL EQUITY LICENSEE” ~~MEANS A SOCIAL EQUITY~~
22 ~~APPLICANT, AS DEFINED~~ HAS THE MEANING STATED IN § 36-101 OF THIS ARTICLE,
23 ~~WHO HAS BEEN AWARDED A CANNABIS LICENSE OR CANNABIS REGISTRATION.~~

24 ~~(II) “SOCIAL EQUITY LICENSEE” INCLUDES A GROWER OR~~
25 ~~PROCESSOR LICENSEE THAT:~~

26 ~~1. HELD A STAGE ONE PREAPPROVAL FOR A LICENSE~~
27 ~~BEFORE OCTOBER 1, 2022; AND~~

28 ~~2. WAS NOT OPERATIONAL BEFORE OCTOBER 1, 2022.~~

1 (B) (1) THERE IS A SOCIAL EQUITY PARTNERSHIP GRANT PROGRAM IN
2 THE ~~COMMISSION~~ OFFICE.

3 (2) THE PURPOSE OF THE GRANT PROGRAM IS TO PROMOTE
4 QUALIFYING PARTNERSHIPS BETWEEN OPERATIONAL CANNABIS LICENSEES AND
5 SOCIAL EQUITY LICENSEES.

6 (C) (1) THE ~~COMMISSION~~ OFFICE SHALL IMPLEMENT AND ADMINISTER
7 THE GRANT PROGRAM, INCLUDING BY CLEARLY DEFINING THE PARAMETERS OF A
8 QUALIFYING PARTNERSHIP.

9 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE
10 ~~COMMISSION~~ OFFICE HAS DISCRETION TO APPROVE, DENY, OR REVOKE
11 QUALIFYING PARTNERSHIPS.

12 (3) (I) THE ~~COMMISSION~~ OFFICE MAY APPROVE QUALIFYING
13 PARTNERSHIPS WHERE A COST OR OTHER FEE IS IMPOSED BY AN OPERATIONAL
14 CANNABIS LICENSEE ON A SOCIAL EQUITY LICENSEE IF THE COST OR OTHER FEE IS
15 SUBSTANTIALLY REDUCED FROM THE MARKET VALUE.

16 (II) COSTS OR OTHER FEES UNDER SUBPARAGRAPH (I) OF THIS
17 PARAGRAPH MAY INCLUDE CHARGES FOR THE RENT OF FACILITIES OR EQUIPMENT.

18 (D) (1) THE ~~COMMISSION~~ OFFICE SHALL AWARD GRANTS TO
19 OPERATIONAL CANNABIS LICENSEES THAT HAVE QUALIFYING PARTNERSHIPS WITH
20 A SOCIAL EQUITY LICENSEE.

21 (2) GRANT AMOUNTS SHALL BE BASED ON THE NATURE OF THE
22 QUALIFYING PARTNERSHIP BETWEEN THE SOCIAL EQUITY LICENSEE AND THE
23 OPERATIONAL CANNABIS LICENSEE.

24 (3) IF AN OPERATIONAL CANNABIS LICENSEE HAS A LICENSE THAT
25 WAS CONVERTED BY THE ~~DIVISION~~ ADMINISTRATION UNDER § 36-401(B)(1)(II) OF
26 THIS ARTICLE, THE TOTAL AWARD AMOUNT OF ANY GRANTS FROM THE COMMISSION
27 ISSUED BY THE OFFICE UNDER THIS SECTION TO THE LICENSEE MAY NOT EXCEED:

28 (I) THE COST OF THE LICENSE CONVERSION FEE THAT WAS
29 PAID BY THE LICENSEE; OR

30 (II) \$250,000 PER YEAR PER QUALIFYING PARTNERSHIP.

31 (E) THE ~~COMMISSION~~ OFFICE MAY REQUIRE A GRANT RECIPIENT THAT
32 FAILS TO FULFILL THE REQUIREMENTS OF THE GRANT TO RETURN ALL OR PART OF
33 THE GRANT TO THE GRANT PROGRAM.

1 (F) FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER, THE
 2 GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF
 3 \$5,000,000 FOR THE GRANT PROGRAM.

4 (G) ~~THE COMMISSION~~ OFFICE SHALL ADOPT REGULATIONS TO:

5 (1) IMPLEMENT THE PROVISIONS OF THIS SECTION;

6 (2) ADMINISTER THE GRANT PROGRAM;

7 (3) ESTABLISH ELIGIBILITY AND GRANT APPLICATION
 8 REQUIREMENTS;

9 (4) ESTABLISH A PROCESS FOR REVIEWING GRANT APPLICATIONS
 10 AND AWARDING GRANTS TO ~~SOCIAL-EQUITY~~ OPERATIONAL CANNABIS LICENSEES;
 11 AND

12 (5) SPECIFY CRITERIA AND PROCEDURES TO MONITOR ELIGIBILITY
 13 FOR THE GRANTS AUTHORIZED UNDER THIS SECTION.

14 TITLE 34. RESERVED.

15 TITLE 35. RESERVED.

16 DIVISION III. CANNABIS.

17 TITLE 36. MEDICAL AND ADULT-USE CANNABIS.

18 SUBTITLE 1. DEFINITIONS.

19 36-101.

20 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 21 INDICATED.

22 (B) “ACADEMIC RESEARCH REPRESENTATIVE” MEANS AN INDIVIDUAL WHO
 23 IS:

24 (1) AN EMPLOYEE OR AGENT OF AN INSTITUTION OF HIGHER
 25 EDUCATION, A RELATED MEDICAL FACILITY, OR AN AFFILIATED BIOMEDICAL
 26 RESEARCH FIRM THAT FILED A REGISTRATION WITH THE ~~DIVISION~~
 27 ADMINISTRATION UNDER § 36-701 OF THIS TITLE; AND

1 (2) AUTHORIZED TO PURCHASE MEDICAL CANNABIS FOR THE
2 INSTITUTION OF HIGHER EDUCATION, RELATED MEDICAL FACILITY, OR AFFILIATED
3 BIOMEDICAL RESEARCH FIRM.

4 (C) “ADMINISTRATION” MEANS THE MARYLAND CANNABIS
5 ADMINISTRATION ESTABLISHED UNDER THIS TITLE.

6 ~~(C) (1) “CANNABIS” MEANS THE PLANT CANNABIS SATIVA L. AND ANY~~
7 ~~PART OF THE PLANT, INCLUDING ALL DERIVATIVES, EXTRACTS, CANNABINOIDS,~~
8 ~~ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, WHETHER GROWING OR NOT, WITH~~
9 ~~A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN 0.3% ON A~~
10 ~~DRY WEIGHT BASIS.~~

11 ~~(2) “CANNABIS” INCLUDES CANNABIS PRODUCTS.~~

12 ~~(3) “CANNABIS” DOES NOT INCLUDE HEMP OR HEMP PRODUCTS, AS~~
13 ~~DEFINED IN § 14-101 OF THE AGRICULTURE ARTICLE.~~

14 (D) “CANNABIS AGENT” MEANS AN EMPLOYEE, A VOLUNTEER, OR ANY
15 OTHER AUTHORIZED PERSON WHO ACTS FOR OR AT THE DIRECTION OF A CANNABIS
16 LICENSEE OR CANNABIS REGISTRANT.

17 (E) “CANNABIS BUSINESS” MEANS A BUSINESS LICENSED OR REGISTERED
18 BY THE ~~DIVISION~~ ADMINISTRATION TO OPERATE IN THE CANNABIS INDUSTRY.

19 (F) “CANNABIS CONCENTRATE” MEANS A PRODUCT DERIVED FROM
20 CANNABIS THAT IS KIEF, HASHISH, BUBBLE HASH, OIL, WAX, OR ANY OTHER
21 PRODUCT PRODUCED BY EXTRACTING CANNABINOIDS FROM THE PLANT THROUGH
22 THE USE OF SOLVENTS, CARBON DIOXIDE, OR HEAT, SCREENS, PRESSES, OR STEAM
23 DISTILLATION.

24 (G) “CANNABIS-INFUSED PRODUCT” MEANS OIL, WAX, OINTMENT, SALVE,
25 TINCTURE, CAPSULE, SUPPOSITORY, DERMAL PATCH, CARTRIDGE, OR ANY OTHER
26 PRODUCT CONTAINING CANNABIS CONCENTRATE OR USABLE CANNABIS THAT HAS
27 BEEN PROCESSED SO THAT THE DRIED LEAVES AND FLOWERS ARE INTEGRATED
28 INTO OTHER MATERIAL.

29 (H) “CANNABIS LICENSEE” MEANS A BUSINESS LICENSED BY THE ~~DIVISION~~
30 ADMINISTRATION TO OPERATE IN THE CANNABIS INDUSTRY.

31 (I) “CANNABIS PRODUCTS” MEANS PRODUCTS THAT ARE COMPOSED OF
32 CANNABIS, CANNABIS CONCENTRATE, CANNABIS EXTRACT, OR OTHER INGREDIENTS
33 AND ARE INTENDED FOR USE OR CONSUMPTION, INCLUDING EDIBLE PRODUCTS,
34 OILS, AND TINCTURES.

1 **(J) “CANNABIS REGISTRANT” MEANS AN INDEPENDENT TESTING**
2 **LABORATORY, A TRANSPORTER, ~~A DELIVERY SERVICE,~~ A SECURITY GUARD**
3 **COMPANY, A WASTE DISPOSAL COMPANY, AND ANY OTHER TYPE OF CANNABIS**
4 **BUSINESS REGISTERED UNDER THIS TITLE AND AUTHORIZED BY THE ~~DIVISION~~**
5 **ADMINISTRATION.**

6 **(K) (1) “CANOPY” MEANS THE TOTAL SQUARE FOOTAGE OF SPACE USED**
7 **BY A CANNABIS LICENSEE FOR THE PRODUCTION OF FLOWERING CANNABIS PLANTS.**

8 **(2) “CANOPY” INCLUDES EACH LAYER OF FLOWERING CANNABIS**
9 **PLANTS GROWN ON ANY RACK OR SHELVING.**

10 **(3) “CANOPY” DOES NOT INCLUDE SQUARE FOOTAGE USED FOR:**

11 **(I) MOTHER STOCK;**

12 **(II) PROPAGATION;**

13 **(III) IMMATURE OR NONFLOWERING PLANTS;**

14 **(IV) PROCESSING;**

15 **(V) DRYING;**

16 **(VI) CURING;**

17 **(VII) TRIMMING;**

18 **(VIII) STORAGE;**

19 **(IX) OFFICES;**

20 **(X) HALLWAYS;**

21 **(XI) PATHWAYS;**

22 **(XII) WORK AREAS; OR**

23 **(XIII) OTHER ADMINISTRATIVE AND NONPRODUCTION USES.**

24 **(L) (1) “CAREGIVER” MEANS:**

25 **(I) AN INDIVIDUAL WHO HAS AGREED TO ASSIST WITH A**
26 **QUALIFYING PATIENT’S MEDICAL USE OF CANNABIS; AND**

1 (II) FOR A QUALIFYING PATIENT UNDER THE AGE OF 18 YEARS:

2 1. A PARENT OR LEGAL GUARDIAN; AND

3 2. NOT MORE THAN TWO ADDITIONAL ADULTS
4 DESIGNATED BY THE PARENT OR LEGAL GUARDIAN.

5 (2) "CAREGIVER" DOES NOT INCLUDE ANY DESIGNATED SCHOOL
6 PERSONNEL AUTHORIZED TO ADMINISTER MEDICAL CANNABIS TO A STUDENT IN
7 ACCORDANCE WITH THE GUIDELINES ESTABLISHED UNDER § 7-446 OF THE
8 EDUCATION ARTICLE.

9 (M) "CERTIFYING PROVIDER" MEANS AN INDIVIDUAL WHO:

10 (1) (I) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
11 PRACTICE MEDICINE THAT WAS ISSUED BY THE STATE BOARD OF PHYSICIANS
12 UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE; AND

13 2. IS IN GOOD STANDING WITH THE STATE BOARD OF
14 PHYSICIANS;

15 (II) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
16 PRACTICE DENTISTRY THAT WAS ISSUED BY THE STATE BOARD OF DENTAL
17 EXAMINERS UNDER TITLE 4 OF THE HEALTH OCCUPATIONS ARTICLE; AND

18 2. IS IN GOOD STANDING WITH THE STATE BOARD OF
19 DENTAL EXAMINERS;

20 (III) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
21 PRACTICE PODIATRY THAT WAS ISSUED BY THE STATE BOARD OF PODIATRIC
22 MEDICAL EXAMINERS UNDER TITLE 16 OF THE HEALTH OCCUPATIONS ARTICLE;
23 AND

24 2. IS IN GOOD STANDING WITH THE STATE BOARD OF
25 PODIATRIC MEDICAL EXAMINERS;

26 (IV) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
27 PRACTICE REGISTERED NURSING ~~OR~~ AND HAS AN ACTIVE, UNRESTRICTED
28 CERTIFICATION TO PRACTICE AS A NURSE PRACTITIONER OR A NURSE MIDWIFE
29 THAT WAS ISSUED BY THE STATE BOARD OF NURSING UNDER TITLE 8 OF THE
30 HEALTH OCCUPATIONS ARTICLE; AND

1 2. IS IN GOOD STANDING WITH THE STATE BOARD OF
2 NURSING; OR

3 (v) 1. HAS AN ACTIVE, UNRESTRICTED LICENSE TO
4 PRACTICE AS A PHYSICIAN ASSISTANT ISSUED BY THE STATE BOARD OF PHYSICIANS
5 UNDER TITLE 15 OF THE HEALTH OCCUPATIONS ARTICLE;

6 2. HAS AN ACTIVE DELEGATION AGREEMENT WITH A
7 PRIMARY SUPERVISING PHYSICIAN WHO IS A CERTIFYING PROVIDER; AND

8 3. IS IN GOOD STANDING WITH THE STATE BOARD OF
9 PHYSICIANS;

10 (2) HAS A STATE CONTROLLED DANGEROUS SUBSTANCES
11 REGISTRATION; AND

12 (3) IS REGISTERED WITH THE ~~DIVISION~~ ADMINISTRATION TO MAKE
13 CANNABIS AVAILABLE TO PATIENTS FOR MEDICAL USE IN ACCORDANCE WITH
14 REGULATIONS ADOPTED BY THE ~~DIVISION~~ ADMINISTRATION.

15 ~~(N) “COMMISSION” MEANS THE ALCOHOL, TOBACCO, AND CANNABIS~~
16 ~~COMMISSION ESTABLISHED UNDER § 1-302 OF THIS ARTICLE.~~

17 ~~(N)~~ (N) “CONSUMER” MEANS AN INDIVIDUAL AT LEAST 21 YEARS OLD
18 WHO PURCHASES CANNABIS OR CANNABIS PRODUCTS FOR PERSONAL USE BY
19 INDIVIDUALS AT LEAST 21 YEARS OLD.

20 ~~(P)~~ (O) (1) “CONTROL” MEANS:

21 ~~(1)~~ (I) THE DECISION-MAKING AUTHORITY OVER THE
22 MANAGEMENT, OPERATIONS, OR POLICIES THAT GUIDE A BUSINESS; OR

23 ~~(2)~~ (II) AUTHORITY OVER THE OPERATION OF THE TECHNICAL
24 ASPECTS OF A BUSINESS.

25 (2) “CONTROL” INCLUDES:

26 (I) HOLDING A RIGHT TO VETO SIGNIFICANT EVENTS;

27 (II) THE RIGHT OR AUTHORITY TO MAKE OR VETO DECISIONS
28 REGARDING OPERATIONS AND STRATEGIC PLANNING, CAPITAL ALLOCATIONS,
29 ACQUISITIONS, AND DIVESTMENTS;

1 (II) CANNABIS-INFUSED PRODUCT, INCLUDING AN OIL, A WAX,
2 AN OINTMENT, A SALVE, A TINCTURE, A CAPSULE, A SUPPOSITORY, A DERMAL
3 PATCH, OR A CARTRIDGE; OR

4 (III) OTHER DOSAGE FORM THAT IS RECOGNIZED BY THE
5 UNITED STATES PHARMACOPEIA, THE NATIONAL FORMULARY, OR THE U.S. FOOD
6 AND DRUG ADMINISTRATION AND IS APPROVED BY THE ~~DIVISION~~
7 ADMINISTRATION.

8 ~~(V)~~ (T) "GROWER" MEANS AN ENTITY LICENSED UNDER THIS TITLE THAT:

9 (1) CULTIVATES, OR PACKAGES, ~~OR~~ ~~DISTRIBUTES~~ CANNABIS; AND

10 (2) IS AUTHORIZED BY THE ~~DIVISION~~ ADMINISTRATION TO PROVIDE
11 CANNABIS TO OTHER CANNABIS LICENSEES AND REGISTERED INDEPENDENT
12 TESTING LABORATORIES.

13 ~~(W)~~ (U) "INCUBATOR SPACE" MEANS A FACILITY OPERATED IN
14 ACCORDANCE WITH ~~§ 36-401~~ § 36-401(C)(3) OF THIS TITLE.

15 ~~(X)~~ (V) "INDEPENDENT TESTING LABORATORY" MEANS A FACILITY, AN
16 ENTITY, OR A SITE THAT IS REGISTERED WITH THE ~~DIVISION~~ ADMINISTRATION TO
17 PERFORM TESTS RELATED TO THE INSPECTION AND TESTING OF CANNABIS AND
18 PRODUCTS CONTAINING CANNABIS.

19 (W) "INSTITUTION OF HIGHER EDUCATION" HAS THE MEANING STATED IN §
20 10-101 OF THE EDUCATION ARTICLE.

21 ~~(Y)~~ (X) "MICRO LICENSE" MEANS A LICENSE ISSUED IN ACCORDANCE
22 WITH ~~§ 36-401~~ § 36-401(C)(2) OF THIS TITLE.

23 ~~(Z)~~ (Y) "ON-SITE CONSUMPTION ESTABLISHMENT" MEANS AN ENTITY
24 LICENSED UNDER § 36-401(C)(4) OF THIS TITLE TO DISTRIBUTE CANNABIS OR
25 CANNABIS PRODUCTS FOR ON-SITE CONSUMPTION OTHER THAN CONSUMPTION BY
26 SMOKING INDOORS.

27 ~~(AA)~~ (Z) "OWNER" MEANS A PERSON WITH AN OWNERSHIP INTEREST IN A
28 CANNABIS LICENSEE.

29 ~~(BB)~~ (AA) "OWNERSHIP INTEREST" MEANS A DIRECT OR INDIRECT EQUITY
30 INTEREST IN A CANNABIS LICENSEE, INCLUDING IN ITS SHARES OR STOCK.

31 (BB) "PASSIVE INVESTOR" MEANS ~~A PERSON~~ AN INDIVIDUAL OR AN ENTITY
32 THAT:

1 **(1) HOLDS AN AGGREGATE OWNERSHIP INTEREST OF LESS THAN 5%**
 2 **IN A CANNABIS LICENSEE; AND**

3 **(2) DOES NOT HAVE CONTROL OF THE CANNABIS LICENSEE.**

4 **(CC) “PRINCIPAL OFFICER” MEANS A BOARD MEMBER, A PRESIDENT, A VICE**
 5 **PRESIDENT, A SECRETARY, A TREASURER, A PARTNER, AN OFFICER, OR A MANAGING**
 6 **MEMBER, OR ANY OTHER INDIVIDUAL WITH A PROFIT SHARING, FINANCIAL**
 7 **INTEREST, OR REVENUE SHARING ARRANGEMENT, INCLUDING AN INDIVIDUAL WITH**
 8 **THE AUTHORITY TO CONTROL A CANNABIS LICENSEE.**

9 **(DD) “PROCESSOR” MEANS AN ENTITY LICENSED UNDER THIS TITLE THAT:**

10 **(1) TRANSFORMS CANNABIS INTO ANOTHER PRODUCT OR AN**
 11 **EXTRACT AND PACKAGES AND LABELS THE CANNABIS PRODUCT; AND**

12 **(2) IS AUTHORIZED BY THE ~~DIVISION~~ ADMINISTRATION TO PROVIDE**
 13 **CANNABIS TO LICENSED DISPENSARIES AND REGISTERED INDEPENDENT TESTING**
 14 **LABORATORIES.**

15 **(EE) “QUALIFYING PATIENT” MEANS AN INDIVIDUAL WHO:**

16 **(1) HAS BEEN PROVIDED WITH A WRITTEN CERTIFICATION BY A**
 17 **CERTIFYING PROVIDER IN ACCORDANCE WITH A BONA FIDE PROVIDER–PATIENT**
 18 **RELATIONSHIP; AND**

19 **(2) IF UNDER THE AGE OF 18 YEARS, HAS A CAREGIVER.**

20 **(FF) “SOCIAL EQUITY APPLICANT” MEANS AN APPLICANT FOR A CANNABIS**
 21 **LICENSE OR CANNABIS REGISTRATION THAT:**

22 **(1) HAS AT LEAST 65% OWNERSHIP AND CONTROL HELD BY ONE OR**
 23 **MORE INDIVIDUALS WHO:**

24 **(I) HAVE LIVED IN A DISPROPORTIONATELY ~~IMPACTED~~**
 25 **~~HARMED~~ IMPACTED AREA FOR AT LEAST 5 OF THE 10 YEARS IMMEDIATELY**
 26 **PRECEDING THE SUBMISSION OF THE APPLICATION; ~~OR~~**

27 **(II) ATTENDED A PUBLIC SCHOOL IN A DISPROPORTIONATELY**
 28 **~~IMPACTED~~ HARMED IMPACTED AREA FOR AT LEAST 5 YEARS; OR**

29 **(III) FOR AT LEAST 2 YEARS, ATTENDED A 4–YEAR INSTITUTION**
 30 **OF HIGHER EDUCATION IN THE STATE WHERE AT LEAST 40% OF THE INDIVIDUALS**

1 WHO ATTEND THE INSTITUTION OF HIGHER EDUCATION ARE ELIGIBLE FOR A PELL
2 GRANT; OR

3 (2) MEETS ANY OTHER CRITERIA ESTABLISHED BY THE ~~COMMISSION~~
4 ~~ADMINISTRATION BASED ON THE RESULTS OF A DISPARITY STUDY.~~

5 (GG) (1) “SOCIAL EQUITY LICENSEE” MEANS A SOCIAL EQUITY APPLICANT
6 WHO HAS BEEN AWARDED A CANNABIS LICENSE OR CANNABIS REGISTRATION.

7 (2) “SOCIAL EQUITY LICENSEE” INCLUDES A GROWER, PROCESSOR,
8 OR DISPENSARY THAT:

9 (I) HELD A STAGE ONE PREAPPROVAL FOR A LICENSE BEFORE
10 OCTOBER 1, 2022; AND

11 (II) WAS NOT OPERATIONAL BEFORE OCTOBER 1, 2022.

12 ~~(GG)~~ (HH) “STANDARD LICENSE” MEANS A LICENSE ISSUED IN ACCORDANCE
13 WITH ~~§ 36-401~~ § 36-401(C)(1) OF THIS TITLE.

14 ~~(HH)~~ (II) “TRANSPORTER” MEANS AN ENTITY REGISTERED UNDER THIS
15 TITLE TO TRANSPORT CANNABIS BETWEEN CANNABIS LICENSEES AND REGISTERED
16 INDEPENDENT TESTING LABORATORIES.

17 ~~(H)~~ (JJ) (1) “USABLE CANNABIS” MEANS THE DRIED LEAVES AND
18 FLOWERS OF THE CANNABIS PLANT.

19 (2) “USABLE CANNABIS” DOES NOT INCLUDE SEEDLINGS, SEEDS,
20 STEMS, STALKS, OR ROOTS OF THE PLANT OR THE WEIGHT OF ANY NONCANNABIS
21 INGREDIENTS COMBINED WITH CANNABIS, SUCH AS INGREDIENTS ADDED TO
22 PREPARE A TOPICAL ADMINISTRATION.

23 ~~(JJ)~~ (KK) “WRITTEN CERTIFICATION” MEANS A CERTIFICATION THAT:

24 (1) IS ISSUED BY A CERTIFYING PROVIDER TO A QUALIFYING PATIENT
25 WITH WHOM THE PROVIDER HAS A BONA FIDE PROVIDER-PATIENT RELATIONSHIP;

26 (2) INCLUDES A WRITTEN STATEMENT CERTIFYING THAT, IN THE
27 CERTIFYING PROVIDER’S PROFESSIONAL OPINION, AFTER HAVING COMPLETED AN
28 ASSESSMENT OF THE PATIENT’S MEDICAL HISTORY AND CURRENT MEDICAL
29 CONDITION, THE PATIENT HAS A CONDITION:

1 (I) THAT MEETS THE INCLUSION CRITERIA AND DOES NOT
2 MEET THE EXCLUSION CRITERIA OF THE CERTIFYING PROVIDER'S APPLICATION;
3 AND

4 (II) FOR WHICH THE POTENTIAL BENEFITS OF THE MEDICAL
5 USE OF CANNABIS WOULD LIKELY OUTWEIGH THE HEALTH RISKS FOR THE PATIENT;
6 AND

7 (3) MAY INCLUDE A WRITTEN STATEMENT CERTIFYING THAT, IN THE
8 CERTIFYING PROVIDER'S PROFESSIONAL OPINION, A 30-DAY SUPPLY OF MEDICAL
9 CANNABIS WOULD BE INADEQUATE TO MEET THE MEDICAL NEEDS OF THE
10 QUALIFYING PATIENT.

11 SUBTITLE 2. ~~CANNABIS REGULATION AND ENFORCEMENT DIVISION~~ MARYLAND
12 CANNABIS ADMINISTRATION.

13 ~~36-201.~~

14 (A) ~~THERE IS A CANNABIS REGULATION AND ENFORCEMENT DIVISION~~
15 ~~ESTABLISHED WITHIN THE OFFICE OF THE EXECUTIVE DIRECTOR OF THE~~
16 ~~COMMISSION~~ MARYLAND CANNABIS ADMINISTRATION ESTABLISHED AS AN
17 INDEPENDENT UNIT OF STATE GOVERNMENT.

18 (B) (1) ~~THERE IS A DIRECTOR OF THE DIVISION~~ ADMINISTRATION.

19 (2) ~~THE GOVERNOR SHALL APPOINT THE DIRECTOR OF THE~~
20 ~~DIVISION~~ ADMINISTRATION WITH THE ADVICE AND CONSENT OF THE SENATE.

21 (3) ~~THE DIRECTOR SERVES AT THE PLEASURE OF THE GOVERNOR.~~

22 (C) ~~THE DIRECTOR MUST HAVE THE TRAINING AND EXPERIENCE,~~
23 ~~INCLUDING KNOWLEDGE OF THE STATE CANNABIS INDUSTRY AND REGULATORY~~
24 ~~SYSTEM, THAT IS NEEDED TO DIRECT THE WORK OF THE~~ ~~DIVISION~~
25 ADMINISTRATION.

26 (D) ~~THE~~ DIVISION ADMINISTRATION ~~MAY EMPLOY OFFICERS AND~~
27 ~~EMPLOYEES~~ STAFF AND RETAIN CONTRACTORS AS PROVIDED IN THE STATE
28 BUDGET.

29 (E) ~~THE~~ DIVISION ADMINISTRATION:

30 (1) ~~SHALL BE RESPONSIBLE FOR CARRYING OUT THE REQUIREMENTS~~
31 AND DUTIES ESTABLISHED UNDER THIS ~~DIVISION~~ TITLE; AND

1 (2) MAY RECOMMEND CHANGES TO IMPROVE THE ADMINISTRATION
2 OF THIS ~~DIVISION~~ TITLE RELATING TO THE REGULATION OF CANNABIS.

3 (F) THE ~~DIVISION~~ ADMINISTRATION SHALL ADMINISTER AND ENFORCE
4 THIS TITLE.

5 **36-202.**

6 (A) THE ~~DIVISION~~ ADMINISTRATION SHALL:

7 (1) DEVELOP AND MAINTAIN A SEED-TO-SALE TRACKING SYSTEM
8 THAT TRACKS CANNABIS FROM EITHER THE SEED OR IMMATURE PLANT STAGE
9 UNTIL THE CANNABIS IS SOLD TO A PATIENT, CAREGIVER, OR CONSUMER;

10 (2) CONDUCT FINANCIAL AND CRIMINAL BACKGROUND
11 INVESTIGATIONS OF ANY PERSON WHO SUBMITS AN APPLICATION FOR A CANNABIS
12 LICENSE OR A CANNABIS LICENSEE, AS REQUIRED UNDER THIS TITLE;

13 (3) DEVELOP A PROCESS FOR CONSUMERS AND QUALIFYING
14 PATIENTS TO PURCHASE CLONES AND SEEDS, SEEDLINGS, STALKS, ROOTS, AND
15 STEMS OF THE CANNABIS PLANT FOR CULTIVATION IN ACCORDANCE WITH § 5-601.2
16 OF THE CRIMINAL LAW ARTICLE;

17 ~~(3)~~ (4) SOLICIT, EVALUATE, AND ISSUE OR DENY APPLICATIONS
18 FOR CANNABIS LICENSES AND CANNABIS REGISTRATIONS, INCLUDING:

19 (I) LICENSES TO OPERATE A CANNABIS BUSINESS IN
20 ACCORDANCE WITH THIS TITLE; AND

21 (II) REGISTRATION FOR INDEPENDENT TESTING
22 LABORATORIES, TRANSPORTERS, SECURITY GUARD COMPANIES, AND WASTE
23 DISPOSAL COMPANIES;

24 ~~(4)~~ (5) AWARD OR DENY:

25 (I) A LICENSE TO OPERATE A CANNABIS BUSINESS IN
26 ACCORDANCE WITH THIS TITLE; AND

27 (II) REGISTRATION TO INDEPENDENT TESTING LABORATORIES,
28 TRANSPORTERS, SECURITY GUARD COMPANIES, WASTE DISPOSAL COMPANIES, AND
29 ANY OTHER TYPE OF CANNABIS BUSINESS AUTHORIZED BY THE ~~DIVISION~~
30 ADMINISTRATION;

1 ~~(5)~~ **(6)** CONDUCT ANNOUNCED AND UNANNOUNCED INSPECTIONS
2 OF ANY BUSINESS LICENSED OR REGISTERED UNDER THIS TITLE TO ENSURE
3 COMPLIANCE WITH THIS TITLE;

4 ~~(6)~~ **(7)** AFTER A DETERMINATION THAT A VIOLATION OF THIS TITLE
5 OR A REGULATION ADOPTED UNDER THIS TITLE HAS OCCURRED, SUSPEND, FINE,
6 RESTRICT, OR REVOKE CANNABIS LICENSES AND CANNABIS REGISTRATIONS,
7 WHETHER ACTIVE, EXPIRED, OR SURRENDERED, OR IMPOSE ANY OTHER PENALTY
8 AUTHORIZED BY THIS TITLE OR ANY REGULATION ADOPTED UNDER THIS TITLE;

9 ~~(7)~~ **(8)** **(I)** GIVE NOTICE AND HOLD A HEARING IN ACCORDANCE
10 WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE, FOR ANY:

11 1. CONTESTED CANNABIS LICENSE OR REGISTRATION
12 DENIAL; OR

13 2. VIOLATION OF THIS TITLE OR ANY REGULATION
14 ADOPTED UNDER THIS TITLE;

15 **(II)** ADMINISTER OATHS IN A PROCEEDING UNDER THIS
16 SECTION; AND

17 **(III)** SUBJECT TO SUBSECTION **(B)(3)** OF THIS SECTION, ALLOW
18 THE PERSON AGAINST WHOM THE ACTION IS CONTEMPLATED TO BE REPRESENTED
19 AT THE HEARING BY COUNSEL;

20 ~~(8)~~ **(9)** ADOPT REGULATIONS NECESSARY TO CARRY OUT ITS
21 DUTIES UNDER THIS TITLE; AND

22 ~~(9)~~ **(10)** PERFORM ANY OTHER POWER AUTHORIZED OR DUTY
23 REQUIRED UNDER THIS TITLE OR ANY OTHER PROVISION OF STATE LAW.

24 **(B)** ~~THE DIVISION~~ ADMINISTRATION MAY:

25 **(1)** ISSUE A SUBPOENA FOR THE ATTENDANCE OF A WITNESS TO
26 TESTIFY OR THE PRODUCTION OF EVIDENCE IN CONNECTION WITH:

27 **(I)** ANY DISCIPLINARY ACTION UNDER THIS TITLE; OR

28 **(II)** ANY INVESTIGATION OR PROCEEDING INITIATED FOR AN
29 ALLEGED VIOLATION OF THIS TITLE;

1 (2) DELEGATE THE HEARING AUTHORITY AUTHORIZED UNDER
2 SUBSECTION ~~(A)(7)~~ (A)(8) OF THIS SECTION TO AN EMPLOYEE WITHIN THE
3 ADMINISTRATION; AND

4 (3) IF, AFTER DUE NOTICE, THE PERSON AGAINST WHOM A
5 DISCIPLINARY ACTION IS CONTEMPLATED DOES NOT APPEAR AT A HEARING, HEAR
6 AND DETERMINE THE MATTER.

7 **36-203.**

8 (A) ~~THE DIVISION~~ ADMINISTRATION SHALL:

9 (1) EVALUATE THE REGULATIONS ADOPTED BY THE NATALIE M.
10 LAPRADE MEDICAL CANNABIS COMMISSION IN TITLE 10, SUBTITLE 62 OF THE
11 CODE OF MARYLAND REGULATIONS; AND

12 (2) ON OR BEFORE JULY 1, 2023, ADOPT EMERGENCY REGULATIONS
13 TO:

14 (I) CARRY OUT THE LICENSURE REQUIREMENTS SPECIFIED
15 UNDER THIS TITLE;

16 (II) IMPLEMENT PROCEDURES RELATED TO CANNABIS
17 APPLICATIONS, LICENSES, AND REGISTRATIONS IN ACCORDANCE WITH THIS TITLE;

18 (III) ASSIST THE COMPTROLLER IN THE COLLECTION OF TAXES
19 IMPOSED ON THE SALE OF ADULT-USE CANNABIS UNDER § 11-104(K) OF THE TAX -
20 GENERAL ARTICLE;

21 (IV) IMPLEMENT INVENTORY MANAGEMENT AND TRACKING
22 THAT DOES NOT DIFFERENTIATE BETWEEN ADULT-USE OR MEDICAL CANNABIS OR
23 CANNABIS PRODUCTS BEFORE THE POINT OF SALE, EXCEPT FOR PRODUCTS
24 ALLOWED BY THE ~~DIVISION~~ ADMINISTRATION FOR SALE ONLY TO PATIENTS AND
25 CAREGIVERS; AND

26 (V) ESTABLISH OPERATING REQUIREMENTS FOR CANNABIS
27 LICENSEES OR CANNABIS REGISTRANTS, INCLUDING REQUIREMENTS FOR:

28 1. SECURITY, INCLUDING LIGHTING, PHYSICAL
29 SECURITY, VIDEO, AND ALARM REQUIREMENTS;

30 2. SAFE AND SECURE DELIVERY, TRANSPORT, AND
31 STORAGE OF CANNABIS;

1 3. PREVENTING THE SALE OR DIVERSION OF CANNABIS
2 AND CANNABIS PRODUCTS TO PERSONS UNDER THE AGE OF 21 YEARS; AND

3 4. ~~PACKAGING AND LABELING OF CANNABIS AND~~
4 ~~CANNABIS PRODUCTS, INCLUDING CHILD-RESISTANT PACKAGING; AND~~

5 ~~5.~~ HEALTH AND SAFETY STANDARDS GOVERNING THE
6 CULTIVATION, MANUFACTURE, TESTING, AND DISPENSING OF CANNABIS OR
7 CANNABIS PRODUCTS.

8 (B) THE EMERGENCY REGULATIONS THAT THE ~~DIVISION~~ ADMINISTRATION
9 IS REQUIRED TO ADOPT UNDER SUBSECTION (A) OF THIS SECTION SHALL:

10 (1) BE SUPPLEMENTAL TO THE MEDICAL CANNABIS REGULATIONS
11 UNDER TITLE 10, SUBTITLE 62 OF THE CODE OF MARYLAND REGULATIONS; AND

12 (2) ~~NOTWITHSTANDING ANY OTHER LAW, REMAIN IN EFFECT UNTIL~~
13 ~~THE TAKING EFFECT OF NONEMERGENCY REGULATIONS ADOPTED UNDER~~
14 ~~SUBSECTION (C) OF THIS SECTION.~~

15 (C) (1) ON OR BEFORE JULY 1, 2024, THE ~~DIVISION~~ ADMINISTRATION
16 SHALL ADOPT NONEMERGENCY REGULATIONS ~~NECESSARY~~ TO CARRY OUT ~~THE~~
17 ~~PROVISIONS OF THIS TITLE.~~

18 (2) TO THE EXTENT PRACTICABLE, THE ADMINISTRATION SHALL
19 ADOPT REGULATIONS:

20 ~~(I)~~ REQUIRING CANNABIS LICENSEES TO TRANSITION FROM A
21 CASH SYSTEM AND TO USE TRADITIONAL BANKING SERVICES; AND

22 ~~(II)~~ ~~ESTABLISHING TRADE PRACTICE RESTRICTIONS.~~

23 (3) THE ADMINISTRATION SHALL ADOPT REGULATIONS:

24 (I) BANNING GOVERNING INTERNET SALES OF CANNABIS;

25 (II) IMPLEMENTING AND SUPPLEMENTING PACKAGING AND
26 LABELING REQUIREMENTS FOR CANNABIS PRODUCTS UNDER § 36-203.1 OF THIS
27 SUBTITLE; AND

28 (III) ESTABLISHING PROCEDURES FOR THE USE OF POINT OF
29 SALE TECHNOLOGIES BY DISPENSARIES FOR ALL TRANSACTIONS IN ORDER TO
30 VERIFY A CONSUMER'S AGE USING A DRIVER'S LICENSE OR OTHER VALID

1 IDENTIFICATION ISSUED BY A GOVERNMENTAL UNIT SPECIFIED BY THE
 2 ADMINISTRATION; AND

3 (IV) ESTABLISHING HEALTH, SAFETY, SECURITY, AND TRACKING
 4 REQUIREMENTS FOR THE PACKAGING AND REPACKAGING OF CANNABIS BY A
 5 DISPENSARY IN ACCORDANCE WITH § 36-203.1 OF THIS SUBTITLE.

6 (D) THE REGULATIONS ADOPTED BY THE ~~DIVISION~~ ADMINISTRATION
 7 UNDER THIS SECTION SHALL, TO THE EXTENT PRACTICABLE, REGULATE MEDICAL
 8 AND ADULT-USE CANNABIS IN THE SAME MANNER.

9 36-203.1.

10 (A) IN CONSULTATION WITH THE CANNABIS PUBLIC HEALTH ADVISORY
 11 COUNCIL ESTABLISHED UNDER § 13 4502 OF THE HEALTH GENERAL ARTICLE,
 12 THE THE ADMINISTRATION SHALL ADOPT REGULATIONS ESTABLISHING LIMITS ON
 13 THE MAXIMUM POTENCY OF CANNABIS AND CANNABIS PRODUCTS SOLD IN THE
 14 STATE, INCLUDING LIMITS ON THE MAXIMUM AMOUNT OF THC IN INDIVIDUAL
 15 EDIBLE CANNABIS PRODUCTS AND LIMITS ON THE MAXIMUM AGGREGATE THC
 16 AMOUNT FOR MULTIPLE EDIBLE CANNABIS PRODUCTS PACKAGED TOGETHER.

17 (B) REQUIREMENTS FOR PACKAGING AND LABELING OF CANNABIS
 18 PRODUCTS IN THE STATE A PACKAGE OF CANNABIS FOR DISTRIBUTION TO A
 19 CONSUMER OR QUALIFYING PATIENT SHALL:

20 (1) SPECIFY THAT PACKAGING THAT IS ENTIRELY AND UNIFORMLY
 21 OPAQUE MAY NOT INCLUDE ANY INFORMATION, PRINT, EMBOSSING, DEBOSSING,
 22 GRAPHIC, OR HIDDEN FEATURE;

23 (2) SPECIFY THAT ALL LABELING MUST BE PRINTED IN BLACK;

24 (3) CONFORM TO CALIFORNIA STANDARDS FOR:

25 (I) CHILD-RESISTANT PACKAGING AND CLEARLY IMPRINTED
 26 WITH POISON CONTROL INFORMATION REQUIREMENTS ESTABLISHED UNDER 16
 27 C.F.R. § 1700.15(B)(1); AND

28 (II) TAMPER-EVIDENT PACKAGING; AND

29 (4) (2) PROVIDE THAT PACKAGING AND LABELING SHALL INCLUDE:

30 (I) A FINISHED PRODUCT LOT NUMBER AND EXPIRATION DATE
 31 IF APPLICABLE;

1 **(II) A STATEMENT ~~THAT~~:**

2 **1. THAT CONSUMPTION OF CANNABIS MAY IMPAIR YOUR**
3 **ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, USE EXTREME CAUTION;**

4 **2. ~~THERE ARE~~ OF POTENTIAL RISKS ASSOCIATED WITH**
5 **CANNABIS USE, ESPECIALLY DURING PREGNANCY OR BREAST FEEDING; AND**

6 **3. THAT THIS PACKAGE CONTAINS CANNABIS, KEEP OUT**
7 **OF THE ~~HANDS~~ REACH OF CHILDREN AND ANIMALS;**

8 **(III) THE NAME, ADDRESS, AND PHONE NUMBER OF THE**
9 **DISPENSARY THAT SOLD THE PRODUCT TO REPORT AN ADVERSE EVENT;**

10 **(IV) ANY ALLERGEN WARNING REQUIRED BY LAW;**

11 **(V) A LISTING OF NONCANNABIS INGREDIENTS; AND**

12 **(VI) AN ITEMIZATION, INCLUDING WEIGHT:**

13 **1. OF ALL CANNABINOID AND TERPENE INGREDIENTS**
14 **SPECIFIED FOR THE PRODUCT; AND**

15 **2. CONCENTRATIONS OF ANY CANNABINOID OF LESS**
16 **THAN 1% PRINTED WITH A LEADING ZERO BEFORE THE DECIMAL POINT.**

17 **(C) CANNABIS LABELING AND PACKAGING MAY NOT INCLUDE:**

18 **(1) SUBJECT TO SUBSECTION (D) OF THIS SECTION, ANY IMAGE THAT**
19 **MAY APPEAL TO CHILDREN INCLUDING:**

20 **(I) IMAGES OF FOOD, CANDY, BAKED GOODS, CEREAL, FRUIT,**
21 **AND BEVERAGES; AND**

22 **(II) A RESEMBLANCE TO THE TRADEMARKED CHARACTERISTIC**
23 **PRODUCT-SPECIALIZED PACKAGING OF ANY COMMERCIALY AVAILABLE CANDY,**
24 **SNACK, BAKED GOOD, CEREAL, OR BEVERAGE;**

25 **(2) ANY IMAGE THAT IS DESIGNED OR LIKELY TO APPEAL TO MINORS,**
26 **INCLUDING CARTOONS, TOYS, ANIMALS, CHILDREN, OR ANY LIKENESS TO IMAGES,**
27 **CHARACTERS, OR PHRASES THAT ARE POPULARLY USED TO ADVERTISE TO**
28 **CHILDREN;**

1 **(3) A STATEMENT, ARTWORK, OR DESIGN THAT COULD REASONABLY**
2 **MISLEAD ANY INDIVIDUAL TO BELIEVE THAT THE PACKAGING CONTAINS ANYTHING**
3 **OTHER THAN A FINISHED CANNABIS PRODUCT; AND**

4 **(4) ANY IMAGE OF A SEAL, FLAG, CREST, COAT OF ARMS, OR OTHER**
5 **INSIGNIA THAT COULD REASONABLY MISLEAD ANY INDIVIDUAL TO BELIEVE THAT**
6 **THE PRODUCT HAS BEEN ENDORSED, MANUFACTURED, OR USED BY ANY AGENCY OF**
7 **A STATE OR POLITICAL SUBDIVISION.**

8 **(D) ~~A PERSON MAY NOT SEEK, OFFER FOR SALE, OR FACILITATE THE SALE~~**
9 **~~OF EMPTY PACKAGING THAT, IF USED, WOULD BE A VIOLATION OF ANY PROVISION~~**
10 **~~OF THIS TITLE~~ *THE ADMINISTRATION MAY ADOPT REGULATIONS TO ALLOW THE***
11 ***SALE, ON OR BEFORE JULY 1, 2024, OF CANNABIS OR CANNABIS PRODUCTS THAT ARE***
12 ***LABELED OR PACKAGED USING IMAGES DESCRIBED UNDER SUBSECTION (C)(1) OF***
13 ***THIS SECTION.***

14 **36-204.**

15 **(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE ~~DIVISION~~**
16 **ADMINISTRATION SHALL ESTABLISH AND MAINTAIN A STATE CANNABIS TESTING**
17 **LABORATORY.**

18 **(2) (I) ON OR BEFORE JULY 1, 2023, THE MARYLAND**
19 **DEPARTMENT OF AGRICULTURE OR THE MARYLAND DEPARTMENT OF HEALTH**
20 **MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE ~~DIVISION~~**
21 **ADMINISTRATION TO TEST CANNABIS AT AN EXISTING STATE-OWNED LABORATORY**
22 **IF DOING SO WOULD BE A MORE ECONOMIC AND EFFICIENT ALTERNATIVE TO THE**
23 **ESTABLISHMENT OF A TESTING LABORATORY UNDER PARAGRAPH (1) OF THIS**
24 **SUBSECTION.**

25 **(II) IF THE MARYLAND DEPARTMENT OF AGRICULTURE OR**
26 **THE MARYLAND DEPARTMENT OF HEALTH AND THE ~~DIVISION~~ ADMINISTRATION**
27 **DETERMINE THAT CO-LOCATING CANNABIS TESTING AT AN EXISTING**
28 **STATE-OWNED LABORATORY IS NOT OPERATIONALLY FEASIBLE, SUFFICIENT**
29 **FUNDING SHALL BE PROVIDED IN THE ANNUAL BUDGET TO COMPLY WITH**
30 **PARAGRAPH (1) OF THIS SUBSECTION.**

31 **(B) THE STATE CANNABIS TESTING LABORATORY IS RESPONSIBLE FOR:**

32 **(1) DEVELOPING AND MAINTAINING A CANNABIS LABORATORY**
33 **REFERENCE LIBRARY THAT CONTAINS CANNABIS TESTING METHODOLOGIES IN THE**
34 **AREAS OF:**

35 **(I) POTENCY;**

1 (II) HOMOGENEITY;

2 (III) DETECTION AND QUANTITATION OF CONTAMINANTS; AND

3 (IV) SOLVENTS;

4 (2) ESTABLISHING STANDARD OPERATING PROCEDURES FOR
5 SAMPLE COLLECTION, PREPARATION, AND ANALYSIS OF CANNABIS BY
6 INDEPENDENT TESTING LABORATORIES;

7 (3) CONDUCTING PROFICIENCY TESTING OF INDEPENDENT TESTING
8 LABORATORIES;

9 (4) REMEDIATING PROBLEMS WITH INDEPENDENT TESTING
10 LABORATORIES; ~~AND~~

11 (5) CONDUCTING COMPLIANCE TESTING ON CANNABIS SAMPLES
12 ANALYZED BY INDEPENDENT TESTING LABORATORIES; AND

13 (6) IDENTIFYING AND DETECTING THE PRESENCE AND PURITY OF
14 CANNABIS, ALCOHOL, AND TOBACCO IN SAMPLES OR SEIZED CONTRABAND IN
15 SUPPORT OF THE REGULATORY AUTHORITY OF THE COMMISSION.

16 (C) INDEPENDENT TESTING LABORATORIES LICENSED UNDER § 36-408 OF
17 THIS TITLE SHALL PROVIDE MATERIALS FOR THE CANNABIS LABORATORY
18 REFERENCE LIBRARY.

19 (D) THE STATE CANNABIS TESTING LABORATORY SHALL HOLD MEDICAL
20 AND ADULT-USE CANNABIS TESTING TO THE SAME STANDARDS.

21 36-205.

22 (A) THE ~~DIVISION~~ ADMINISTRATION MAY IMPOSE REGISTRATION AND
23 OTHER FEES TO DEFRAY THE COSTS OF:

24 (1) THE OPERATIONS OF THE ~~DIVISION~~ ADMINISTRATION AND THE
25 COMMISSION; AND

26 (2) ADMINISTERING AND ENFORCING THIS ~~DIVISION~~ TITLE.

27 (B) IF FEES ARE IMPOSED UNDER SUBSECTION (A) OF THIS SECTION, THE
28 ~~DIVISION~~ ADMINISTRATION SHALL DEPOSIT THE FEES COLLECTED IN THE

1 CANNABIS REGULATION AND ENFORCEMENT FUND ESTABLISHED UNDER § 36-206
2 OF THIS SUBTITLE.

3 36-206.

4 (A) IN THIS SECTION, “FUND” MEANS THE CANNABIS REGULATION AND
5 ENFORCEMENT FUND.

6 (B) THERE IS A CANNABIS REGULATION AND ENFORCEMENT FUND.

7 (C) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDS TO COVER THE
8 COSTS OF:

9 (1) THE OPERATION OF THE ~~DIVISION AND THE COMMISSION~~
10 ADMINISTRATION; AND

11 (2) ADMINISTERING AND ENFORCING THIS ~~DIVISION~~ TITLE.

12 (D) THE COMPTROLLER SHALL ADMINISTER THE FUND AT THE DIRECTION
13 OF THE ~~DIVISION~~ ADMINISTRATION.

14 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
15 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

16 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
17 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

18 (F) THE FUND CONSISTS OF:

19 (1) FEES DISTRIBUTED TO THE FUND UNDER § 36-205 OF THIS
20 SUBTITLE;

21 (2) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1302.2 OF THE
22 TAX – GENERAL ARTICLE;

23 (3) INTEREST EARNINGS OF THE FUND; AND

24 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
25 THE BENEFIT OF THE FUND, IN ACCORDANCE WITH ANY CONDITIONS ADOPTED BY
26 THE COMMISSION FOR THE ACCEPTANCE OF DONATIONS OR GIFTS TO THE FUND.

27 (G) THE FUND MAY BE USED ONLY FOR CARRYING OUT THIS ~~DIVISION~~
28 TITLE.

1 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
2 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

3 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
4 THE FUND.

5 (I) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE
6 AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

7 (J) (1) ON OR BEFORE MARCH 15 EACH YEAR, THE COMPTROLLER
8 SHALL PUBLISH ON ITS WEBSITE A DETAILED REPORT ON REVENUE DISTRIBUTED
9 TO AND EXPENDITURES FROM THE FUND.

10 (2) THE REPORT SHALL ALSO BE SUBMITTED TO THE GENERAL
11 ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

12 SUBTITLE 3. MEDICAL USE OF CANNABIS.

13 36-301.

14 (A) THE ~~DIVISION~~ ADMINISTRATION SHALL REGISTER AS A CERTIFYING
15 PROVIDER AN INDIVIDUAL WHO:

16 (1) MEETS THE REQUIREMENTS OF THIS SUBTITLE; AND

17 (2) SUBMITS THE REQUIRED APPLICATION TO THE ~~DIVISION~~
18 ADMINISTRATION.

19 (B) TO BE REGISTERED AS A CERTIFYING PROVIDER, A PROVIDER SHALL
20 SUBMIT AN APPLICATION TO THE ~~DIVISION~~ ADMINISTRATION THAT INCLUDES:

21 (1) THE REASONS FOR INCLUDING A PATIENT UNDER THE CARE OF
22 THE PROVIDER FOR THE PURPOSES OF THIS SUBTITLE, INCLUDING THE PATIENT'S
23 QUALIFYING MEDICAL CONDITIONS;

24 (2) AN ATTESTATION THAT A STANDARD PATIENT EVALUATION WILL
25 BE COMPLETED, INCLUDING A HISTORY, A PHYSICAL EXAMINATION, A REVIEW OF
26 SYMPTOMS, AND OTHER RELEVANT MEDICAL INFORMATION; AND

27 (3) THE PROVIDER'S PLAN FOR THE ONGOING ASSESSMENT AND
28 FOLLOW-UP CARE OF A PATIENT AND FOR COLLECTING AND ANALYZING DATA.

29 (C) THE ~~DIVISION~~ ADMINISTRATION IS ENCOURAGED TO APPROVE
30 PROVIDER APPLICATIONS FOR THE FOLLOWING:

1 **(1) A CHRONIC OR DEBILITATING DISEASE OR MEDICAL CONDITION**
2 **THAT RESULTS IN A PATIENT BEING ADMITTED INTO HOSPICE OR RECEIVING**
3 **PALLIATIVE CARE;**

4 **(2) A CHRONIC OR DEBILITATING DISEASE OR MEDICAL CONDITION**
5 **OR THE TREATMENT OF A CHRONIC OR DEBILITATING DISEASE OR MEDICAL**
6 **CONDITION THAT PRODUCES:**

7 **(I) CACHEXIA, ANOREXIA, OR WASTING SYNDROME;**

8 **(II) SEVERE OR CHRONIC PAIN;**

9 **(III) SEVERE NAUSEA;**

10 **(IV) SEIZURES; OR**

11 **(V) SEVERE OR PERSISTENT MUSCLE SPASMS;**

12 **(3) GLAUCOMA; OR**

13 **(4) POST-TRAUMATIC STRESS DISORDER.**

14 **(D) THE ~~DIVISION~~ ADMINISTRATION MAY NOT LIMIT TREATMENT OF A**
15 **PARTICULAR MEDICAL CONDITION TO ONE CLASS OF PROVIDERS.**

16 **(E) THE ~~DIVISION~~ ADMINISTRATION MAY APPROVE APPLICATIONS THAT**
17 **INCLUDE ANY OTHER CONDITION THAT IS SEVERE AND FOR WHICH OTHER MEDICAL**
18 **TREATMENTS HAVE BEEN INEFFECTIVE IF THE SYMPTOMS REASONABLY CAN BE**
19 **EXPECTED TO BE RELIEVED BY THE MEDICAL USE OF CANNABIS.**

20 **(F) A CERTIFYING PROVIDER OR THE SPOUSE OF A CERTIFYING PROVIDER**
21 **MAY NOT:**

22 **(1) RECEIVE ANY GIFT FROM A CANNABIS LICENSEE;**

23 **(2) HOLD AN OWNERSHIP INTEREST IN A CANNABIS LICENSEE OR A**
24 **BUSINESS THAT CONTROLS A CANNABIS LICENSEE; OR**

25 **(3) RECEIVE ANY COMPENSATION FROM A CANNABIS LICENSEE.**

26 **(G) A CERTIFYING PROVIDER SHALL ISSUE EACH WRITTEN CERTIFICATION**
27 **IN THE FORM REQUIRED BY THE ~~DIVISION~~ ADMINISTRATION.**

1 (H) A CERTIFYING PROVIDER MAY DISCUSS MEDICAL CANNABIS WITH A
2 PATIENT.

3 (I) (1) A CERTIFYING PROVIDER REGISTRATION IS VALID FOR 2 YEARS.

4 (2) THE ~~DIVISION~~ ADMINISTRATION SHALL GRANT OR DENY A
5 RENEWAL OF A REGISTRATION BASED ON THE PROVIDER'S PERFORMANCE IN
6 COMPLYING WITH REGULATIONS ADOPTED BY THE ~~DIVISION~~ ADMINISTRATION.

7 36-302.

8 (A) A QUALIFYING PATIENT OR CAREGIVER MAY OBTAIN MEDICAL
9 CANNABIS FROM A DISPENSARY LICENSED BY THE ~~DIVISION~~ ADMINISTRATION.

10 (B) (1) A QUALIFYING PATIENT WHO IS AT LEAST 21 YEARS OLD MAY NOT
11 CULTIVATE MORE THAN FOUR CANNABIS PLANTS.

12 (2) IF TWO OR MORE QUALIFYING PATIENTS WHO ARE AT LEAST 21
13 YEARS OLD RESIDE AT THE SAME RESIDENCE, NOT MORE THAN FOUR CANNABIS
14 PLANTS MAY BE CULTIVATED AT THAT RESIDENCE.

15 (3) EXCEPT AS PROVIDED IN PARAGRAPHS (1) AND (2) OF THIS
16 SUBSECTION, A QUALIFYING PATIENT SHALL COMPLY WITH THE CANNABIS
17 CULTIVATION REQUIREMENTS ESTABLISHED UNDER § 5-601.2 OF THE CRIMINAL
18 LAW ARTICLE.

19 (C) A QUALIFYING PATIENT UNDER THE AGE OF 18 YEARS MAY OBTAIN
20 MEDICAL CANNABIS ONLY THROUGH:

21 (1) THE QUALIFYING PATIENT'S CAREGIVER; OR

22 (2) ANY DESIGNATED SCHOOL PERSONNEL AUTHORIZED TO
23 ADMINISTER MEDICAL CANNABIS TO A STUDENT IN ACCORDANCE WITH THE
24 GUIDELINES ESTABLISHED UNDER § 7-446 OF THE EDUCATION ARTICLE.

25 (D) A CAREGIVER MAY SERVE NOT MORE THAN FIVE QUALIFYING PATIENTS
26 AT ANY TIME.

27 (E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
28 QUALIFYING PATIENT MAY HAVE NOT MORE THAN TWO CAREGIVERS.

29 (2) A QUALIFYING PATIENT UNDER THE AGE OF 18 YEARS MAY HAVE
30 NOT MORE THAN FOUR CAREGIVERS.

1 (F) A SALE OF CANNABIS OR CANNABIS PRODUCTS TO A QUALIFYING
2 PATIENT IS NOT SUBJECT TO TAXES IMPOSED ON THE SALE OF CANNABIS OR
3 CANNABIS PRODUCTS UNDER § 11-104(K) OF THE TAX – GENERAL ARTICLE.

4 (G) A QUALIFYING PATIENT MAY POSSESS UP TO:

5 (1) 120 GRAMS OF USABLE CANNABIS; OR

6 (2) 36 GRAMS OF DELTA-9-TETRAHYDROCANNABINOL (THC) IN THE
7 CASE OF A CANNABIS-INFUSED PRODUCT.

8 (H) DESIGNATED SCHOOL PERSONNEL DESCRIBED IN SUBSECTION (C)(2)
9 OF THIS SECTION:

10 (1) MAY ADMINISTER TO A STUDENT ONLY MEDICAL CANNABIS:

11 (I) THAT IS OBTAINED THROUGH THE STUDENT'S CAREGIVER;
12 AND

13 (II) IN ACCORDANCE WITH DOSING, TIMING, AND DELIVERY
14 ROUTE INSTRUCTIONS AS PROVIDED BY THE CERTIFYING PROVIDER'S WRITTEN
15 INSTRUCTIONS; AND

16 (2) ARE NOT REQUIRED TO REGISTER WITH THE ~~COMMISSION~~
17 ADMINISTRATION UNDER THIS SUBTITLE.

18 (I) A CAREGIVER MAY ADMINISTER MEDICAL CANNABIS TO A STUDENT
19 WHO IS A QUALIFYING PATIENT OF THE CAREGIVER ON SCHOOL PROPERTY, DURING
20 SCHOOL-SPONSORED ACTIVITIES, AND WHILE ON A SCHOOL BUS.

21 SUBTITLE 4. CANNABIS LICENSING.

22 36-401.

23 (A) (1) A PERSON MUST OBTAIN A CANNABIS LICENSE ISSUED BY THE
24 ~~DIVISION~~ ADMINISTRATION TO OPERATE A CANNABIS BUSINESS.

25 (2) A CANNABIS LICENSE ISSUED UNDER THIS SUBTITLE:

26 (I) AUTHORIZES THE HOLDER OF THE LICENSE TO OPERATE A
27 MEDICAL AND ADULT-USE CANNABIS BUSINESS;

28 (II) IS VALID FOR 5 YEARS ON INITIAL LICENSURE AND 5 YEARS
29 ON RENEWAL; AND

1 (III) MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH
2 SUBTITLE 5 OF THIS TITLE.

3 (B) (1) ~~THE DIVISION~~ ADMINISTRATION SHALL:

4 (I) ISSUE STANDARD LICENSES, MICRO LICENSES, INCUBATOR
5 SPACE LICENSES, AND ON-SITE CONSUMPTION LICENSES IN ACCORDANCE WITH
6 THIS TITLE;

7 (II) ON OR BEFORE JULY 1, 2023, CONVERT LICENSES THAT
8 WERE ISSUED TO MEDICAL CANNABIS GROWERS, PROCESSORS, AND DISPENSARIES,
9 INCLUDING THOSE BUSINESSES PREAPPROVED FOR LICENSURE, TO LICENSES TO
10 OPERATE A MEDICAL AND ADULT-USE CANNABIS BUSINESS IF:

11 1. A CONVERSION FEE IS PAID IN ACCORDANCE WITH §
12 36-403 OF THIS SUBTITLE; AND

13 2. THE BUSINESS COMPLIES WITH THE OWNERSHIP
14 RESTRICTIONS UNDER SUBSECTION (E) OF THIS SECTION;

15 (III) SET PRODUCTION, PROCESSING, SALES, AND OTHER
16 LIMITATIONS AND REQUIREMENTS FOR ALL LICENSE TYPES;

17 (IV) ISSUE DISPENSARY LICENSES IN A MANNER THAT
18 ENCOURAGES A BALANCED GEOGRAPHIC DISTRIBUTION BASED ON POPULATION
19 AND MARKET DEMAND WITHIN A SPECIFIC COUNTY, AS WELL AS
20 CROSS-JURISDICTIONAL MARKET DEMAND; AND

21 ~~(V) CONSIDER MARKET DEMAND IN THE ISSUANCE OF ALL~~
22 ~~LICENSE TYPES; AND~~

23 ~~(VI)~~ (V) ADOPT REGULATIONS REQUIRING LICENSEES WHOSE
24 LICENSES WERE CONVERTED BY THE ~~DIVISION~~ ADMINISTRATION UNDER ITEM (II)
25 OF THIS PARAGRAPH TO RESERVE A SPECIFIED AMOUNT OF CANNABIS FOR SOCIAL
26 EQUITY LICENSEES.

27 (2) ~~THE DIVISION~~ ADMINISTRATION MAY:

28 (I) INSPECT A CANNABIS LICENSEE TO ENSURE COMPLIANCE
29 WITH THIS TITLE AND THE REGULATIONS ADOPTED UNDER THIS TITLE;

1 (II) REVOKE A CANNABIS LICENSE IF GOOD FAITH EFFORTS
2 HAVE NOT BEEN MADE BY THE CANNABIS LICENSEE TO ESTABLISH A CANNABIS
3 BUSINESS WITHIN 18 MONTHS AFTER THE LICENSE WAS AWARDED;

4 (III) IMPOSE PENALTIES OR RESCIND THE LICENSE OF A
5 CANNABIS LICENSEE THAT DOES NOT MEET THE STANDARDS FOR LICENSURE
6 ESTABLISHED UNDER THIS TITLE OR REGULATIONS ADOPTED UNDER THIS TITLE;
7 AND

8 (IV) CONDITIONALLY AWARD CANNABIS LICENSES.

9 (C) (1) A STANDARD LICENSE AUTHORIZES THE HOLDER OF THE
10 LICENSE:

11 (I) FOR GROWERS, TO OPERATE MORE THAN 10,000 SQUARE
12 FEET, BUT NOT MORE THAN 300,000 SQUARE FEET, OF INDOOR CANOPY OR ITS
13 EQUIVALENT, AS CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION;

14 (II) FOR PROCESSORS, TO PROCESS MORE THAN 1,000 POUNDS
15 OF CANNABIS PER YEAR, AS CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION; AND

16 (III) FOR DISPENSARIES, TO OPERATE A STORE AT A PHYSICAL
17 LOCATION THAT SELLS CANNABIS OR CANNABIS PRODUCTS.

18 (2) A MICRO LICENSE AUTHORIZES THE HOLDER OF THE LICENSE:

19 (I) FOR GROWERS, TO OPERATE NOT MORE THAN 10,000
20 SQUARE FEET OF INDOOR CANOPY OR ITS EQUIVALENT, AS CALCULATED BY THE
21 ~~DIVISION~~ ADMINISTRATION;

22 (II) FOR PROCESSORS, TO PROCESS NOT MORE THAN 1,000
23 POUNDS OF CANNABIS PER YEAR, AS CALCULATED BY THE ~~DIVISION~~
24 ADMINISTRATION; AND

25 (III) FOR DISPENSARIES, TO OPERATE A DELIVERY SERVICE
26 THAT SELLS CANNABIS OR CANNABIS PRODUCTS WITHOUT A PHYSICAL
27 STOREFRONT, PROVIDED THAT THE LICENSEE EMPLOYS NOT MORE THAN 10
28 EMPLOYEES.

29 (3) AN INCUBATOR SPACE LICENSE AUTHORIZES THE HOLDER OF
30 THE LICENSE TO OPERATE A FACILITY WITHIN WHICH A MICRO LICENSEE MAY
31 OPERATE IN ACCORDANCE WITH § 36-406 OF THIS SUBTITLE.

1 **(4) AN ON-SITE CONSUMPTION LICENSE AUTHORIZES THE HOLDER**
 2 **OF THE LICENSE TO OPERATE A FACILITY ~~IN~~ ON THE PREMISES OF WHICH**
 3 **INDIVIDUALS CAN SMOKE OUTDOORS, ~~SMOKE, VAPE,~~ VAPE, OR CONSUME CANNABIS**
 4 **IN ACCORDANCE WITH § 36-407 OF THIS SUBTITLE.**

5 **(D) THE ~~DIVISION~~ ADMINISTRATION MAY NOT ISSUE MORE THAN THE**
 6 **FOLLOWING NUMBER OF LICENSES PER TYPE, INCLUDING LICENSES CONVERTED**
 7 **UNDER SUBSECTION (B)(1)(II) OF THIS SECTION:**

8 **(1) FOR STANDARD LICENSES:**

9 **(I) 75 GROWER LICENSES;**

10 **(II) 100 PROCESSOR LICENSES; AND**

11 **(III) 300 DISPENSARY LICENSES;**

12 **(2) FOR MICRO LICENSES:**

13 **(I) 100 GROWER LICENSES;**

14 **(II) 100 PROCESSOR LICENSES; AND**

15 **(III) ~~200~~ 10 DISPENSARY LICENSES;**

16 **(3) FOR INCUBATOR SPACE LICENSES, 10 LICENSES; AND**

17 **(4) FOR ON-SITE CONSUMPTION LICENSES, 50 LICENSES.**

18 **(E) (1) THIS SUBSECTION APPLIES TO ALL LICENSES, INCLUDING**
 19 **LICENSES CONVERTED UNDER SUBSECTION (B)(1)(II) OF THIS SECTION.**

20 **(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A PERSON**
 21 **MAY HAVE AN OWNERSHIP INTEREST IN OR CONTROL OF, INCLUDING THE POWER TO**
 22 **MANAGE AND OPERATE, ~~ONLY~~:**

23 **(I) FOR STANDARD LICENSES AND MICRO LICENSES:**

24 **1. ONE GROWER LICENSEE;**

25 **2. ONE PROCESSOR LICENSEE; AND**

26 **3. NOT MORE THAN ~~TWO~~ FOUR DISPENSARY LICENSEES;**

1 (II) FOR INCUBATOR SPACE LICENSES, NOT MORE THAN TWO
2 LICENSEES; AND

3 (III) FOR ON-SITE CONSUMPTION LICENSES, NOT MORE THAN
4 TWO LICENSEES.

5 (3) (I) A PERSON WHO OWNS OR CONTROLS AN INCUBATOR SPACE
6 LICENSEE OR AN ON-SITE CONSUMPTION LICENSEE MAY NOT OWN OR CONTROL ANY
7 OTHER CANNABIS LICENSEE.

8 (II) THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT
9 REGULATIONS LIMITING A PERSON OR FUND FROM ACQUIRING A NONMAJORITY
10 OWNERSHIP INTEREST IN MULTIPLE CANNABIS BUSINESSES BEYOND THE
11 LIMITATIONS ESTABLISHED UNDER THIS SUBSECTION.

12 (4) THE RESTRICTIONS IN PARAGRAPH (2) OF THIS SUBSECTION DO
13 NOT APPLY TO A PERSON OR AN ENTITY WHO HOLDS AN OWNERSHIP INTEREST ONLY
14 AS A PASSIVE INVESTOR.

15 (F) (1) THE HOLDER OF A CANNABIS LICENSE MAY NOT SURRENDER THE
16 LICENSE AND APPLY FOR A NEW LICENSE IN THE SAME OR A SIMILAR CATEGORY.

17 (2) THE LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION
18 APPLIES TO:

19 (I) AFFILIATES, HOLDING COMPANIES, PARENT COMPANIES,
20 OR OTHER RELATED ENTITIES;

21 (II) INDIVIDUALS AND FIRMS WITH IDENTICAL OR
22 SUBSTANTIALLY IDENTICAL BUSINESS OR ECONOMIC INTERESTS;

23 (III) PERSONS WITH COMMON INVESTMENTS; AND

24 (IV) FIRMS THAT ARE ECONOMICALLY DEPENDENT ON EACH
25 OTHER THROUGH CONTRACTUAL OR OTHER RELATIONSHIPS.

26 (G) NOTWITHSTANDING ANY PROVISIONS OF THIS TITLE, THE HOLDER OF A
27 DISPENSARY LICENSE ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS
28 COMMISSION WHO ~~DOES CONVERT~~ CONVERTS THE LICENSE OR A REGISTRANT WITH
29 THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION MAY CONTINUE TO
30 DELIVER MEDICAL CANNABIS UNTIL ~~JANUARY~~ JULY 1, 2024.

31 (H) A LICENSE ISSUED UNDER THIS TITLE:

1 **(1) IS NOT PROPERTY AND DOES NOT CONFER PROPERTY RIGHTS; AND**

2 **(2) IS SUBJECT TO:**

3 **(I) SUSPENSION, REVOCATION, AND RESTRICTIONS**
4 **AUTHORIZED BY LAW; AND**

5 **(II) REGULATIONS AUTHORIZED UNDER THIS ARTICLE.**

6 **(I) (1) ON AND AFTER JULY 1, 2023, THE HOLDER OF A LICENSE ISSUED**
7 **BY THE NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION WHO DOES NOT**
8 **CONVERT THE LICENSE:**

9 **(I) MAY NOT:**

10 **1. OPERATE UNDER THE LICENSE; OR**

11 **2. RENEW THE LICENSE; BUT**

12 **(II) MAY CONTINUE TO HOLD THE LICENSE FOR RESALE TO**
13 **ANOTHER PERSON FOR CONVERSION UNDER THIS SUBTITLE.**

14 **(2) THE PURCHASER OF A LICENSE SOLD BY A LICENSE HOLDER WHO**
15 **DOES NOT CONVERT A LICENSE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS**
16 **RESPONSIBLE FOR PAYING THE ONE-TIME CONVERSION FEE UNDER § 36-403 OF**
17 **THIS SUBTITLE.**

18 **36-402.**

19 **(A) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PRESERVE**
20 **PRODUCTION AVAILABILITY FOR NEW ADULT-USE CANNABIS CULTIVATION**
21 **LICENSES ISSUED UNDER THIS SUBTITLE.**

22 **(B) (1) IF THE LICENSE OF A CANNABIS LICENSEE IS CONVERTED BY THE**
23 **~~DIVISION~~ ADMINISTRATION UNDER § 36-401(B)(1)(II) OF THIS SUBTITLE, THE**
24 **CANNABIS LICENSEE SHALL:**

25 **(I) IF THE LICENSEE IS A GROWER, ADHERE TO THE EXPANSION**
26 **LIMITATIONS SPECIFIED UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND**

27 **(II) PAY THE CONVERSION FEE REQUIRED UNDER § 36-403 OF**
28 **THIS SUBTITLE.**

1 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
2 PARAGRAPH AND SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, ON OR
3 BEFORE JANUARY 1, 2026, AN OPERATIONAL BUSINESS THAT HOLDS A GROWER
4 LICENSE ISSUED BEFORE ~~OCTOBER 1, 2022~~ DECEMBER 31, 2022, MAY EXPAND THE
5 CANOPY OF ITS OPERATIONS AS IT EXISTED ON ~~OCTOBER 1, 2022~~ DECEMBER 31,
6 2022, AND BASED ON FACILITY SQUARE FOOTAGE OF INDOOR CANOPY SPACE OR ITS
7 EQUIVALENT, AS CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE
8 WITH SUBSECTION (D) OF THIS SECTION, ONLY AS FOLLOWS:

9 1. IF THE CANOPY IS UNDER 25,000 SQUARE FEET, TO
10 25,000 SQUARE FEET OR BY ~~25%~~ 20%, WHICHEVER IS GREATER;

11 2. IF THE CANOPY IS AT OR ABOVE 25,000 SQUARE FEET,
12 BY ~~25%~~ 20%; OR

13 3. IF THE CANNABIS LICENSEE HAS A SQUARE FOOTAGE
14 EXPANSION THAT WAS PREAPPROVED BEFORE ~~OCTOBER 1, 2022~~ DECEMBER 31,
15 2022, THE PREAPPROVED EXPANSION OR ~~25%~~ 20%, WHICHEVER IS GREATER.

16 (II) IF THE ~~DIVISION~~ ADMINISTRATION AND AN OPERATIONAL
17 BUSINESS DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH ARE UNABLE
18 TO AGREE AS TO THE SQUARE FOOTAGE OF THE CANOPY EXPANSION OF THE
19 LICENSEE'S OPERATIONS AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS
20 PARAGRAPH, THE SQUARE FOOTAGE OF THE CANOPY EXPANSION SHALL BE
21 CALCULATED BASED ON THE LICENSEE'S AVERAGE CANNABIS PRODUCTION IN
22 CALENDAR YEARS 2021 AND 2022.

23 (III) AN OPERATIONAL BUSINESS DESCRIBED UNDER
24 SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BEGIN TO EXPAND ITS CANOPY OF
25 OPERATIONS:

26 1. BY NOT MORE THAN 50% OF THE TOTAL SQUARE
27 FOOTAGE AUTHORIZED UNDER SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH ON
28 OR AFTER JANUARY 1, 2024; AND

29 2. FOR THE REMAINING TOTAL SQUARE FOOTAGE
30 AUTHORIZED UNDER SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH ON OR AFTER
31 MAY 1, 2024.

32 (IV) A GROWER LICENSEE MAY NOT OPERATE AN INDOOR
33 CANOPY THAT EXCEEDS 300,000 SQUARE FEET OR ITS EQUIVALENT, AS
34 CALCULATED BY THE ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE WITH
35 SUBSECTION (D) OF THIS SECTION, IF THE GROWER LICENSEE:

1 1. HELD A STAGE ONE PREAPPROVAL FOR A LICENSE
2 BEFORE ~~OCTOBER 1, 2022~~ ~~DECEMBER 31, 2022~~ OCTOBER 1, 2022; AND

3 2. WAS NOT OPERATIONAL BEFORE ~~OCTOBER 1, 2022~~
4 ~~DECEMBER 31, 2022~~ OCTOBER 1, 2022.

5 (c) A BUSINESS THAT IS ISSUED A NEW CANNABIS LICENSE UNDER § 36-401
6 OF THIS SUBTITLE MAY NOT OPERATE AN INDOOR CANOPY THAT EXCEEDS 300,000
7 SQUARE FEET FOR INDOOR CANOPIES OR ITS EQUIVALENT, AS CALCULATED BY THE
8 ~~DIVISION~~ ADMINISTRATION.

9 (d) (1) (i) THIS PARAGRAPH APPLIES TO ALL LICENSED GROWERS.

10 (ii) A LICENSED GROWER SHALL ACCURATELY CALCULATE AND
11 REPORT ANNUALLY TO THE ~~DIVISION~~ ADMINISTRATION ITS FLOWERING CANNABIS
12 PLANT CANOPY AREA.

13 (iii) THE CANOPY AREA IS MEASURED ~~USING THE OUTSIDE~~
14 ~~BOUNDARIES OF ANY AREA THAT INCLUDES FLOWERING CANNABIS PLANTS AND ALL~~
15 ~~OF THE SPACE WITHIN THE BOUNDARIES~~ IN ACCORDANCE WITH THE DEFINITION OF
16 "CANOPY" ESTABLISHED UNDER § 36-101 OF THIS TITLE.

17 (iv) FOR THE PURPOSE OF MEASURING CANOPY, 1 SQUARE
18 FOOT OF INDOOR CANOPY IS EQUAL TO 4 SQUARE FEET OF OUTDOOR CANOPY.

19 (v) THE MAXIMUM AMOUNT OF SPACE FOR CANNABIS
20 PRODUCTION MAY NOT EXCEED THE CANOPY AUTHORIZED UNDER THIS SECTION.

21 (vi) IF THE AMOUNT OF SQUARE FEET OF PRODUCTION FOR A
22 LICENSED GROWER EXCEEDS THE CANOPY AUTHORIZED UNDER THIS SECTION AND
23 § 36-401 OF THIS SUBTITLE, THE COMMISSION MAY:

24 1. REDUCE THE CANOPY OF THE LICENSED GROWER BY
25 THE SAME PERCENTAGE AS IT EXCEEDS THE AUTHORIZED CANOPY; AND

26 2. SEIZE, DESTROY, CONFISCATE, OR PLACE AN
27 ADMINISTRATIVE HOLD ON ANY FLOWERING CANNABIS PLANTS PRODUCED IN
28 EXCESS OF THE CANOPY.

29 (vii) THE ADMINISTRATION SHALL ANNUALLY REPORT TO THE
30 GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
31 ARTICLE, THE AMOUNT OF CANOPY AREA REPORTED TO THE ADMINISTRATION BY
32 LICENSED GROWERS UNDER ITEM (II) OF THIS PARAGRAPH.

1 (2) THE MAXIMUM AMOUNT OF CANOPY FOR AN OPERATIONAL
 2 BUSINESS THAT HOLDS A LICENSE ISSUED BEFORE ~~OCTOBER 1, 2022~~ ~~DECEMBER~~
 3 ~~31, 2022~~ OCTOBER 1, 2022, SHALL BE CALCULATED BASED ON THE MAXIMUM
 4 CANOPY OF THE LICENSEE AS SELF-REPORTED BY THE LICENSEE AND RECORDED
 5 BY THE ~~DIVISION~~ NATALIE M. LAPRADE MEDICAL CANNABIS COMMISSION ON OR
 6 BEFORE ~~DECEMBER 1, 2022~~ ~~MARCH 1, 2023~~ DECEMBER 1, 2022.

7 (E) (1) ON OR BEFORE JULY 1, 2024, THE ADMINISTRATION SHALL
 8 ADOPT MINIMUM STANDARDS FOR LICENSED GROWERS TO PROTECT THE RIGHTS OF
 9 THE GROWERS AND EMPLOYEES CONCERNING GRIEVANCES, LABOR DISPUTES,
 10 WAGES, RATES OF PAY, HOURS, OR OTHER TERMS OR CONDITIONS OF EMPLOYMENT.

11 (2) THE STANDARDS SHALL, AT A MINIMUM, PROTECT THE STATE'S
 12 INTERESTS BY PROHIBITING A LABOR ORGANIZATION FROM ENGAGING IN
 13 PICKETING, WORK STOPPAGES, BOYCOTTS, OR ANY OTHER ECONOMIC
 14 INTERFERENCE WITH THE OPERATION OF THE LICENSED GROWER.

15 (3) AS A CONDITION OF LICENSURE, THE LICENSED GROWER SHALL:

16 (I) COMPLY WITH THE STANDARDS ADOPTED UNDER
 17 PARAGRAPH (1) OF THIS SUBSECTION; AND

18 (II) NEGOTIATE IN GOOD FAITH WITH EMPLOYEES AND ANY
 19 LEGITIMATE LABOR ORGANIZATION RECOGNIZED BY THE ADMINISTRATION.

20 **36-403.**

21 (A) (1) THIS SUBSECTION APPLIES ONLY TO A BUSINESS THAT HOLDS A
 22 CANNABIS LICENSE AND WAS PHYSICALLY AND ACTIVELY ENGAGED IN THE
 23 CULTIVATION OR PROCESSING OF MEDICAL CANNABIS BEFORE ~~OCTOBER 1, 2022~~
 24 ~~DECEMBER 31, 2022~~ OCTOBER 1, 2022.

25 (2) (I) ~~EACH GROWER OR PROCESSOR~~ SUBJECT TO SUBSECTION
 26 (E) OF THIS SECTION AND EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
 27 PARAGRAPH, EACH GROWER, PROCESSOR, AND DISPENSARY:

28 1. EACH GROWER AND PROCESSOR SHALL PAY THE
 29 FOLLOWING A ONE-TIME CONVERSION FEE BASED ON OF 10% OF THE TOTAL GROSS
 30 REVENUE OF THE ~~GROWER OR PROCESSOR IN 2022;~~ GROWER, OR PROCESSOR, OR
 31 DISPENSARY IN 2022, BUT NOT MORE THAN \$2,000,000; AND

32 2. EACH DISPENSARY SHALL PAY A ONE-TIME
 33 CONVERSION FEE OF 8% OF THE TOTAL GROSS REVENUE OF THE DISPENSARY IN
 34 2022, BUT NOT MORE THAN \$2,000,000.

1 (II) THE AMOUNT OF THE CONVERSION ~~FEE~~ FEES IN
2 SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT BE LESS THAN \$100,000.

3 ~~(I) \$100,000 IF THE GROSS REVENUE WAS LESS THAN~~
4 ~~\$1,000,000;~~

5 ~~(II) \$500,000 IF THE GROSS REVENUE WAS AT LEAST~~
6 ~~\$1,000,000, BUT NOT MORE THAN \$5,000,000;~~

7 ~~(III) \$1,000,000 IF THE GROSS REVENUE WAS MORE THAN~~
8 ~~\$5,000,000, BUT NOT MORE THAN \$10,000,000;~~

9 ~~(IV) \$1,500,000 IF THE GROSS REVENUE WAS MORE THAN~~
10 ~~\$10,000,000, BUT NOT MORE THAN \$15,000,000;~~

11 ~~(V) \$2,000,000 IF THE GROSS REVENUE WAS MORE THAN~~
12 ~~\$15,000,000, BUT NOT MORE THAN \$20,000,000; OR~~

13 ~~(VI) \$2,500,000 IF THE GROSS REVENUE WAS MORE THAN~~
14 ~~\$20,000,000.~~

15 (3) IF A BUSINESS HOLDS A GROWER AND PROCESSOR LICENSE, THE
16 FEE SHALL BE BASED ON TOTAL GROSS REVENUE FROM BOTH LICENSE TYPES.

17 ~~(B) (1) THIS SUBSECTION APPLIES ONLY TO A BUSINESS THAT HOLDS A~~
18 ~~CANNABIS LICENSE AND WAS PHYSICALLY AND ACTIVELY ENGAGED IN THE~~
19 ~~DISPENSING OF MEDICAL CANNABIS BEFORE OCTOBER 1, 2022.~~

20 ~~(2) EACH DISPENSARY SHALL PAY THE FOLLOWING ONE-TIME~~
21 ~~CONVERSION FEE BASED ON THE GROSS REVENUE OF THE DISPENSARY IN 2022:~~

22 ~~(I) \$100,000 IF THE GROSS REVENUE WAS LESS THAN~~
23 ~~\$1,000,000;~~

24 ~~(II) \$250,000 IF THE GROSS REVENUE WAS AT LEAST~~
25 ~~\$1,000,000, BUT NOT MORE THAN \$5,000,000;~~

26 ~~(III) \$500,000 IF THE GROSS REVENUE WAS MORE THAN~~
27 ~~\$5,000,000, BUT NOT MORE THAN \$10,000,000;~~

28 ~~(IV) \$1,000,000 IF THE GROSS REVENUE WAS MORE THAN~~
29 ~~\$10,000,000, BUT NOT MORE THAN \$15,000,000;~~

1 ~~(V) \$1,500,000 IF THE GROSS REVENUE WAS MORE THAN~~
2 ~~\$15,000,000, BUT NOT MORE THAN \$20,000,000; OR~~

3 ~~(VI) \$2,000,000 IF THE GROSS REVENUE WAS MORE THAN~~
4 ~~\$20,000,000.~~

5 ~~(C)~~ (B) (1) THIS SUBSECTION APPLIES ONLY TO A BUSINESS THAT:

6 (I) HELD A STAGE ONE PREAPPROVAL FOR A LICENSE BEFORE
7 ~~OCTOBER 1, 2022~~ DECEMBER 31, 2022 ~~OCTOBER 1, 2022~~; AND

8 (II) WAS NOT OPERATIONAL BEFORE ~~OCTOBER 1, 2022~~
9 DECEMBER 31, 2022 ~~OCTOBER 1, 2022~~.

10 (2) ~~A~~ SUBJECT TO SUBSECTION (E) OF THIS SECTION, A GROWER OR
11 PROCESSOR SHALL PAY A ONE-TIME CONVERSION FEE OF \$50,000.

12 (3) ~~A~~ SUBJECT TO SUBSECTION (E) OF THIS SECTION, A DISPENSARY
13 SHALL PAY A ONE-TIME CONVERSION FEE OF \$25,000.

14 ~~(D)~~ (C) (1) THIS SUBSECTION APPLIES ONLY TO AN APPLICANT
15 APPLYING FOR A CANNABIS LICENSE UNDER § 36-404 OF THIS SUBTITLE.

16 (2) AN APPLICANT FOR A STANDARD LICENSE, AN INCUBATOR SPACE
17 LICENSE, OR AN ON-SITE CONSUMPTION LICENSE SHALL PAY AN APPLICATION FEE
18 OF \$5,000.

19 (3) AN APPLICANT FOR A MICRO LICENSE SHALL PAY AN
20 APPLICATION FEE OF \$1,000.

21 ~~(E)~~ (D) (1) SUBJECT TO ~~PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF
22 THIS SUBSECTION, THE ~~DIVISION~~ ADMINISTRATION SHALL ESTABLISH LICENSING
23 AND RENEWAL FEES FOR ALL CANNABIS LICENSES.

24 (2) ~~THE~~ EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS
25 SUBSECTION, THE LICENSING AND RENEWAL FEES ESTABLISHED UNDER
26 PARAGRAPH (1) OF THIS SUBSECTION FOR STANDARD CANNABIS LICENSEES MAY
27 NOT EXCEED:

28 (I) FOR INITIAL LICENSE FEES, \$50,000; AND

29 (II) FOR RENEWAL LICENSE FEES, THE LESSER OF 10% OF THE
30 STANDARD CANNABIS LICENSEE'S ANNUAL GROSS REVENUE OR \$50,000.

1 **(3) THE ADMINISTRATION SHALL REDUCE LICENSING AND RENEWAL**
2 **FEES BY AT LEAST 50% FOR SOCIAL EQUITY LICENSES, MICRO LICENSES,**
3 **INCUBATOR SPACE LICENSES, AND ON-SITE CONSUMPTION LICENSES.**

4 ~~(F)~~ **(E) (1) THE ONE-TIME CONVERSION FEES UNDER THIS SECTION:**

5 **(I) MAY BE PAID IN SEPARATE INSTALLMENTS; AND**

6 **(II) SHALL BE PAID IN FULL ON OR BEFORE JANUARY 1, 2025.**

7 **(2) THE AMOUNT OF ANY LICENSING OR RENEWAL FEE PAID BY A**
8 **BUSINESS FOR FISCAL YEAR ~~2024~~ 2023 TO THE NATALIE M. LAPRADE MEDICAL**
9 **CANNABIS COMMISSION SHALL BE CREDITED AGAINST THE ONE-TIME CONVERSION**
10 **FEE ASSESSED UNDER THIS SECTION.**

11 **(F) ALL FEES COLLECTED UNDER THIS SECTION SHALL BE PAID TO THE**
12 **~~DIVISION~~ ADMINISTRATION.**

13 **36-404.**

14 **(A) (1) ON OR BEFORE JANUARY 1, 2024, THE ~~DIVISION~~**
15 **ADMINISTRATION SHALL BEGIN ISSUING FIRST ROUND LICENSES IN ACCORDANCE**
16 **WITH SUBSECTION (D) OF THIS SECTION.**

17 **(2) ON OR AFTER MAY 1, 2024, THE ~~DIVISION~~ ADMINISTRATION**
18 **SHALL BEGIN ISSUING SECOND ROUND LICENSES IN ACCORDANCE WITH**
19 **SUBSECTIONS (E) OR (F) OF THIS SECTION.**

20 **(3) SUBJECT TO PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, THE**
21 **~~DIVISION~~ ADMINISTRATION MAY ISSUE LICENSES IN ACCORDANCE WITH**
22 **SUBSECTION (G) OF THIS SECTION.**

23 **(B) (1) THE ~~DIVISION~~ ADMINISTRATION SHALL:**

24 **(I) CONDUCT EXTENSIVE OUTREACH TO SMALL, MINORITY,**
25 **AND WOMEN BUSINESS OWNERS AND ENTREPRENEURS WHO MAY HAVE AN INTEREST**
26 **IN APPLYING FOR A CANNABIS LICENSE BEFORE ACCEPTING AND PROCESSING**
27 **CANNABIS LICENSE APPLICATIONS;**

28 **(II) CONNECT POTENTIAL SOCIAL EQUITY APPLICANTS WITH**
29 **THE OFFICE OF SOCIAL EQUITY;**

30 **(III) ACCEPT AND PROCESS APPLICATIONS FOR LICENSES:**

1 1. IN RESPONSE TO A REQUEST FOR APPLICATIONS
2 ISSUED UNDER THIS SECTION;

3 2. FOR A PERIOD OF 30 CALENDAR DAYS; AND

4 3. BEGINNING ON A DATE THAT IS AT LEAST 60
5 CALENDAR DAYS AFTER THE DATE ON WHICH THE ~~DIVISION~~ ADMINISTRATION
6 ISSUED THE REQUEST FOR APPLICATIONS;

7 (IV) AWARD CANNABIS LICENSES IN AT LEAST TWO SEPARATE
8 ROUNDS IN ACCORDANCE WITH THIS SECTION; AND

9 (V) RESERVE A REASONABLE NUMBER OF LICENSES TO ALLOW
10 MICRO LICENSES TO TRANSITION TO STANDARD LICENSES, AS DETERMINED IN
11 REGULATIONS BY THE ~~DIVISION~~ ADMINISTRATION.

12 (2) THE ~~DIVISION~~ ADMINISTRATION MAY SUSPEND, FINE, RESTRICT,
13 OR REVOKE A CANNABIS LICENSE IF IT IS DETERMINED THAT A CANNABIS LICENSEE
14 HAS NOT COMPLIED WITH STATEMENTS IN THE APPLICATION, INCLUDING
15 STATEMENTS ABOUT STANDARDS OF OPERATION OR EMPLOYMENT PRACTICES
16 RELATED TO DIVERSITY, EQUITY, AND INCLUSION.

17 (3) THE ~~DIVISION~~ ADMINISTRATION MAY NOT:

18 (I) ACCEPT MORE THAN ONE APPLICATION PER LICENSE TYPE
19 FROM AN APPLICANT IN ANY ROUND;

20 (II) ACCEPT MORE THAN TWO APPLICATIONS FROM AN
21 APPLICANT IN ANY ROUND;

22 (III) REQUIRE THAT AN APPLICANT POSSESS OR OWN A
23 PROPERTY OR FACILITY TO OPERATE A CANNABIS BUSINESS AT THE TIME OF
24 APPLICATION; ~~OR~~

25 (IV) REGARDLESS OF THE NUMBER OF LICENSE AWARDS
26 AUTHORIZED IN EACH ROUND, AWARD MORE LICENSES THAN THE TOTAL NUMBER
27 OF LICENSES AUTHORIZED UNDER § 36-401(D) OF THIS SUBTITLE; OR

28 (V) CONDUCT A MARKET DEMAND STUDY BEFORE THE FIRST
29 ROUND LICENSES ARE ISSUED.

30 (4) THE ~~DIVISION~~ ADMINISTRATION MAY ADOPT REGULATIONS
31 CONCERNING THE EQUITY AND FAIRNESS OF THE POOL OF APPLICANTS
32 THROUGHOUT THE APPLICATION PROCESS.

1 (C) TO BE LICENSED, AN APPLICANT SHALL SUBMIT TO THE ~~DIVISION~~
2 ADMINISTRATION:

3 (1) AN APPLICATION FEE IN ACCORDANCE WITH § 36-403 OF THIS
4 SUBTITLE; AND

5 (2) AN APPLICATION DEVELOPED BY THE ~~DIVISION~~ ADMINISTRATION
6 UNDER THIS TITLE.

7 (D) (1) FOR THE FIRST ROUND, SUBJECT TO PARAGRAPHS (2) AND (3) OF
8 THIS SUBSECTION, THE ~~DIVISION~~ ADMINISTRATION SHALL ENTER EACH SOCIAL
9 EQUITY APPLICANT THAT MEETS THE MINIMUM QUALIFICATIONS ESTABLISHED BY
10 THE ~~DIVISION~~ ADMINISTRATION INTO A LOTTERY AND ISSUE TO SOCIAL EQUITY
11 APPLICANTS NOT MORE THAN:

12 (I) FOR STANDARD LICENSES:

- 13 1. 20 GROWER LICENSES;
- 14 2. 40 PROCESSOR LICENSES; AND
- 15 3. 80 DISPENSARY LICENSES;

16 (II) FOR MICRO LICENSES:

- 17 1. 30 GROWER LICENSES;
- 18 2. 30 PROCESSOR LICENSES; AND
- 19 3. ~~75~~ 10 DISPENSARY LICENSES; AND

20 (III) 10 INCUBATOR SPACE LICENSES.

21 (2) THE ~~DIVISION~~ ADMINISTRATION SHALL DETERMINE WHETHER
22 AN APPLICATION MEETS THE MINIMUM QUALIFICATIONS FOR THE LOTTERY ON A
23 PASS-FAIL BASIS, AS DETERMINED BY THE ~~DIVISION~~ ADMINISTRATION, AFTER
24 EVALUATING:

25 (I) A DETAILED OPERATIONAL PLAN FOR THE SAFE, SECURE,
26 AND EFFECTIVE CULTIVATION, MANUFACTURE, OR DISPENSING OF CANNABIS;

27 (II) A BUSINESS PLAN DEMONSTRATING A LIKELIHOOD OF
28 SUCCESS AND SUFFICIENT BUSINESS ABILITY AND EXPERIENCE ON THE PART OF

1 THE APPLICANT, AND PROVIDING FOR APPROPRIATE EMPLOYEE WORKING
2 CONDITIONS; AND

3 (III) A DETAILED DIVERSITY PLAN.

4 (3) (I) IF AN APPLICANT SEEKING SOCIAL EQUITY STATUS IS FROM
5 OUT-OF-STATE, THE APPLICANT MUST SUBMIT WITH THE APPLICATION EVIDENCE
6 THAT THE APPLICANT MEETS THE CRITERIA FOR A SOCIAL EQUITY APPLICANT
7 ESTABLISHED UNDER THIS TITLE BEFORE THE ADMINISTRATION MAY CONSIDER
8 THE APPLICATION.

9 (II) FIRST ROUND APPLICATION SUBMISSIONS FOR ALL
10 LICENSE TYPES ARE LIMITED TO SOCIAL EQUITY APPLICANTS.

11 (4) (I) ON OR BEFORE JANUARY 1, 2024, THE ADMINISTRATION
12 SHALL SUBMIT AN INTERIM REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
13 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE ABILITY OF MICRO
14 DISPENSARY LICENSEES TO SAFELY AND SECURELY DISPENSE CANNABIS.

15 (II) ON OR BEFORE DECEMBER 31, 2024, THE ADMINISTRATION
16 SHALL SUBMIT A FINAL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
17 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE ABILITY OF MICRO
18 DISPENSARY LICENSEES TO SAFELY AND SECURELY DISPENSE CANNABIS.

19 (E) FOR THE SECOND ROUND OF LICENSING, THE ADMINISTRATION SHALL
20 ISSUE LICENSES IN ACCORDANCE WITH SUBSECTION (F) OR (G) OF THIS SECTION.

21 ~~(E) (F)~~ (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF THE
22 ADMINISTRATION, IN CONSULTATION WITH THE CERTIFICATION AGENCY
23 DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE
24 FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR'S OFFICE OF SMALL,
25 MINORITY, AND WOMEN BUSINESS AFFAIRS, THE GENERAL ASSEMBLY, AND THE
26 OFFICE OF THE ATTORNEY GENERAL, DETERMINES THAT THE APPLICANTS
27 AWARDED A LICENSE UNDER SUBSECTION (D) OF THIS SECTION ARE NOT DIVERSE
28 AND A DISPARITY STUDY DETERMINES THAT THERE IS A COMPELLING INTEREST TO
29 IMPLEMENT REMEDIAL MEASURES TO ASSIST MINORITIES AND WOMEN IN THE
30 CANNABIS INDUSTRY A DISPARITY STUDY DEMONSTRATES A STRONG BASIS IN
31 EVIDENCE OF BUSINESS DISCRIMINATION AGAINST FIRMS OWNED BY MINORITIES
32 AND WOMEN IN THE MARYLAND CANNABIS MARKET, THE DIVISION
33 ADMINISTRATION SHALL ENTER EACH APPLICANT THAT MEETS THE MINIMUM
34 QUALIFICATIONS ESTABLISHED BY THE DIVISION INTO A LOTTERY AND ISSUE TO
35 THE APPLICANTS A SECOND ROUND OF LICENSES, APPLYING MINIMUM LICENSING
36 QUALIFICATIONS AND EMPLOYING REMEDIAL MEASURES CONSISTENT WITH
37 CONSTITUTIONAL REQUIREMENTS, FOR NOT MORE THAN:

(I) FOR STANDARD LICENSES:

1. 25 GROWER LICENSES;
2. 25 PROCESSOR LICENSES; AND
3. 120 DISPENSARY LICENSES;

(II) FOR MICRO LICENSES:

1. 70 GROWER LICENSES; AND
2. 70 PROCESSOR LICENSES; AND
- ~~3. 125 DISPENSARY LICENSES;~~

(III) 10 INCUBATOR SPACE LICENSES; AND**(IV) 15 ON-SITE CONSUMPTION LICENSES.**

~~(2) THE DIVISION SHALL DETERMINE WHETHER AN APPLICATION MEETS THE MINIMUM QUALIFICATIONS FOR A LOTTERY BASED ON A PASS-FAIL BASIS, AS DETERMINED BY THE DIVISION, AFTER EVALUATING:~~

~~(I) A DETAILED OPERATIONAL PLAN FOR THE SAFE, SECURE, AND EFFECTIVE CULTIVATION, MANUFACTURE, OR DISPENSING OF CANNABIS;~~

~~(II) A BUSINESS PLAN DEMONSTRATING A LIKELIHOOD OF SUCCESS AND SUFFICIENT BUSINESS ABILITY AND EXPERIENCE ON THE PART OF THE APPLICANT, AND PROVIDING FOR APPROPRIATE EMPLOYEE WORKING CONDITIONS;~~

~~(III) A DETAILED DIVERSITY PLAN; AND~~

~~(IV) REMEDIAL MEASURES ESTABLISHED IN ACCORDANCE WITH A DISPARITY STUDY.~~

(2) IF THE ADMINISTRATION, IN CONSULTATION WITH THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, DETERMINES THAT A LOTTERY SYSTEM EMPLOYING REMEDIAL MEASURES ESTABLISHED IN

1 ACCORDANCE WITH A DISPARITY STUDY CAN BE CONDUCTED CONSISTENT WITH
 2 CONSTITUTIONAL REQUIREMENTS, THE ADMINISTRATION SHALL AWARD LICENSES
 3 UNDER PARAGRAPH (1) OF THIS SUBSECTION THROUGH A LOTTERY PROCESS THAT
 4 EMPLOYS REMEDIAL MEASURES.

5 ~~(F)~~ (G) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS
 6 SUBSECTION, IF THE ADMINISTRATION, IN CONSULTATION WITH THE
 7 CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER §
 8 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE
 9 GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE
 10 GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, DETERMINES
 11 THAT ~~THE APPLICANTS AWARDED A LICENSE UNDER SUBSECTION (D) OF THIS~~
 12 ~~SECTION ARE DIVERSE REGARDLESS OF THE RESULTS OF A DISPARITY STUDY DOES~~
 13 NOT DEMONSTRATE A STRONG BASIS IN EVIDENCE OF BUSINESS DISCRIMINATION
 14 AGAINST FIRMS OWNED BY MINORITIES AND WOMEN IN THE MARYLAND CANNABIS
 15 MARKET, THE ~~DIVISION~~ ADMINISTRATION SHALL ENTER EACH APPLICANT THAT
 16 MEETS THE MINIMUM QUALIFICATIONS ESTABLISHED BY THE ~~DIVISION~~
 17 ADMINISTRATION INTO A LOTTERY AND ISSUE TO THE APPLICANTS NOT MORE
 18 THAN:

19 (I) FOR STANDARD LICENSES:

- 20 1. 25 GROWER LICENSES;
- 21 2. 25 PROCESSOR LICENSES; AND
- 22 3. 120 DISPENSARY LICENSES;

23 (II) FOR MICRO LICENSES:

- 24 1. 70 GROWER LICENSES; AND
- 25 2. 70 PROCESSOR LICENSES; AND
- 26 ~~3. 125 DISPENSARY LICENSES;~~

27 (III) 10 INCUBATOR SPACE LICENSES; AND

28 (IV) 15 ON-SITE CONSUMPTION LICENSES.

29 (2) THE ~~DIVISION~~ ADMINISTRATION SHALL DETERMINE WHETHER
 30 AN APPLICATION MEETS THE MINIMUM QUALIFICATIONS FOR A LOTTERY BASED ON
 31 A PASS-FAIL BASIS, AS DETERMINED BY THE ~~DIVISION~~ ADMINISTRATION, AFTER
 32 EVALUATING:

1 (I) A DETAILED OPERATIONAL PLAN FOR THE SAFE, SECURE,
2 AND EFFECTIVE CULTIVATION, MANUFACTURE, OR DISPENSING OF CANNABIS;

3 (II) A BUSINESS PLAN DEMONSTRATING A LIKELIHOOD OF
4 SUCCESS AND SUFFICIENT BUSINESS ABILITY AND EXPERIENCE ON THE PART OF
5 THE APPLICANT, AND PROVIDING FOR APPROPRIATE EMPLOYEE WORKING
6 CONDITIONS; AND

7 (III) A DETAILED DIVERSITY PLAN; ~~AND~~

8 ~~(IV) FOR ALL LICENSE TYPES EXCEPT MICRO LICENSES,
9 WHETHER OR NOT THE APPLICANT QUALIFIES AS A SOCIAL EQUITY APPLICANT.~~

10 (3) ~~SECOND ROUND APPLICATION~~ APPLICATION SUBMISSIONS FOR
11 MICRO LICENSES UNDER THIS SUBSECTION ARE LIMITED TO SOCIAL EQUITY
12 APPLICANTS.

13 ~~(G)~~ (H) (1) FOR CANNABIS LICENSE AWARDS SUBSEQUENT TO THE
14 ROUND SPECIFIED UNDER ~~PARAGRAPH (2)~~ SUBSECTION (F) OR (G) OF THIS
15 ~~SUBSECTION SECTION, THE DIVISION ADMINISTRATION SHALL AWARD LICENSES IN~~
16 ACCORDANCE WITH THIS SUBSECTION.

17 (2) THE ADMINISTRATION SHALL AWARD LICENSES AS NEEDED IN
18 ACCORDANCE WITH A MARKET DEMAND STUDY.

19 ~~(2)~~ (3) THE DIVISION ADMINISTRATION MAY:

20 (I) ~~SHALL DETERMINE WHETHER AN APPLICATION MEETS THE~~
21 ~~MINIMUM QUALIFICATIONS FOR A LOTTERY BASED ON FACTORS THAT IT DEVELOPS;~~
22 ~~AND~~

23 (II) ~~MAY LIMIT SOME OR ALL OF THE LICENSES ISSUED UNDER~~
24 ~~THIS PARAGRAPH TO SOCIAL EQUITY APPLICANTS OR MINORITY BUSINESS~~
25 ~~APPLICANTS, IF DOING SO IS NEEDED TO ENSURE DIVERSITY AND INCLUSION IN THE~~
26 ~~INDUSTRY, AS WARRANTED BY THE DISPARITY STUDY; AND~~

27 (II) EMPLOY REMEDIAL MEASURES, CONSISTENT WITH
28 CONSTITUTIONAL REQUIREMENTS, IF THE ADMINISTRATION, IN CONSULTATION
29 WITH THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS
30 UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE
31 GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE
32 GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, DETERMINES
33 THAT A DISPARITY STUDY DEMONSTRATES A STRONG BASIS IN EVIDENCE OF

BUSINESS DISCRIMINATION AGAINST FIRMS OWNED BY MINORITIES AND WOMEN IN THE MARYLAND CANNABIS MARKET.

(1) (1) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE U.S. CONSTITUTION, A CANNABIS LICENSEE SHALL COMPLY WITH THE STATE'S MINORITY BUSINESS ENTERPRISE PROGRAM.

(2) THE ADMINISTRATION, IN CONSULTATION WITH THE CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER § 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE GENERAL ASSEMBLY, AND THE OFFICE OF THE ATTORNEY GENERAL, SHALL REVIEW THE DISPARITY STUDY REQUIRED BY CHAPTER 26 OF THE ACTS OF 2022 TO EVALUATE WHETHER APPLICATION OF THE STATE'S MINORITY BUSINESS ENTERPRISE PROGRAM TO CANNABIS LICENSES WOULD COMPLY WITH THE CITY OF RICHMOND V. J.A. CROSON CO., 488 U.S. 469, AND ANY SUBSEQUENT FEDERAL OR CONSTITUTIONAL REQUIREMENTS.

(3) ON OR BEFORE 6 MONTHS AFTER THE ISSUANCE OF A CANNABIS LICENSE UNDER § 36-401 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY GENERAL AND THE OFFICE OF SOCIAL EQUITY WITHIN THE ALCOHOL, TOBACCO, AND CANNABIS COMMISSION AND THE CANNABIS LICENSEE, SHALL ESTABLISH A CLEAR PLAN FOR SETTING REASONABLE AND APPROPRIATE MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS AND PROCEDURES FOR THE PROCUREMENT OF GOODS AND SERVICES RELATED TO CANNABIS, INCLUDING THE CULTIVATION, MANUFACTURING, AND DISPENSING OF CANNABIS.

(4) TO THE EXTENT PRACTICABLE, THE GOALS AND PROCEDURES SPECIFIED IN PARAGRAPH (3) OF THIS SUBSECTION SHALL BE BASED ON THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT SUBTITLE.

36-405.

(A) A LOCAL JURISDICTION POLITICAL SUBDIVISION MAY:

(1) ESTABLISH REASONABLE ZONING REQUIREMENTS FOR CANNABIS BUSINESSES; AND

(2) DECIDE HOW TO DISTRIBUTE ITS ALLOCATION OF REVENUE UNDER § 2-1302.2 OF THE TAX - GENERAL ARTICLE.

1 (B) ~~A LOCAL JURISDICTION~~ POLITICAL SUBDIVISION MAY NOT:

2 ~~(1) IMPOSE A TAX ON CANNABIS;~~

3 ~~(2)~~ (1) ESTABLISH ZONING OR OTHER REQUIREMENTS THAT
4 UNDULY BURDEN A CANNABIS LICENSEE;

5 ~~(3)~~ (2) IMPOSE LICENSING, OPERATING, OR OTHER FEES OR
6 REQUIREMENTS ON A CANNABIS LICENSEE THAT ARE DISPROPORTIONATELY
7 GREATER OR MORE BURDENSOME THAN THOSE IMPOSED ON OTHER BUSINESSES
8 WITH A SIMILAR IMPACT ON THE AREA WHERE THE CANNABIS LICENSEE IS
9 LOCATED;

10 (3) PROHIBIT TRANSPORTATION THROUGH OR DELIVERIES WITHIN
11 ~~THE LOCAL JURISDICTION~~ POLITICAL SUBDIVISION BY CANNABIS ~~ESTABLISHMENTS~~
12 BUSINESSES LOCATED IN OTHER JURISDICTIONS POLITICAL SUBDIVISIONS;

13 (4) PREVENT AN ENTITY WHOSE LICENSE MAY BE CONVERTED UNDER
14 § 36-401(B)(1)(II) OF THIS SUBTITLE AND THAT IS IN COMPLIANCE WITH ALL
15 RELEVANT MEDICAL CANNABIS REGULATIONS FROM BEING GRANTED THE LICENSE
16 CONVERSION; OR

17 (5) NEGOTIATE OR ENTER INTO AN AGREEMENT WITH A CANNABIS
18 ~~ESTABLISHMENT OR A CANNABIS ESTABLISHMENT APPLICANT~~ LICENSEE OR AN
19 APPLICANT FOR A CANNABIS LICENSE REQUIRING THAT THE CANNABIS
20 ~~ESTABLISHMENT~~ LICENSEE OR APPLICANT PROVIDE MONEY, DONATIONS,
21 IN-KIND CONTRIBUTIONS, SERVICES, OR ANYTHING OF VALUE TO THE ~~LOCAL~~
22 ~~JURISDICTION~~ POLITICAL SUBDIVISION.

23 (C) THE USE OF A FACILITY BY A CANNABIS LICENSEE IS NOT REQUIRED TO
24 BE SUBMITTED TO, OR APPROVED BY, A COUNTY OR MUNICIPAL ZONING BOARD,
25 AUTHORITY, OR UNIT IF ~~IT~~ THE FACILITY:

26 (1) WAS PROPERLY ZONED AND OPERATING ON OR BEFORE JANUARY
27 1, 2023; OR

28 (2) IS USED BY A GROWER, PROCESSOR, OR DISPENSARY THAT:

29 (I) HELD A STAGE ONE PREAPPROVAL FOR A LICENSE BEFORE
30 OCTOBER 1, 2022; AND

31 (II) WAS NOT OPERATIONAL BEFORE OCTOBER 1, 2022.

1 (D) A POLITICAL SUBDIVISION OR SPECIAL TAXING DISTRICT MAY NOT
2 IMPOSE A TAX ON CANNABIS.

3 **36-406.**

4 (A) ~~THE DIVISION~~ ADMINISTRATION MAY ISSUE INCUBATOR SPACE
5 LICENSES AUTHORIZING ~~AN~~ A NONPROFIT ENTITY TO OPERATE A LICENSED
6 PREMISES IN WHICH MICRO LICENSEES MAY OPERATE A CANNABIS BUSINESS.

7 (B) SUBJECT TO SUBSECTION ~~(C)~~ (D) OF THIS SECTION, THE MARYLAND
8 ECONOMIC DEVELOPMENT CORPORATION, IN CONSULTATION WITH THE ~~DIVISION~~
9 ADMINISTRATION, SHALL ACQUIRE AND CONSTRUCT OR REFURBISH AT LEAST ONE
10 FACILITY TO OPERATE AN INCUBATOR SPACE.

11 (C) AFTER THE COMPLETION OF THE CONSTRUCTION OR REFURBISHMENT
12 OF A FACILITY ACQUIRED UNDER SUBSECTION (B) OF THIS SECTION, OWNERSHIP OF
13 THE FACILITY SHALL BE TRANSFERRED TO THE DEPARTMENT OF GENERAL
14 SERVICES.

15 ~~(C) (D) THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION MAY~~
16 ~~ENTER INTO A MEMORANDUM OF UNDERSTANDING~~ DEPARTMENT OF GENERAL
17 SERVICES SHALL CONTRACT WITH A NONPROFIT ORGANIZATION TO OPERATE A
18 FACILITY UNDER SUBSECTION (B) OF THIS SECTION ~~IF THE DIVISION AND THE~~
19 ~~CORPORATION PROVIDE OVERSIGHT OF THE FACILITY.~~

20 (E) AN INCUBATOR SPACE LICENSEE MAY PURCHASE EQUIPMENT TO BE
21 USED BY OTHER INCUBATOR SPACE LICENSEES IN THE SAME INCUBATOR SPACE.

22 ~~(D)~~ (F) ~~THE DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS TO
23 ESTABLISH A MARYLAND INCUBATOR PROGRAM BASED ON THE BEST PRACTICES IN
24 OTHER STATES.

25 **36-407.**

26 (A) (1) A PERSON SHALL OBTAIN AN ON-SITE CONSUMPTION LICENSE
27 FROM THE ADMINISTRATION BEFORE OPERATING A PREMISES WHERE CANNABIS
28 MAY BE CONSUMED.

29 (2) ~~THE DIVISION~~ ADMINISTRATION MAY ISSUE ON-SITE
30 CONSUMPTION LICENSES AUTHORIZING AN ENTITY TO OPERATE A LICENSED
31 PREMISES ~~IN~~ ON WHICH CANNABIS MAY BE CONSUMED, BUT NOT SMOKED INDOORS,
32 IN ACCORDANCE WITH THIS TITLE AND ANY REGULATIONS ADOPTED UNDER THIS
33 TITLE.

1 ~~(2)~~ **(3)** AN ON-SITE CONSUMPTION ESTABLISHMENT MAY OPERATE
 2 ONLY IF THE COUNTY AND, IF APPLICABLE, THE MUNICIPALITY, WHERE THE
 3 BUSINESS IS LOCATED HAVE ISSUED A PERMIT OR LICENSE THAT EXPRESSLY
 4 ALLOWS THE OPERATION OF THE ON-SITE CONSUMPTION ESTABLISHMENT.

5 **(B)** SUBJECT TO THE LIMITATIONS IN § 36-405 OF THIS SUBTITLE, A
 6 COUNTY AND, IF APPLICABLE, A MUNICIPALITY MAY:

7 **(1)** PROHIBIT THE OPERATION OF ON-SITE CONSUMPTION
 8 ESTABLISHMENTS;

9 **(2)** PROHIBIT OR RESTRICT THE SMOKING OR ~~SMOKING OR~~ VAPING OF
 10 CANNABIS AT ON-SITE CONSUMPTION ESTABLISHMENTS; OR

11 **(3)** ADOPT ZONING AND PLANNING REQUIREMENTS FOR ON-SITE
 12 CONSUMPTION ESTABLISHMENTS.

13 **(C)** **(1)** AN ON-SITE CONSUMPTION LICENSE AUTHORIZES AN ENTITY TO
 14 DISTRIBUTE CANNABIS OR CANNABIS PRODUCTS FOR ON-SITE CONSUMPTION.

15 **(2)** AN ON-SITE CONSUMPTION LICENSE DOES NOT AUTHORIZE THE
 16 HOLDER OF THE LICENSE TO:

17 **(I)** CULTIVATE CANNABIS;

18 **(II)** PROCESS CANNABIS OR CANNABIS-INFUSED PRODUCTS; OR

19 **(III)** ADD CANNABIS TO FOOD PREPARED OR SERVED ON THE
 20 PREMISES.

21 **(D)** A BUSINESS THAT HAS AVERAGE DAILY RECEIPTS FROM THE SALE OF
 22 BAKERY GOODS THAT ARE AT LEAST 50% OF THE AVERAGE DAILY RECEIPTS OF THE
 23 BUSINESS MAY APPLY FOR A LICENSE TO OPERATE AN ON-SITE CONSUMPTION
 24 ESTABLISHMENT. A FOOD SERVICE FACILITY, AS DEFINED IN § 21-301 OF THE
 25 HEALTH GENERAL ARTICLE, MAY APPLY FOR A LICENSE TO OPERATE AN ON-SITE
 26 CONSUMPTION ESTABLISHMENT.

27 ~~(E)~~ **(E)** THE DIVISION ADMINISTRATION SHALL:

28 **(1)** MAINTAIN A LIST OF ALL ON-SITE CONSUMPTION
 29 ESTABLISHMENTS IN THE STATE; AND

30 **(2)** MAKE THE LIST AVAILABLE ON ITS WEBSITE.

1 ~~(F)~~ ~~(E)~~ (F) AN ON-SITE CONSUMPTION ESTABLISHMENT MAY NOT:

2 (1) ALLOW ON-DUTY EMPLOYEES OF THE BUSINESS TO CONSUME
3 CANNABIS ON THE LICENSED PREMISES;

4 (2) DISTRIBUTE OR ALLOW THE DISTRIBUTION OF FREE SAMPLES OF
5 CANNABIS ON THE LICENSED PREMISES;

6 (3) ALLOW THE CONSUMPTION OF ALCOHOL ON THE LICENSED
7 PREMISES;

8 (4) ALLOW THE SMOKING OR VAPING OF TOBACCO OR TOBACCO
9 PRODUCTS ON THE LICENSED PREMISES;

10 (5) ALLOW AN ACTIVITY ON THE LICENSED PREMISES THAT WOULD
11 REQUIRE AN ADDITIONAL LICENSE UNDER THIS TITLE, INCLUDING GROWING,
12 PROCESSING, OR DISPENSING;

13 (6) ALLOW THE INDOOR SMOKING OF CANNABIS OR CANNABIS
14 PRODUCTS ON THE LICENSED PREMISES;

15 (7) ALLOW THE USE OR CONSUMPTION OF CANNABIS BY A PATRON
16 WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION; OR

17 ~~(7)~~ (8) ADMIT ONTO THE LICENSED PREMISES AN INDIVIDUAL WHO
18 IS UNDER THE AGE OF 21 YEARS.

19 ~~(G)~~ ~~(F)~~ (G) AN ON-SITE CONSUMPTION ESTABLISHMENT SHALL:

20 (1) REQUIRE ALL EMPLOYEES TO SUCCESSFULLY COMPLETE AN
21 ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED UNDER THIS
22 TITLE; AND

23 (2) ENSURE THAT THE DISPLAY AND CONSUMPTION OF CANNABIS OR
24 CANNABIS PRODUCTS ARE NOT VISIBLE FROM OUTSIDE OF THE LICENSED
25 PREMISES.

26 ~~(H)~~ ~~(G)~~ (H) (1) AN ON-SITE CANNABIS ESTABLISHMENT SHALL EDUCATE
27 CONSUMERS BY PROVIDING INFORMATIONAL MATERIALS REGARDING THE SAFE
28 CONSUMPTION OF CANNABIS.

29 (2) THE EDUCATIONAL MATERIALS PROVIDED UNDER PARAGRAPH
30 (1) OF THIS SUBSECTION MUST BE BASED ON THE REQUIREMENTS ESTABLISHED BY

1 THE CANNABIS PUBLIC HEALTH ADVISORY COUNCIL ESTABLISHED UNDER §
2 13-4502 OF THE HEALTH – GENERAL ARTICLE.

3 ~~(I)~~ ~~(H)~~ (I) THIS SECTION DOES NOT PROHIBIT A COUNTY OR MUNICIPALITY
4 FROM ADOPTING ADDITIONAL REQUIREMENTS FOR EDUCATION ON THE SAFE
5 CONSUMPTION OF CANNABIS ON THE PREMISES OF A LICENSED ON-SITE
6 CONSUMPTION ESTABLISHMENT.

7 ~~(J)~~ ~~(H)~~ (J) A PERSON MAY HAVE AN OWNERSHIP INTEREST IN OR CONTROL
8 OF, INCLUDING THE POWER TO MANAGE AND OPERATE, TWO ON-SITE
9 CONSUMPTION ESTABLISHMENTS LICENSED UNDER THIS SECTION.

10 36-408.

11 (A) (1) THE ~~DIVISION~~ ADMINISTRATION SHALL REGISTER AT LEAST ONE
12 INDEPENDENT TESTING LABORATORY TO TEST CANNABIS AND CANNABIS PRODUCTS
13 THAT ARE TO BE SOLD IN THE STATE.

14 (2) THE ~~DIVISION~~ ADMINISTRATION SHALL HOLD MEDICAL AND
15 ADULT-USE CANNABIS TESTING TO THE SAME STANDARDS.

16 (B) TO BE REGISTERED AS AN INDEPENDENT TESTING LABORATORY, A
17 LABORATORY MUST:

18 (1) MEET THE APPLICATION REQUIREMENTS ESTABLISHED BY THE
19 ~~DIVISION~~ ADMINISTRATION;

20 (2) PAY AN APPLICATION FEE DETERMINED BY THE ~~DIVISION~~
21 ADMINISTRATION; AND

22 (3) MEET THE STANDARDS AND REQUIREMENTS FOR
23 ACCREDITATION, INSPECTION, AND TESTING ESTABLISHED BY THE ~~DIVISION~~
24 ADMINISTRATION.

25 (C) (1) AN INDEPENDENT TESTING LABORATORY LICENSE IS VALID FOR
26 2 YEARS ON INITIAL LICENSURE.

27 (2) AN INDEPENDENT TESTING LABORATORY LICENSE IS VALID FOR
28 2 YEARS ON RENEWAL.

29 (D) A REGISTERED INDEPENDENT TESTING LABORATORY IS AUTHORIZED
30 TO TEST AND TRANSPORT CANNABIS AND CANNABIS PRODUCTS ON BEHALF OF
31 CANNABIS LICENSEES.

1 (E) (1) A LABORATORY AGENT OR AN EMPLOYEE OF AN INDEPENDENT
2 TESTING LABORATORY MAY NOT RECEIVE DIRECT OR INDIRECT FINANCIAL
3 COMPENSATION, OTHER THAN REASONABLE CONTRACTUAL FEES TO CONDUCT
4 TESTING, FROM ANY ENTITY FOR WHICH IT IS CONDUCTING TESTING UNDER THIS
5 TITLE.

6 (2) AN INDIVIDUAL WHO POSSESSES AN INTEREST IN OR IS A
7 LABORATORY AGENT EMPLOYED BY AN INDEPENDENT TESTING LABORATORY, OR
8 AN IMMEDIATE FAMILY MEMBER OF THE INDIVIDUAL, MAY NOT POSSESS AN
9 INTEREST IN OR BE EMPLOYED BY A CANNABIS LICENSEE.

10 (F) CANNABIS AND CANNABIS PRODUCTS MAY NOT BE SOLD OR OTHERWISE
11 MARKETED UNDER THIS TITLE IF THE CANNABIS OR CANNABIS PRODUCT HAS NOT
12 BEEN TESTED BY AN INDEPENDENT TESTING LABORATORY AND DETERMINED TO
13 MEET THE ~~DIVISION'S~~ ADMINISTRATION'S TESTING PROTOCOLS.

14 (G) THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS THAT
15 ESTABLISH:

16 (1) THE STANDARDS AND REQUIREMENTS TO BE MET BY AN
17 INDEPENDENT TESTING LABORATORY TO OBTAIN A REGISTRATION;

18 (2) THE STANDARDS OF CARE TO BE FOLLOWED BY AN INDEPENDENT
19 TESTING LABORATORY; AND

20 (3) THE BASIS AND PROCESSES FOR DENIAL, REVOCATION, AND
21 SUSPENSION OF A REGISTRATION OF AN INDEPENDENT TESTING LABORATORY.

22 (H) THE ~~DIVISION~~ ADMINISTRATION MAY INSPECT AN INDEPENDENT
23 TESTING LABORATORY REGISTERED UNDER THIS SECTION TO ENSURE COMPLIANCE
24 WITH THIS TITLE AND ANY REGULATIONS ADOPTED UNDER THIS TITLE.

25 (I) (1) ANY REGISTRATION TO OPERATE AN INDEPENDENT TESTING
26 LABORATORY ISSUED BY THE NATALIE M. LAPRADE MEDICAL CANNABIS
27 COMMISSION ON OR BEFORE JULY 1, 2023, SHALL BE VALID UNDER THIS TITLE AND
28 SHALL AUTHORIZE AN INDEPENDENT TESTING LABORATORY TO PERFORM TESTING
29 ON MEDICAL AND ADULT-USE CANNABIS AND CANNABIS PRODUCTS.

30 (2) THE ~~DIVISION~~ ADMINISTRATION SHALL CONVERT ALL
31 INDEPENDENT TESTING LABORATORY REGISTRATIONS IN ACCORDANCE WITH THIS
32 SUBSECTION.

33 36-409.

1 (A) THE FOLLOWING BUSINESSES SHALL REGISTER WITH THE ~~DIVISION~~
2 ADMINISTRATION IN ORDER TO PROVIDE SERVICES TO A CANNABIS LICENSEE:

3 (1) A TRANSPORTER;

4 (2) A SECURITY GUARD AGENCY;

5 (3) A WASTE DISPOSAL COMPANY; AND

6 (4) ANY OTHER TYPE OF CANNABIS BUSINESS THAT IS AUTHORIZED
7 BY THE ~~DIVISION~~ ADMINISTRATION TO PROVIDE PLANT OR PRODUCT-TOUCHING
8 SERVICES TO CANNABIS LICENSEES.

9 (B) THE ~~DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS THAT
10 ESTABLISH:

11 (1) THE STANDARDS AND REQUIREMENTS TO BE MET BY AN ENTITY
12 TO OBTAIN A REGISTRATION UNDER THIS SUBTITLE; AND

13 (2) THE BASIS AND PROCESSES FOR APPROVAL, DENIAL,
14 REVOCATION, AND SUSPENSION OF THE CANNABIS REGISTRATION.

15 (C) A REGISTRATION TO OPERATE A TRANSPORTER, SECURITY GUARD
16 AGENCY, OR WASTE DISPOSAL COMPANY ISSUED BY THE ~~DIVISION~~ NATALIE M.
17 LAPRADE MEDICAL CANNABIS COMMISSION ON OR BEFORE JULY 1, 2023, SHALL
18 BE VALID UNDER THIS TITLE AND AUTHORIZE A TRANSPORTER, SECURITY GUARD
19 AGENCY, OR WASTE DISPOSAL COMPANY TO HANDLE MEDICAL AND ADULT-USE
20 CANNABIS AND CANNABIS PRODUCTS.

21 36-410.

22 (A) BEGINNING JULY 1, 2023, A CANNABIS LICENSEE THAT IS OPERATING A
23 DISPENSARY SHALL:

24 (1) ENSURE THAT IT HAS ADEQUATE SUPPLY FOR QUALIFYING
25 PATIENTS AND CAREGIVERS; ~~AND~~

26 (2) SET ASIDE OPERATING HOURS OR DEDICATED SERVICE LINES TO
27 SERVE ONLY QUALIFYING PATIENTS AND CAREGIVERS; AND

28 (3) ENSURE THAT SHELF SPACE AT LEAST 25% OF CANNABIS AND
29 CANNABIS PRODUCTS IN THE DISPENSARY IS AVAILABLE FOR CANNABIS AND
30 CANNABIS PRODUCTS ARE FROM SOCIAL EQUITY LICENSEES AND GROWERS AND
31 PROCESSORS THAT DO NOT SHARE COMMON OWNERSHIP WITH THE DISPENSARY.

1 **(B) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A**
2 **LICENSED DISPENSARY MAY NOT LOCATE WITHIN:**

3 **(1) 500 FEET OF:**

4 **(I) A PRE-EXISTING PRIMARY OR SECONDARY SCHOOL IN THE**
5 **STATE, OR A LICENSED CHILD CARE CENTER OR REGISTERED FAMILY CHILD CARE**
6 **HOME UNDER TITLE 9.5 OF THE EDUCATION ARTICLE; OR**

7 **(II) A PLAYGROUND, RECREATION CENTER, LIBRARY, OR**
8 **PUBLIC PARK; OR**

9 **(2) 1,000 FEET OF ANOTHER DISPENSARY UNDER THIS TITLE.**

10 **(C) A POLITICAL SUBDIVISION MAY ADOPT AN ORDINANCE REDUCING THE**
11 **DISTANCE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION.**

12 **(D) THE DISTANCE REQUIREMENTS UNDER SUBSECTION (B) OF THIS**
13 **SECTION DO NOT APPLY TO A DISPENSARY LICENSE THAT WAS:**

14 **(1) CONVERTED UNDER § 36-401(B)(1)(II) OF THIS SUBTITLE; AND**

15 **(2) PROPERLY ZONED AND OPERATING BEFORE JULY 1, 2023.**

16 **SUBTITLE 5. AGENT, OWNER, AND LICENSE TRANSFER REQUIREMENTS.**

17 **36-501.**

18 **(A) ~~EACH~~ A CANNABIS AGENT SHALL BE REGISTERED WITH THE ~~DIVISION~~**
19 **ADMINISTRATION BEFORE THE AGENT MAY VOLUNTEER OR WORK FOR A CANNABIS**
20 **LICENSEE OR CANNABIS REGISTRANT.**

21 **(B) A CANNABIS AGENT REGISTRATION IS VALID FOR 2 YEARS.**

22 **(C) ~~TO BE ELIGIBLE TO~~ REGISTER AS A CANNABIS AGENT WITH THE**
23 **~~DIVISION ADMINISTRATION, A CANNABIS AGENT~~ AN INDIVIDUAL MUST:**

24 **(1) BE AT LEAST 21 YEARS OLD; AND**

25 **(2) IF THE RECORDS ARE LEGALLY ACCESSIBLE, OBTAIN A STATE AND**
26 **NATIONAL CRIMINAL HISTORY RECORDS CHECK IN ACCORDANCE WITH § 36-505 OF**
27 **THIS SUBTITLE.**

1 (D) ~~THE DIVISION~~ ADMINISTRATION MAY NOT REGISTER AS A CANNABIS
2 AGENT AN INDIVIDUAL WHO:

3 (1) DOES NOT MEET THE CRITERIA ESTABLISHED UNDER
4 SUBSECTION (C) OF THIS SECTION; OR

5 (2) HAS BEEN CONVICTED OF OR PLEADED NOLO CONTENDERE TO A
6 CRIME INVOLVING MORAL TURPITUDE, WHETHER OR NOT ANY APPEAL OR OTHER
7 PROCEEDING IS PENDING TO HAVE THE CONVICTION OR PLEA SET ASIDE.

8 (E) ~~THE DIVISION~~ ADMINISTRATION MAY NOT DENY A CANNABIS AGENT
9 REGISTRATION BASED ON ANY CANNABIS-RELATED OFFENSES OCCURRING BEFORE
10 ~~JANUARY~~ JULY 1, 2023.

11 (F) A CANNABIS LICENSEE SHALL REQUIRE EACH REGISTERED CANNABIS
12 AGENT TO COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM
13 AUTHORIZED UNDER THIS TITLE.

14 (G) A REGISTRATION OF A CANNABIS AGENT ISSUED BY THE NATALIE M.
15 LAPRADE MEDICAL CANNABIS COMMISSION ON OR BEFORE JULY 1, 2023, SHALL:

16 (1) BE VALID UNDER THIS TITLE; AND

17 (2) AUTHORIZE THE CANNABIS AGENT TO BE EMPLOYED BY OR
18 VOLUNTEER WITH A LICENSED CANNABIS BUSINESS.

19 **36-502.**

20 (A) ~~AN INDIVIDUAL~~ A PERSON WISHING TO HOLD AN OWNERSHIP INTEREST
21 OF 5% OR GREATER IN, OR CONTROL OF, A CANNABIS LICENSEE SHALL SUBMIT TO
22 THE ~~DIVISION~~ ADMINISTRATION:

23 (1) AN APPLICATION THAT INCLUDES THE NAME, ADDRESS, AND DATE
24 OF BIRTH OF THE APPLICANT;

25 (2) A STATEMENT SIGNED BY THE APPLICANT ASSERTING THAT THE
26 APPLICANT HAS NOT PREVIOUSLY HAD A CANNABIS LICENSE OR CANNABIS
27 REGISTRATION SUSPENDED OR REVOKED;

28 (3) A STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK IN
29 ACCORDANCE WITH **§ 36-505** OF THIS SUBTITLE;

30 (4) ANY INFORMATION REQUIRED BY THE ~~DIVISION~~
31 ADMINISTRATION TO COMPLETE AN INVESTIGATION INTO THE BACKGROUND OF

1 THE APPLICANT, INCLUDING FINANCIAL RECORDS AND OTHER INFORMATION
2 RELATING TO THE BUSINESS AFFAIRS OF THE APPLICANT; AND

3 (5) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY THE
4 ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE WITH THIS SUBTITLE.

5 (B) THE ~~DIVISION~~ ADMINISTRATION MAY DENY AN APPLICATION IF:

6 (1) THE APPLICANT:

7 (I) FAILS TO SUBMIT THE INFORMATION REQUIRED UNDER
8 SUBSECTION (A) OF THIS SECTION; OR

9 (II) HAS BEEN CONVICTED OF OR PLEADED NOLO CONTENDERE
10 TO A CRIME INVOLVING MORAL TURPITUDE, WHETHER OR NOT ANY APPEAL OR
11 OTHER PROCEEDING IS PENDING TO HAVE THE CONVICTION OR PLEA SET ASIDE; OR

12 (2) THE ~~DIVISION~~ ADMINISTRATION FINDS A SUBSTANTIAL REASON
13 TO DENY THE REGISTRATION.

14 **36-503.**

15 (A) A CANNABIS LICENSE GRANTED UNDER THIS TITLE IS NOT
16 TRANSFERABLE EXCEPT AS PROVIDED IN THIS SECTION.

17 (B) TO TRANSFER OWNERSHIP OR CONTROL OF A LICENSE ISSUED UNDER
18 THIS TITLE, A LICENSEE:

19 (1) SHALL SUBMIT TO THE ~~DIVISION~~ ADMINISTRATION:

20 (I) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY
21 THE ~~DIVISION~~ ADMINISTRATION IN ACCORDANCE WITH THIS SUBTITLE; AND

22 (II) AN APPLICATION DEVELOPED BY THE ~~DIVISION~~
23 ADMINISTRATION; AND

24 (2) MUST MEET THE REQUIREMENTS FOR TRANSFER OF OWNERSHIP
25 OR CONTROL ESTABLISHED BY THE ~~DIVISION~~ ADMINISTRATION UNDER THIS TITLE.

26 (C) (1) A CANNABIS LICENSEE, INCLUDING A CANNABIS LICENSEE WHOSE
27 LICENSE WAS CONVERTED IN ACCORDANCE WITH § 36-401 OF THIS TITLE, MAY NOT
28 TRANSFER OWNERSHIP OR CONTROL OF THE LICENSE FOR A PERIOD OF AT LEAST 5
29 YEARS FOLLOWING LICENSURE.

1 (2) THE 5-YEAR PERIOD SPECIFIED IN PARAGRAPH (1) OF THIS
2 SUBSECTION DOES NOT INCLUDE THE TIME PERIOD THAT A BUSINESS IS
3 CONSIDERED BY THE ~~DIVISION~~ ADMINISTRATION TO BE IN A PREAPPROVED
4 LICENSURE STATUS.

5 (3) THE LIMITATIONS UNDER THIS SUBSECTION DO NOT APPLY TO
6 TRANSFERS AS A RESULT OF THE DISABILITY, INCAPACITY, OR DEATH OF THE
7 OWNER OF A CANNABIS LICENSE, ~~THE~~ BANKRUPTCY OR RECEIVERSHIP IN
8 ACCORDANCE WITH A LENDING AGREEMENT OF A CANNABIS LICENSEE, OR COURT
9 ORDER.

10 (4) THE LIMITATIONS UNDER THIS SUBSECTION DO NOT APPLY TO A
11 TRANSFER OF OWNERSHIP THAT IS THE SUBJECT OF A LEGALLY BINDING
12 SETTLEMENT AGREEMENT RESULTING FROM LITIGATION COMMENCED ON OR
13 BEFORE JANUARY 1, 2023.

14 **36-504.**

15 (A) (1) IN THIS SECTION, “OWNER” INCLUDES ANY TYPE OF OWNER OR
16 BENEFICIARY OF A BUSINESS ENTITY, INCLUDING A PRINCIPAL OFFICER, A
17 DIRECTOR, A PRINCIPAL EMPLOYEE, A PARTNER, AN INVESTOR, ~~A STOCKHOLDER,~~
18 OR A BENEFICIAL OWNER OF THE BUSINESS ENTITY AND, NOTWITHSTANDING ANY
19 OTHER PROVISION OF THIS SUBTITLE, A PERSON HAVING ANY OWNERSHIP
20 INTEREST REGARDLESS OF THE PERCENTAGE OF OWNERSHIP INTEREST.

21 (2) “OWNER” DOES NOT INCLUDE A STOCKHOLDER.

22 (B) THE PROVISIONS IN THIS SECTION ARE IN ADDITION TO THE CONFLICT
23 OF INTEREST PROVISIONS IN TITLE 5 OF THE GENERAL PROVISIONS ARTICLE.

24 ~~(C)~~ (C) EXCEPT AS PROVIDED IN SUBSECTION ~~(C)~~ (D) OF THIS SECTION, A
25 CONSTITUTIONAL OFFICER OR A SECRETARY OF A PRINCIPAL DEPARTMENT OF THE
26 EXECUTIVE BRANCH OF THE STATE GOVERNMENT MAY NOT:

27 (1) BE AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT
28 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE; OR

29 (2) HAVE AN OFFICIAL RELATIONSHIP WITH A BUSINESS ENTITY THAT
30 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE.

31 ~~(D)~~ (D) A SUBJECT TO THE PROVISIONS OF TITLE 5 OF THE GENERAL
32 PROVISIONS ARTICLE, A CONSTITUTIONAL OFFICER OR A SECRETARY OF A
33 PRINCIPAL DEPARTMENT OF THE EXECUTIVE BRANCH OF THE STATE GOVERNMENT
34 MAY REMAIN AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT HOLDS A

1 LICENSE UNDER THIS TITLE IF THE CONSTITUTIONAL OFFICER OR SECRETARY WAS
2 AN OWNER OR EMPLOYEE OF THE BUSINESS ENTITY BEFORE THE CONSTITUTIONAL
3 OFFICER'S ELECTION OR APPOINTMENT OR THE SECRETARY'S APPOINTMENT.

4 ~~(D)~~ (E) A MEMBER OF THE GENERAL ASSEMBLY MAY NOT:

5 (1) BE AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT
6 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE; OR

7 (2) HAVE AN OFFICIAL RELATIONSHIP WITH A BUSINESS ENTITY THAT
8 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE.

9 ~~(E)~~ (F) A FORMER MEMBER OF THE GENERAL ASSEMBLY, FOR THE
10 1-YEAR PERIOD IMMEDIATELY AFTER THE MEMBER LEAVES OFFICE, MAY NOT:

11 (1) BE AN OWNER OR AN EMPLOYEE OF A BUSINESS ENTITY THAT
12 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE; OR

13 (2) HAVE AN OFFICIAL RELATIONSHIP WITH A BUSINESS ENTITY THAT
14 HOLDS A LICENSE OR REGISTRATION UNDER THIS TITLE.

15 ~~(F)~~ (G) AN EMPLOYEE OF THE ~~DIVISION~~ ADMINISTRATION MAY NOT:

16 (1) HAVE A DIRECT OR INDIRECT FINANCIAL, OWNERSHIP, OR
17 MANAGEMENT INTEREST, INCLUDING OWNERSHIP OF ANY STOCKS, BONDS, OR
18 OTHER SIMILAR FINANCIAL INSTRUMENTS, IN ANY CANNABIS LICENSEE;

19 (2) HAVE AN OFFICIAL RELATIONSHIP WITH A PERSON WHO HOLDS A
20 LICENSE OR REGISTRATION UNDER THIS TITLE;

21 (3) BE AN ELECTED OFFICIAL OF STATE OR LOCAL GOVERNMENT;

22 (4) RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE RECEIPTS
23 OR PROCEEDS OF A CANNABIS LICENSEE; OR

24 (5) HAVE A BENEFICIAL INTEREST IN A CONTRACT FOR THE
25 MANUFACTURE OR SALE OF CANNABIS OR THE PROVISION OF INDEPENDENT
26 CONSULTING SERVICES IN CONNECTION WITH A CANNABIS LICENSE.

27 **36-505.**

28 (A) IN THIS SECTION, "CENTRAL REPOSITORY" MEANS THE CRIMINAL
29 JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY IN THE DEPARTMENT OF
30 PUBLIC SAFETY AND CORRECTIONAL SERVICES.

1 (B) AS PART OF AN APPLICATION TO THE CENTRAL REPOSITORY FOR A
2 STATE AND NATIONAL CRIMINAL HISTORY RECORDS CHECK, AN APPLICANT SHALL
3 SUBMIT TO THE CENTRAL REPOSITORY:

4 (1) TWO COMPLETE SETS OF LEGIBLE FINGERPRINTS TAKEN ON
5 FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE
6 DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

7 (2) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL
8 PROCEDURE ARTICLE FOR ACCESS TO STATE CRIMINAL HISTORY RECORDS; AND

9 (3) THE PROCESSING FEE REQUIRED BY THE FEDERAL BUREAU OF
10 INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY RECORDS CHECK.

11 (C) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-228 OF THE CRIMINAL
12 PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE
13 ~~DIVISION~~ ADMINISTRATION AND TO THE APPLICANT THE APPLICANT'S CRIMINAL
14 HISTORY RECORD INFORMATION.

15 (D) IF AN APPLICANT HAS MADE TWO OR MORE UNSUCCESSFUL ATTEMPTS
16 AT SECURING LEGIBLE FINGERPRINTS, THE ~~DIVISION~~ ADMINISTRATION MAY
17 ACCEPT AN ALTERNATE METHOD OF A CRIMINAL HISTORY RECORDS CHECK AS
18 PERMITTED BY THE DIRECTOR OF THE CENTRAL REPOSITORY AND THE DIRECTOR
19 OF THE FEDERAL BUREAU OF INVESTIGATION.

20 (E) INFORMATION OBTAINED FROM THE CENTRAL REPOSITORY UNDER
21 THIS SECTION SHALL BE:

22 (1) CONFIDENTIAL AND MAY NOT BE REDISSEMINATED; AND

23 (2) USED ONLY FOR THE PURPOSE OF REGISTRATION UNDER THIS
24 TITLE.

25 (F) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER THIS
26 SECTION MAY CONTEST THE CRIMINAL HISTORY RECORD INFORMATION
27 DISSEMINATED BY THE CENTRAL REPOSITORY, AS PROVIDED IN § 10-223 OF THE
28 CRIMINAL PROCEDURE ARTICLE.

29 SUBTITLE 6. MEDICAL CANNABIS COMPASSIONATE USE FUND AND PROGRAM.

30 36-601.

1 (A) IN THIS SECTION, "FUND" MEANS THE MEDICAL CANNABIS
2 COMPASSIONATE USE FUND.

3 (B) THERE IS A MEDICAL CANNABIS COMPASSIONATE USE FUND.

4 ~~(B)~~ (C) (1) ~~THE DIVISION ADMINISTRATION~~ SHALL:

5 (I) ADMINISTER THE ~~COMPASSIONATE USE~~ FUND; AND

6 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
7 ESTABLISH FEES IN AN AMOUNT NECESSARY TO PROVIDE REVENUES FOR THE
8 PURPOSES OF THE ~~COMPASSIONATE USE~~ FUND.

9 (2) ~~THE DIVISION ADMINISTRATION~~ MAY NOT IMPOSE THE FEES
10 ESTABLISHED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION ON A LICENSED
11 MEDICAL CANNABIS GROWER, PROCESSOR, OR DISPENSARY ~~DURING THE 2-YEAR~~
12 ~~PERIOD IMMEDIATELY FOLLOWING THE ISSUANCE OF A LICENSE~~ BEFORE THE
13 GROWER, PROCESSOR, OR DISPENSARY IS AN OPERATIONAL CANNABIS LICENSEE
14 UNDER THIS TITLE.

15 ~~(C)~~ (D) THE PURPOSE OF THE ~~COMPASSIONATE USE~~ FUND IS TO
16 PROVIDE ACCESS TO CANNABIS FOR INDIVIDUALS ENROLLED IN THE MARYLAND
17 MEDICAL ASSISTANCE PROGRAM OR IN THE VETERANS AFFAIRS MARYLAND
18 HEALTH CARE SYSTEM, INCLUDING ACCESS TO, AT A REDUCED COST:

19 (1) AN ASSESSMENT OF THE PATIENT'S MEDICAL HISTORY AND
20 CURRENT MEDICAL CONDITION; AND

21 (2) MEDICAL CANNABIS FROM A LICENSED DISPENSARY.

22 ~~(D)~~ (E) (1) THE ~~COMPASSIONATE USE~~ FUND IS A SPECIAL,
23 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
24 PROCUREMENT ARTICLE.

25 (2) THE STATE TREASURER SHALL HOLD THE ~~COMPASSIONATE USE~~
26 FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE
27 ~~COMPASSIONATE USE~~ FUND.

28 ~~(3) THE COMPASSIONATE USE FUND SHALL BE INVESTED AND~~
29 ~~REINVESTED IN THE SAME MANNER AS OTHER STATE FUNDS, AND ANY INVESTMENT~~
30 ~~EARNINGS SHALL BE RETAINED TO THE CREDIT OF THE COMPASSIONATE USE~~
31 ~~FUND.~~

32 (F) THE FUND CONSISTS OF:

1 **(1) FEES ESTABLISHED UNDER SUBSECTION (C)(1)(II) OF THIS**
 2 **SECTION;**

3 **(2) FINES ASSESSED BY THE ADMINISTRATION UNDER THIS TITLE;**

4 **(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

5 **(4) INTEREST EARNINGS; AND**

6 **(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
 7 **THE BENEFIT OF THE FUND.**

8 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
 9 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

10 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
 11 **THE FUND.**

12 ~~**(4) (H) THE COMPASSIONATE USE FUND SHALL BE SUBJECT TO AN**~~
 13 ~~**AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF**~~
 14 ~~**THE STATE GOVERNMENT ARTICLE.**~~

15 ~~**(5) (I) THE COMPTROLLER SHALL PAY OUT MONEY FROM THE**~~
 16 ~~**COMPASSIONATE USE FUND AS DIRECTED BY THE DIVISION ADMINISTRATION.**~~

17 ~~**(E) (J) NO PART OF THE COMPASSIONATE USE FUND MAY REVERT OR BE**~~
 18 ~~**CREDITED TO:**~~

19 **(1) THE GENERAL FUND OF THE STATE; OR**

20 **(2) ANY OTHER SPECIAL FUND OF THE STATE.**

21 ~~**(F) (K) EXPENDITURES FROM THE COMPASSIONATE USE FUND MAY BE**~~
 22 ~~**MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.**~~

23 ~~**(G) (L) THE DIVISION ADMINISTRATION SHALL ADOPT REGULATIONS TO**~~
 24 ~~**CARRY OUT THIS SECTION.**~~

25 **SUBTITLE 7. CANNABIS RESEARCH AND DEVELOPMENT.**

26 **36-701.**

1 (A) (1) AN INSTITUTION OF HIGHER EDUCATION, A RELATED MEDICAL
2 FACILITY, OR AN AFFILIATED BIOMEDICAL RESEARCH FIRM MAY REGISTER WITH
3 THE ~~DIVISION~~ ADMINISTRATION TO PURCHASE CANNABIS FOR THE PURPOSE OF
4 CONDUCTING A BONA FIDE RESEARCH PROJECT RELATING TO THE USES,
5 PROPERTIES, OR COMPOSITION OF CANNABIS.

6 (2) A REGISTRATION FILED UNDER PARAGRAPH (1) OF THIS
7 SUBSECTION SHALL INCLUDE:

8 (I) THE NAME OF THE PRIMARY RESEARCHER;

9 (II) THE EXPECTED DURATION OF THE RESEARCH PROJECT;

10 AND

11 (III) THE PRIMARY OBJECTIVES OF THE RESEARCH PROJECT.

12 (3) A REGISTRATION FILED UNDER PARAGRAPH (1) OF THIS
13 SUBSECTION SHALL REMAIN VALID UNTIL THERE IS A CHANGE IN THE RESEARCH
14 PROJECT OR A WITHDRAWAL OF THE REGISTRATION.

15 (B) AN ACADEMIC RESEARCH REPRESENTATIVE MAY PURCHASE CANNABIS
16 FROM A LICENSED DISPENSARY OR A SUPPLIER OF CANNABIS THAT IS LICENSED BY
17 ANY FEDERAL AGENCY TO SUPPLY CANNABIS TO RESEARCHERS.

18 (C) AN ACADEMIC RESEARCH REPRESENTATIVE MAY NOT BE PENALIZED OR
19 ARRESTED UNDER STATE LAW FOR ACQUIRING, POSSESSING, OR DISPENSING
20 CANNABIS, PRODUCTS CONTAINING CANNABIS, RELATED SUPPLIES, OR
21 EDUCATIONAL MATERIALS FOR USE IN A BONA FIDE RESEARCH PROJECT RELATING
22 TO THE USES, PROPERTIES, OR COMPOSITION OF CANNABIS.

23 (D) THE ~~DIVISION~~ ADMINISTRATION MAY ADOPT REGULATIONS TO
24 IMPLEMENT THIS SECTION.

25 **36-702.**

26 (A) THE ~~DIVISION~~ ADMINISTRATION MAY REGISTER AN ENTITY TO GROW,
27 PROCESS, TEST, AND TRANSFER CANNABIS FOR THE PURPOSES OF RESEARCH AND
28 DEVELOPMENT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION.

29 (B) A REGISTRATION ISSUED UNDER SUBSECTION (A) OF THIS SECTION
30 AUTHORIZES THE REGISTRANT ONLY TO:

31 (1) TEST CHEMICAL POTENCY AND COMPOSITION LEVELS;

1 (2) CONDUCT CLINICAL INVESTIGATIONS OF CANNABIS-DERIVED
2 MEDICINAL PRODUCTS;

3 (3) CONDUCT RESEARCH ON THE EFFICACY AND SAFETY OF
4 ADMINISTERING CANNABIS AS PART OF MEDICAL TREATMENT;

5 (4) CONDUCT GENOMIC, HORTICULTURAL, OR AGRICULTURAL
6 RESEARCH; AND

7 (5) CONDUCT RESEARCH ON CANNABIS-AFFILIATED PRODUCTS OR
8 SYSTEMS.

9 (C) TO OBTAIN A RESEARCH AND DEVELOPMENT REGISTRATION, AN
10 APPLICANT SHALL SUBMIT TO THE ~~DIVISION~~ ADMINISTRATION:

11 (1) AN APPLICATION FEE IN AN AMOUNT TO BE DETERMINED BY THE
12 ~~DIVISION~~ ADMINISTRATION; AND

13 (2) AN APPLICATION DEVELOPED BY THE ~~DIVISION~~
14 ADMINISTRATION.

15 (D) AN APPLICANT FOR A RESEARCH AND DEVELOPMENT REGISTRATION
16 MUST MEET THE REGISTRATION STANDARDS AND REQUIREMENTS ESTABLISHED BY
17 THE ~~DIVISION~~ ADMINISTRATION.

18 (E) (1) A RESEARCH AND DEVELOPMENT REGISTRATION IS VALID FOR AN
19 INITIAL TERM OF 2 YEARS.

20 (2) A RESEARCH AND DEVELOPMENT REGISTRATION IS VALID FOR 2
21 YEARS ON RENEWAL.

22 (F) A RESEARCH AND DEVELOPMENT REGISTRANT MAY TRANSFER, BY SALE
23 OR DONATION, CANNABIS GROWN WITHIN ITS OPERATION ONLY TO OTHER
24 RESEARCH AND DEVELOPMENT REGISTRANTS.

25 (G) A RESEARCH AND DEVELOPMENT REGISTRANT MAY CONTRACT TO
26 PERFORM RESEARCH IN CONJUNCTION WITH A PUBLIC HIGHER EDUCATION
27 RESEARCH INSTITUTION OR ANOTHER RESEARCH AND DEVELOPMENT REGISTRANT.

28 SUBTITLE 8. REPORTS.

29 36-801.

1 (A) ~~ON OR BEFORE JUNE 30 EACH YEAR, EACH ENTITY LICENSED OR~~
2 ~~REGISTERED UNDER THIS TITLE SHALL REPORT TO THE DIVISION ON AUGUST 1~~
3 ~~EACH YEAR, EACH CANNABIS LICENSEE AND CANNABIS REGISTRANT SHALL REPORT~~
4 ~~TO THE ADMINISTRATION INFORMATION DETERMINED BY THE ADMINISTRATION TO~~
5 ~~BE NECESSARY TO CONTINUE TO ASSESS THE NEED FOR REMEDIAL MEASURES IN~~
6 ~~THE CANNABIS INDUSTRY AND MARKET, INCLUDING:~~

7 (1) THE NUMBER OF MINORITY AND WOMEN OWNERS OF THE
8 CANNABIS LICENSEE OR CANNABIS REGISTRANT;

9 (2) THE OWNERSHIP INTEREST OF ANY MINORITY AND WOMEN
10 OWNERS OF THE CANNABIS LICENSEE OR CANNABIS REGISTRANT; ~~AND~~

11 (3) THE NUMBER OF MINORITY AND WOMEN EMPLOYEES OF THE
12 CANNABIS LICENSEE OR CANNABIS REGISTRANT;

13 (4) A LIST OF THE CANNABIS LICENSEE'S OR CANNABIS
14 REGISTRANT'S EXPENDITURES FOR THE PRIOR STATE FISCAL YEAR; AND

15 (5) FOR EACH EXPENDITURE:

16 (I) A DESCRIPTION OF THE WORK PERFORMED;

17 (II) THE DOLLAR VALUE OF THE EXPENDITURE;

18 (III) WHETHER THE WORK WAS PERFORMED BY THE CANNABIS
19 LICENSEE OR CANNABIS REGISTRANT OR A CONTRACTOR OR SUBCONTRACTOR; AND

20 (IV) IF THE WORK WAS PERFORMED BY A CONTRACTOR OR
21 SUBCONTRACTOR, THE NAME OF THE ENTITY THAT PERFORMED THE WORK.

22 (B) ALL DATA PROVIDED BY A CANNABIS LICENSEE OR CANNABIS
23 REGISTRANT UNDER SUBSECTION (A)(4) AND (5) OF THIS SECTION:

24 (1) SHALL CONSTITUTE CONFIDENTIAL COMMERCIAL AND
25 FINANCIAL INFORMATION AND BE TREATED AS CONFIDENTIAL BY THE
26 ADMINISTRATION AND THE STATE; AND

27 (2) MAY BE USED ONLY FOR THE PURPOSES AUTHORIZED UNDER THIS
28 SECTION AND MAY ONLY BE DISCLOSED TO THE PUBLIC IN AN ANONYMIZED OR
29 AGGREGATED FORMAT.

30 (C) ON OR BEFORE AUGUST 15 EACH YEAR, THE ADMINISTRATION SHALL
31 PROVIDE THE DATA COLLECTED UNDER SUBSECTION (A) OF THIS SECTION TO THE

1 CERTIFICATION AGENCY DESIGNATED BY THE BOARD OF PUBLIC WORKS UNDER §
 2 14-303(B) OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

3 ~~(B)~~ (D) ON OR BEFORE JANUARY 1 EACH YEAR, THE ~~DIVISION~~
 4 ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
 5 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE INFORMATION
 6 REPORTED UNDER SUBSECTION ~~(A)~~ (A)(1) THROUGH (3) OF THIS SECTION.

7 36-802.

8 ON OR BEFORE JANUARY 1 EACH ~~ODD-NUMBERED~~ YEAR, THE ~~DIVISION~~
 9 ADMINISTRATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
 10 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON:

11 (1) THE AMOUNT OF CANNABIS CULTIVATED, PROCESSED, AND
 12 DISPENSED BY STANDARD AND MICRO LICENSEES; AND

13 (2) WHETHER THE SUPPLY OF CANNABIS IS ADEQUATE TO MEET THE
 14 DEMAND FOR CANNABIS AND CANNABIS PRODUCTS.

15 36-803.

16 THE ~~DIVISION~~ ADMINISTRATION SHALL PUBLISH THE FOLLOWING DATA,
 17 ORGANIZED BY MONTH, ON A ROLLING BASIS AND ON A PUBLICLY ACCESSIBLE PART
 18 OF THE ~~COMMISSION'S~~ ADMINISTRATION'S WEBSITE:

19 (1) THE NUMBER OF PATIENTS, CAREGIVERS, AND PROVIDERS
 20 CERTIFIED UNDER THIS TITLE;

21 (2) THE WHOLESALE AND RETAIL SALES OF MEDICAL AND ADULT-USE
 22 CANNABIS, MEASURED BY REVENUE AND VOLUME; AND

23 (3) THE MEDIAN CONSUMER PRICE FOR CANNABIS AND CANNABIS
 24 PRODUCTS.

25 SUBTITLE 9. ADVERTISING.

26 36-901.

27 (A) IN THIS SUBTITLE, "ADVERTISEMENT" MEANS THE PUBLICATION,
 28 DISSEMINATION, OR CIRCULATION OF ANY AUDITORY, VISUAL, DIGITAL, ORAL, OR
 29 WRITTEN MATTER, INCLUDING LABELING, PACKAGING, AND BRANDING, WHICH IS
 30 DIRECTLY OR INDIRECTLY CALCULATED TO INDUCE THE SALE OF CANNABIS OR ANY
 31 CANNABIS-RELATED PRODUCT OR SERVICE.

1 **(B) "ADVERTISEMENT" DOES NOT INCLUDE PACKAGING OR LABELING.**

2 **36-902.**

3 ~~**(A) ADVERTISEMENTS AN ADVERTISEMENT FOR MEDICAL CANNABIS AND**~~
 4 ~~**MEDICAL CANNABIS PRODUCTS OR MEDICAL CANNABIS-RELATED SERVICES THAT**~~
 5 ~~**MAKE MAKES THERAPEUTIC OR MEDICAL CLAIMS SHALL:**~~

6 ~~**(1) BE SUPPORTED BY SUBSTANTIAL CLINICAL EVIDENCE OR**~~
 7 ~~**SUBSTANTIAL CLINICAL DATA COMPETENT AND RELIABLE SCIENTIFIC EVIDENCE;**~~
 8 ~~**AND**~~

9 ~~**(2) INCLUDE INFORMATION ON THE MOST SIGNIFICANT SERIOUS AND**~~
 10 ~~**MOST COMMON SIDE EFFECTS OR RISKS ASSOCIATED WITH THE USE OF CANNABIS.**~~

11 ~~**(B) ADVERTISEMENTS AN ADVERTISEMENT FOR MEDICAL CANNABIS OR**~~
 12 ~~**MEDICAL CANNABIS PRODUCTS SHALL INCLUDE A STATEMENT THAT THE PRODUCT**~~
 13 ~~**IS FOR USE ONLY BY A QUALIFYING PATIENT.**~~

14 ~~**(C) ADVERTISEMENTS FOR A CANNABIS PRODUCT, CANNABIS RELATED**~~
 15 ~~**PRODUCTS, OR SERVICES MAY NOT INCLUDE HEALTH, THERAPEUTIC, OR**~~
 16 ~~**MEDICINAL CLAIMS.**~~

17 ~~**36-902.**~~ **36-903.**

18 **(A) (1) THIS SUBSECTION DOES NOT APPLY TO AN ADVERTISEMENT**
 19 **PLACED ON PROPERTY OWNED OR LEASED BY A DISPENSARY, GROWER, OR**
 20 **PROCESSOR.**

21 **(2) AN ADVERTISEMENT FOR A CANNABIS LICENSEE, CANNABIS**
 22 **PRODUCT, OR CANNABIS-RELATED SERVICE MAY NOT:**

23 ~~**(1) (I) MAKE A STATEMENT THAT IS FALSE OR MISLEADING IN A**~~
 24 ~~**MATERIAL WAY OR IS OTHERWISE A VIOLATION OF VIOLATE**~~ **TITLE 13, SUBTITLE 3**
 25 **OF THE COMMERCIAL LAW ARTICLE;**

26 ~~**(2) (II) DIRECTLY OR INDIRECTLY TARGET INDIVIDUALS UNDER**~~
 27 ~~**THE AGE OF 21 YEARS OR TAKE ANY ACTION TO INITIATE, MAINTAIN, OR INCREASE**~~
 28 ~~**THE INCIDENCE OF CANNABIS USE BY INDIVIDUALS UNDER THE AGE OF 21 YEARS;**~~

29 **(III) CONTAIN A DESIGN, AN ILLUSTRATION, A PICTURE, OR A**
 30 **REPRESENTATION THAT:**

1 ~~(I)~~ 1. **TARGETS OR IS ATTRACTIVE TO MINORS, INCLUDING**
2 **A CARTOON CHARACTER, A MASCOT, OR ANY OTHER DEPICTION THAT IS COMMONLY**
3 **USED TO MARKET PRODUCTS TO MINORS;**

4 ~~(II)~~ 2. **DISPLAYS THE USE OF CANNABIS, INCLUDING THE**
5 **CONSUMPTION, SMOKING, OR VAPING OF CANNABIS;**

6 ~~(III)~~ 3. **ENCOURAGES OR PROMOTES CANNABIS FOR USE AS**
7 **AN INTOXICANT; OR**

8 ~~(IV)~~ 4. **IS OBSCENE;**

9 ~~(3)~~ (IV) **ENGAGE IN ADVERTISING BY MEANS OF TELEVISION, RADIO,**
10 **INTERNET, MOBILE APPLICATION, SOCIAL MEDIA, OR OTHER ELECTRONIC**
11 **COMMUNICATION, OR PRINT PUBLICATION, UNLESS AT LEAST 85% OF THE**
12 **AUDIENCE IS REASONABLY EXPECTED TO BE AT LEAST 21 YEARS OLD AS**
13 **DETERMINED BY RELIABLE AND CURRENT AUDIENCE COMPOSITION DATA; OR**

14 ~~(4)~~ (V) **ENGAGE IN ADVERTISING BY MEANS OF PLACING AN**
15 **ADVERTISEMENT ON THE SIDE OF A BUILDING OR ANOTHER PUBLICLY VISIBLE**
16 **LOCATION OF ANY FORM, INCLUDING A SIGN, A POSTER, A PLACARD, A DEVICE, A**
17 **GRAPHIC DISPLAY, AN OUTDOOR BILLBOARD, OR A FREESTANDING SIGNBOARD.**

18 **(B) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
19 **EACH CANNABIS-RELATED WEBSITE ~~OWNED, MANAGED, OR OPERATED BY A~~**
20 **~~CANNABIS LICENSEE~~ SHALL EMPLOY A NEUTRAL AGE-SCREENING MECHANISM**
21 **THAT VERIFIES THAT THE USER IS AT LEAST 21 YEARS OLD, INCLUDING BY USING AN**
22 **AGE-GATE, AGE-SCREEN, OR AGE VERIFICATION MECHANISM BEFORE THE USER**
23 **MAY ACCESS OR VIEW ANY CONTENT AND BEFORE THE WEBSITE MAY COLLECT THE**
24 **USER'S ADDRESS, E-MAIL ADDRESS, PHONE NUMBER, OR CONTACT INFORMATION**
25 **TO DISSEMINATE ADVERTISEMENTS.**

26 **(II) IF A WEBSITE IS APPROPRIATE FOR A QUALIFYING PATIENT**
27 **WHO IS UNDER THE AGE OF 21 YEARS, THE WEBSITE SHALL PROVIDE AN**
28 **ALTERNATIVE SCREENING MECHANISM FOR THE QUALIFYING PATIENT.**

29 **(2) AN ADVERTISEMENT PLACED ON SOCIAL MEDIA OR A MOBILE**
30 **APPLICATION SHALL INCLUDE A NOTIFICATION THAT AN INDIVIDUAL MUST BE AT**
31 **LEAST 21 YEARS OLD TO VIEW THE CONTENT.**

32 **(3) THE PROVISIONS OF THIS SUBTITLE APPLICABLE TO CANNABIS**
33 **LICENSEES MAY NOT BE AVOIDED BY HIRING OR CONTRACTING WITH A**
34 **THIRD-PARTY, OR OUTSOURCING ADVERTISEMENTS THAT DO NOT COMPLY WITH**
35 **THIS SUBTITLE.**

1 (4) A CANNABIS LICENSEE MAY NOT ~~PERMIT~~ ALLOW THE USE OF THE
 2 LICENSEE'S TRADEMARKS, BRANDS, NAMES, LOCATIONS, OR OTHER
 3 DISTINGUISHING CHARACTERISTICS FOR THIRD-PARTY USE FOR ADVERTISEMENTS
 4 THAT ~~DOES~~ DO NOT COMPLY WITH THIS SUBTITLE.

5 (C) ~~THE DIVISION ADMINISTRATION AND THE OFFICE OF THE ATTORNEY~~
 6 ~~GENERAL'S CONSUMER PROTECTION DIVISION~~ SHALL ADOPT REGULATIONS TO
 7 ESTABLISH:

8 ~~(1) PROCEDURES FOR THE ENFORCEMENT OF THIS SECTION; AND~~

9 ~~(2) A PROCESS FOR AN INDIVIDUAL TO VOLUNTARILY SUBMIT AN~~
 10 ~~ADVERTISEMENT TO THE DIVISION FOR AN ADVISORY OPINION ON WHETHER THE~~
 11 ~~ADVERTISEMENT COMPLIES WITH THE RESTRICTIONS ON ADVERTISEMENTS FOR~~
 12 ~~CANNABIS, CANNABIS PRODUCTS, EDIBLE CANNABIS PRODUCTS, AND~~
 13 ~~CANNABIS RELATED SERVICES.~~

14 SUBTITLE 10. RESPONSIBLE VENDOR TRAINING PROGRAM.

15 36-1001.

16 (A) ~~IF A PERSON WOULD LIKE TO~~ TO OFFER A RESPONSIBLE MEDICAL OR
 17 ADULT-USE CANNABIS VENDOR, SERVER, AND SELLER TRAINING PROGRAM, ~~THE~~ A
 18 PERSON ~~MUST~~ MUST SHALL SUBMIT AN APPLICATION TO THE ~~DIVISION~~ DIVISION ADMINISTRATION.

19 (B) ~~THE DIVISION ADMINISTRATION~~ SHALL APPROVE THE APPLICATION IF
 20 THE PROPOSED TRAINING PROGRAM MEETS THE MINIMUM EDUCATIONAL
 21 STANDARDS ESTABLISHED UNDER SUBSECTION (C) OF THIS SECTION.

22 (C) AT A MINIMUM, A TRAINING PROGRAM MUST:

23 (1) BE TAUGHT IN A CLASSROOM OR VIRTUAL SETTING FOR AT LEAST
 24 A 2-HOUR PERIOD;

25 (2) ESTABLISH PROGRAM STANDARDS, INCLUDING CERTIFICATION
 26 AND RECERTIFICATION REQUIREMENTS, RECORD KEEPING, TESTING AND
 27 ASSESSMENT PROTOCOLS, AND EFFECTIVENESS EVALUATIONS; AND

28 (3) PROVIDE A CORE CURRICULUM OF RELEVANT STATUTORY AND
 29 REGULATORY PROVISIONS, WHICH SHALL INCLUDE:

30 (I) INFORMATION ON REQUIRED LICENSES, AGE
 31 REQUIREMENTS, PATIENT REGISTRY CARDS ISSUED BY THE ~~DIVISION~~

1 ADMINISTRATION, MAINTENANCE OF RECORDS, PRIVACY ISSUES, AND UNLAWFUL
2 ACTS;

3 (II) ADMINISTRATIVE AND CRIMINAL LIABILITY AND LICENSE
4 AND COURT SANCTIONS;

5 (III) STATUTORY AND REGULATORY REQUIREMENTS FOR
6 EMPLOYEES AND OWNERS;

7 (IV) STATUTORY AND REGULATORY REQUIREMENTS RELATED
8 TO CANNABIS SALE, TRANSFER, AND DELIVERY;

9 (V) ACCEPTABLE FORMS OF IDENTIFICATION, INCLUDING
10 PATIENT AND CAREGIVER IDENTIFICATION CARDS;

11 (VI) STATE AND LOCAL LICENSING AND ENFORCEMENT; AND

12 (VII) INFORMATION ON SERVING SIZE, THC AND CANNABINOID
13 POTENCY, AND IMPAIRMENT.

14 **36-1002.**

15 ~~THE DIVISION~~ ADMINISTRATION SHALL ADOPT REGULATIONS ESTABLISHING
16 THE RESPONSIBLE VENDOR TRAINING PROGRAM AND THE MINIMUM STANDARDS
17 FOR THE PROGRAM.

18 **36-1003.**

19 A PROVIDER OF AN APPROVED TRAINING PROGRAM SHALL:

20 (1) MAINTAIN ITS TRAINING RECORDS AT ITS PRINCIPAL PLACE OF
21 BUSINESS FOR AT LEAST 4 YEARS; AND

22 (2) MAKE THE RECORDS AVAILABLE FOR INSPECTION BY THE
23 ~~DIVISION~~ ADMINISTRATION.

24 SUBTITLE 11. PROHIBITED ACTS.

25 **36-1101.**

26 (A) A CANNABIS LICENSEE MAY NOT SELL, TRANSFER, OR DELIVER
27 CANNABIS OR CANNABIS PRODUCTS UNLESS THE LICENSEE VERIFIES BY MEANS OF
28 A VALID DRIVER'S LICENSE OR OTHER GOVERNMENT-ISSUED PHOTO
29 IDENTIFICATION CONTAINING THE BEARER'S DATE OF BIRTH THAT:

1 (1) FOR ADULT-USE CANNABIS, THE CONSUMER IS AT LEAST 21
2 YEARS OLD; OR

3 (2) FOR MEDICAL CANNABIS, THE PATIENT OR CAREGIVER IS:

4 (I) REGISTERED WITH THE ~~DIVISION~~ ADMINISTRATION; AND

5 (II) AT LEAST 18 YEARS OLD.

6 (B) (1) ~~(I)~~ A EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
7 PARAGRAPH, A LICENSEE THAT SELLS, TRANSFERS, OR DELIVERS CANNABIS OR
8 CANNABIS PRODUCTS IN VIOLATION OF SUBSECTION (A) OF THIS SECTION IS
9 SUBJECT TO A CIVIL PENALTY OF:

10 ~~(I)~~ 1. \$500 FOR A FIRST VIOLATION;

11 ~~(II)~~ 2. \$1,000 FOR A SECOND VIOLATION OCCURRING
12 WITHIN 24 MONTHS AFTER THE FIRST VIOLATION; AND

13 ~~(III)~~ 3. \$5,000 FOR EACH SUBSEQUENT VIOLATION
14 OCCURRING WITHIN 24 MONTHS AFTER THE IMMEDIATELY PRECEDING VIOLATION.

15 (II) A VIOLATION OF SUBSECTION (A) OF THIS SECTION THAT
16 OCCURS MORE THAN 24 MONTHS AFTER THE IMMEDIATELY PRECEDING VIOLATION
17 SHALL BE TREATED AS A FIRST VIOLATION.

18 (2) ~~THE DIVISION ADMINISTRATION~~ MAY DENY A CANNABIS LICENSE
19 TO AN APPLICANT, REPRIMAND A CANNABIS LICENSEE, OR SUSPEND OR REVOKE A
20 CANNABIS LICENSE IF THE APPLICANT OR LICENSEE VIOLATES SUBSECTION (A) OF
21 THIS SECTION TWO OR MORE TIMES IN A 24-MONTH PERIOD.

22 (3) IN A HEARING FOR AN ALLEGED VIOLATION OF THIS SECTION, IT
23 IS A DEFENSE THAT AN AGENT OF THE DEFENDANT EXAMINED THE CONSUMER'S,
24 PATIENT'S, OR CAREGIVER'S DRIVER'S LICENSE OR OTHER VALID IDENTIFICATION
25 ISSUED BY A GOVERNMENTAL UNIT THAT POSITIVELY IDENTIFIED THE CONSUMER,
26 PATIENT, OR CAREGIVER AS MEETING THE MINIMUM AGE SPECIFIED IN SUBSECTION
27 (A) OF THIS SECTION.

28 (C) (1) A CANNABIS LICENSEE MAY NOT:

29 (I) SELL, TRANSFER, OR DELIVER CANNABIS TO AN INDIVIDUAL
30 WHO IS VISIBLY INTOXICATED; ~~OR~~

1 (II) OFFER CANNABIS OR CANNABIS PRODUCTS AS A PRIZE,
2 PREMIUM, OR CONSIDERATION FOR A LOTTERY, CONTEST, GAME OF CHANCE, GAME
3 OF SKILL, OR COMPETITION OF ANY KIND; OR

4 (III) CONDUCT DIRECT-TO-CONSUMER INTERNET SALES OF
5 ADULT-USE CANNABIS ON OR BEFORE JULY 1, 2025.

6 (2) A CANNABIS LICENSEE THAT VIOLATES PARAGRAPH (1) OF THIS
7 SUBSECTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000, SUSPENSION OR
8 REVOCATION OF A LICENSE, OR BOTH.

9 36-1102.

10 (A) ~~THIS TITLE MAY NOT BE CONSTRUED TO AUTHORIZE AN INDIVIDUAL TO:~~

11 (1) ~~OPERATE, NAVIGATE, OR BE IN ACTUAL PHYSICAL CONTROL OF A~~
12 ~~MOTOR VEHICLE, AIRCRAFT, OR BOAT WHILE UNDER THE INFLUENCE OF CANNABIS;~~

13 (2) ~~USE CANNABIS IN A PUBLIC PLACE;~~

14 (3) ~~USE CANNABIS IN A MOTOR VEHICLE;~~

15 (4) ~~EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,~~
16 ~~SMOKE CANNABIS ON A PRIVATE PROPERTY THAT:~~

17 (i) 1. ~~IS RENTED FROM A LANDLORD; AND~~

18 2. ~~IS SUBJECT TO A POLICY THAT PROHIBITS THE~~
19 ~~SMOKING OF CANNABIS ON THE PROPERTY; OR~~

20 (ii) ~~IS SUBJECT TO A POLICY THAT PROHIBITS THE SMOKING OF~~
21 ~~CANNABIS ON THE PROPERTY OF AN ATTACHED DWELLING ADOPTED BY ONE OF THE~~
22 ~~FOLLOWING ENTITIES:~~

23 1. ~~THE BOARD OF DIRECTORS OF THE COUNCIL OF UNIT~~
24 ~~OWNERS OF A CONDOMINIUM REGIME; OR~~

25 2. ~~THE GOVERNING BODY OF A HOMEOWNERS~~
26 ~~ASSOCIATION; OR~~

27 (5) ~~POSSESS CANNABIS, INCLUDING CANNABIS PRODUCTS, IN A~~
28 ~~LOCAL DETENTION FACILITY, COUNTY JAIL, STATE PRISON, REFORMATORY, OR~~
29 ~~OTHER CORRECTIONAL FACILITY, INCLUDING A FACILITY FOR THE DETENTION OF~~
30 ~~JUVENILE OFFENDERS.~~

1 ~~(B) THE PROVISIONS OF SUBSECTION (A)(4) OF THIS SECTION DO NOT~~
2 ~~APPLY TO VAPORIZING CANNABIS.~~

3 ~~36-1103.~~

4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (2) “HEMP” HAS THE MEANING STATED IN § 14-401 OF THE
7 AGRICULTURE ARTICLE.

8 (3) “TETRAHYDROCANNABINOL” MEANS:

9 (I) ANY TETRAHYDROCANNABINOL, INCLUDING
10 DELTA-8-TETRAHYDROCANNABINOL, DELTA-9-TETRAHYDROCANNABINOL, AND
11 DELTA-10-TETRAHYDROCANNABINOL, REGARDLESS OF HOW DERIVED;

12 (II) ANY OTHER CANNABINOID, EXCEPT CANNABIDIOL THAT
13 THE ADMINISTRATION DETERMINES TO CAUSE INTOXICATION; AND

14 (III) ANY OTHER CHEMICALLY SIMILAR COMPOUND, SUBSTANCE,
15 DERIVATIVE, OR ISOMER OF TETRAHYDROCANNABINOL, AS IDENTIFIED BY THE
16 ADMINISTRATION.

17 (4) “TINCTURE” MEANS A SOLUTION THAT IS:

18 (I) DISSOLVED IN ALCOHOL, GLYCERIN, OR VEGETABLE OIL;
19 AND

20 (II) DISTRIBUTED IN A DROPPER BOTTLE OF 4 OUNCES OR LESS.

21 ~~(A)~~ (B) (1) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT
22 INTENDED FOR HUMAN CONSUMPTION OR INHALATION THAT CONTAINS MORE THAN
23 0.5 MILLIGRAMS OF TETRAHYDROCANNABINOL PER SERVING OR 2.5 MILLIGRAMS
24 OF TETRAHYDROCANNABINOL PER PACKAGE UNLESS THE PERSON IS LICENSED
25 UNDER § 36-401 OF THIS TITLE AND THE PRODUCT COMPLIES WITH THE:

26 (I) MANUFACTURING STANDARDS ESTABLISHED UNDER §
27 36-203 OF THIS TITLE;

28 (II) LABORATORY TESTING STANDARDS ESTABLISHED UNDER §
29 36-203 OF THIS TITLE; AND

1 (III) PACKAGING AND LABELING STANDARDS ESTABLISHED
2 UNDER § 36-203 OF THIS TITLE.

3 (2) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT DESCRIBED
4 UNDER PARAGRAPH (1) OF THIS SUBSECTION TO AN INDIVIDUAL UNDER THE AGE OF
5 21 YEARS.

6 ~~(B)~~ (C) A PERSON MAY NOT SELL OR DISTRIBUTE A CANNABINOID
7 PRODUCT THAT IS NOT DERIVED FROM NATURALLY OCCURRING BIOLOGICALLY
8 ACTIVE CHEMICAL CONSTITUENTS.

9 (D) (1) NOTWITHSTANDING SUBSECTION (B) OF THIS SECTION AND
10 SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IT IS NOT A VIOLATION OF THIS
11 SECTION FOR A PERSON TO SELL OR DISTRIBUTE A HEMP-DERIVED TINCTURE
12 INTENDED FOR HUMAN CONSUMPTION THAT CONTAINS:

13 ~~(1)~~ (I) A RATIO OF CANNABIDIOL TO TETRAHYDROCANNABINOL OF
14 AT LEAST 15 TO 1; AND

15 ~~(2)~~ (II) 2.5 MILLIGRAMS OR LESS OF TETRAHYDROCANNABINOL
16 PER SERVING AND 100 MILLIGRAMS OR LESS OF TETRAHYDROCANNABINOL PER
17 PACKAGE.

18 (2) TO SELL OR DISTRIBUTE A HEMP-DERIVED TINCTURE UNDER THIS
19 SUBSECTION, A PERSON MUST PROVIDE, AS REQUIRED BY THE ADMINISTRATION,
20 TINCTURE SAMPLES FOR THE PURPOSE OF TESTING TO DETERMINE CHEMICAL
21 POTENCY AND COMPOSITION LEVELS AND TO DETECT AND QUANTIFY
22 CONTAMINANTS.

23 ~~(E)~~ (E) A PERSON WHO VIOLATES SUBSECTION ~~(A)~~ (B) OF THIS SECTION
24 IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
25 EXCEEDING \$5,000.

26 ~~(D)~~ (F) A PERSON WHO VIOLATES SUBSECTION ~~(B)~~ (C) OF THIS SECTION
27 IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
28 EXCEEDING \$10,000.

29 SUBTITLE 12. LEGAL PROTECTIONS.

30 36-1201.

31 THE FOLLOWING PERSONS ACTING IN ACCORDANCE WITH THE PROVISIONS
32 OF THIS TITLE MAY NOT BE SUBJECT TO ARREST, PROSECUTION, REVOCATION OF
33 MANDATORY SUPERVISION, PAROLE, OR PROBATION, OR ANY CIVIL OR

1 ADMINISTRATIVE PENALTY, INCLUDING A CIVIL PENALTY OR DISCIPLINARY ACTION
2 BY A PROFESSIONAL LICENSING BOARD, OR BE DENIED ANY RIGHT OR PRIVILEGE,
3 FOR THE USE OF OR POSSESSION OF CANNABIS THAT IS AUTHORIZED UNDER THIS
4 TITLE:

5 (1) A QUALIFYING PATIENT;

6 (2) A CANNABIS LICENSEE OR CANNABIS REGISTRANT THAT IS
7 LICENSED OR REGISTERED UNDER THIS TITLE;

8 (3) A CERTIFYING PROVIDER;

9 (4) A CAREGIVER;

10 (5) AN ACADEMIC RESEARCH REPRESENTATIVE PURCHASING
11 MEDICAL CANNABIS UNDER ~~§ 36-701~~ SUBTITLE 7 OF THIS TITLE;

12 (6) A HOSPITAL, MEDICAL FACILITY, OR HOSPICE PROGRAM WHERE A
13 QUALIFYING PATIENT IS RECEIVING TREATMENT; OR

14 (7) DESIGNATED SCHOOL PERSONNEL AUTHORIZED TO ADMINISTER
15 MEDICAL CANNABIS TO A STUDENT IN ACCORDANCE WITH THE GUIDELINES
16 ESTABLISHED UNDER § 7-446 OF THE EDUCATION ARTICLE UNLESS THE ACT OR
17 OMISSION CONSTITUTES GROSS NEGLIGENCE OR WANTON OR WILLFUL
18 MISCONDUCT.

19 SUBTITLE 13. CIVIL IMMUNITIES AND LIABILITIES RESERVED.

20 ~~36-1301.~~

21 ~~(A) EXCEPT AS PROVIDED IN THIS SECTION, NEITHER THE STATE NOR ANY~~
22 ~~OF ITS POLITICAL SUBDIVISIONS MAY DENY A BENEFIT, AN ENTITLEMENT, A~~
23 ~~DRIVER'S LICENSE, A PROFESSIONAL LICENSE, HOUSING ASSISTANCE, SOCIAL~~
24 ~~SERVICES, OR OTHER BENEFITS BASED ON LAWFUL CANNABIS USE OR FOR THE~~
25 ~~PRESENCE OF CANNABINOIDS OR CANNABINOID METABOLITES IN THE URINE,~~
26 ~~BLOOD, SALIVA, BREATH, HAIR, OR OTHER TISSUE OR FLUID OF AN INDIVIDUAL WHO~~
27 ~~IS AT LEAST 21 YEARS OLD OR A QUALIFYING PATIENT WHO IS UNDER THE AGE OF~~
28 ~~21 YEARS.~~

29 ~~(B) AN INDIVIDUAL MAY NOT BE DENIED CUSTODY OF OR VISITATION WITH~~
30 ~~A MINOR FOR ACTING IN ACCORDANCE WITH THIS TITLE, UNLESS THE INDIVIDUAL'S~~
31 ~~BEHAVIOR CREATES AN UNREASONABLE DANGER TO THE MINOR THAT CAN BE~~
32 ~~CLEARLY ARTICULATED AND SUBSTANTIATED.~~

1 ~~(C) EXCEPT AS PROVIDED IN THIS SECTION, NEITHER THE STATE NOR ANY~~
2 ~~OF ITS POLITICAL SUBDIVISIONS MAY DENY EMPLOYMENT OR A CONTRACT TO AN~~
3 ~~INDIVIDUAL FOR A PRIOR CONVICTION FOR A NONVIOLENT CANNABIS OFFENSE~~
4 ~~THAT DOES NOT INVOLVE DISTRIBUTION TO MINORS.~~

5 ~~(D) FOR THE PURPOSES OF MEDICAL CARE, INCLUDING ORGAN AND TISSUE~~
6 ~~TRANSPLANTS:~~

7 ~~(1) THE USE OF CANNABIS DOES NOT CONSTITUTE THE USE OF AN~~
8 ~~ILLICIT SUBSTANCE OR OTHERWISE DISQUALIFY AN INDIVIDUAL FROM NEEDED~~
9 ~~MEDICAL CARE; AND~~

10 ~~(2) MAY BE CONSIDERED ONLY WITH RESPECT TO EVIDENCE BASED~~
11 ~~CLINICAL CRITERIA.~~

12 ~~(E) (1) THIS SECTION DOES NOT PREVENT A GOVERNMENT EMPLOYER~~
13 ~~FROM DISCIPLINING AN EMPLOYEE OR A CONTRACTOR FOR:~~

14 ~~(I) INGESTING CANNABIS IN THE WORKPLACE; OR~~

15 ~~(H) WORKING WHILE IMPAIRED BY CANNABIS.~~

16 ~~(2) THE PROTECTIONS PROVIDED BY THIS SECTION DO NOT APPLY TO~~
17 ~~THE EXTENT THAT THEY CONFLICT WITH A GOVERNMENT EMPLOYER'S~~
18 ~~OBLIGATIONS UNDER FEDERAL LAW OR TO THE EXTENT THAT THEY WOULD~~
19 ~~DISQUALIFY THE ENTITY FROM A MONETARY OR LICENSING RELATED BENEFIT~~
20 ~~UNDER FEDERAL LAW.~~

21 ~~(3) THIS SECTION DOES NOT AUTHORIZE ANY PERSON AN INDIVIDUAL~~
22 ~~TO ENGAGE IN, AND DOES NOT PREVENT THE IMPOSITION OF ANY CIVIL, CRIMINAL,~~
23 ~~DISCIPLINE, OR OTHER PENALTIES, INCLUDING DISCIPLINE OR TERMINATION BY A~~
24 ~~GOVERNMENT EMPLOYER FOR ENGAGING IN ANY TASK WHILE UNDER THE~~
25 ~~INFLUENCE OF CANNABIS, WHEN DOING SO WOULD CONSTITUTE NEGLIGENCE OR~~
26 ~~PROFESSIONAL MALPRACTICE.~~

27 ~~(F) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PREVENT OR~~
28 ~~PROHIBIT ANY EMPLOYER FROM DENYING EMPLOYMENT OR A CONTRACT TO AN~~
29 ~~INDIVIDUAL OR DISCIPLINING AN EMPLOYEE OR A CONTRACTOR FOR TESTING~~
30 ~~POSITIVE FOR THE PRESENCE OF CANNABINOIDS OR CANNABINOID METABOLITES~~
31 ~~IN THE URINE, BLOOD, SALIVA, BREATH, HAIR, OR OTHER TISSUE OR FLUID OF THE~~
32 ~~EMPLOYEE'S OR CONTRACTOR'S BODY, IF THE TEST WAS CONDUCTED IN~~
33 ~~ACCORDANCE WITH THE EMPLOYER'S ESTABLISHED DRUG TESTING POLICY.~~

1 ~~(A) A HOLDER OF A PROFESSIONAL OR OCCUPATIONAL LICENSE MAY NOT~~
2 ~~BE SUBJECT TO PROFESSIONAL DISCIPLINE FOR PROVIDING ADVICE OR SERVICES~~
3 ~~RELATED TO CANNABIS ESTABLISHMENTS OR APPLICATIONS TO OPERATE~~
4 ~~CANNABIS ESTABLISHMENTS ON THE BASIS THAT CANNABIS IS ILLEGAL UNDER~~
5 ~~FEDERAL LAW.~~

6 ~~(B) AN APPLICANT FOR A PROFESSIONAL OR OCCUPATIONAL LICENSE MAY~~
7 ~~NOT BE DENIED A LICENSE BASED ON PREVIOUS EMPLOYMENT RELATED TO~~
8 ~~CANNABIS ESTABLISHMENTS OPERATING IN ACCORDANCE WITH STATE LAW.~~

9 ~~36-1303.~~

10 ~~AN AGENCY OR A POLITICAL SUBDIVISION OF THE STATE MAY NOT RELY ON A~~
11 ~~VIOLATION OF FEDERAL LAW RELATED TO CANNABIS AS THE SOLE BASIS FOR~~
12 ~~TAKING AN ADVERSE ACTION AGAINST A PERSON.~~

13 ~~36-1304.~~

14 ~~(A) IT IS THE PUBLIC POLICY OF THE STATE THAT CONTRACTS RELATED TO~~
15 ~~THE OPERATION OF A CANNABIS ESTABLISHMENT LICENSED IN ACCORDANCE WITH~~
16 ~~THIS SUBTITLE ARE ENFORCEABLE.~~

17 ~~(B) IT IS THE PUBLIC POLICY OF THE STATE THAT NO CONTRACT ENTERED~~
18 ~~INTO BY A LICENSED CANNABIS ESTABLISHMENT OR ITS AGENTS AS AUTHORIZED IN~~
19 ~~ACCORDANCE WITH A VALID LICENSE, OR BY THOSE WHO ALLOW PROPERTY TO BE~~
20 ~~USED BY A CANNABIS ESTABLISHMENT, ITS EMPLOYEES, OR ITS AGENTS AS~~
21 ~~AUTHORIZED IN ACCORDANCE WITH A VALID LICENSE, SHALL BE UNENFORCEABLE~~
22 ~~ON THE BASIS THAT CULTIVATING, OBTAINING, MANUFACTURING, DISTRIBUTING,~~
23 ~~DISPENSING, TRANSPORTING, SELLING, POSSESSING, OR USING CANNABIS IS~~
24 ~~PROHIBITED BY FEDERAL LAW.~~

25 SUBTITLE 14. CAPITAL ACCESS PROGRAM.

26 36-1401.

27 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
28 INDICATED.

29 (B) "BORROWER" MEANS A BUSINESS THAT:

30 (1) QUALIFIES AS A SMALL BUSINESS UNDER THE U.S. SMALL
31 BUSINESS ADMINISTRATION SIZE STANDARDS;

1 (2) APPLIES TO A LENDER FOR BUSINESS FINANCING; AND

2 (3) HAS FEWER THAN 50 EMPLOYEES.

3 (C) “DEPARTMENT” MEANS THE DEPARTMENT OF COMMERCE.

4 ~~(C)~~ (D) “LENDER” MEANS:

5 (1) A CREDIT UNION, AS DEFINED IN § 1-101 OF THE FINANCIAL
6 INSTITUTIONS ARTICLE;

7 (2) A FINANCIAL INSTITUTION, AS DEFINED IN § 1-101 OF THE
8 FINANCIAL INSTITUTIONS ARTICLE; OR

9 (3) A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION, AS
10 DEFINED IN 12 U.S.C. § 4702(5).

11 ~~(D)~~ (E) “PROGRAM” MEANS THE CAPITAL ACCESS PROGRAM
12 ESTABLISHED UNDER THIS SUBTITLE.

13 36-1402.

14 THERE IS A CAPITAL ACCESS PROGRAM IN THE DEPARTMENT OF
15 COMMERCE.

16 36-1403.

17 THE PURPOSE OF THE PROGRAM IS TO STIMULATE OPPORTUNITIES FOR
18 SOCIAL EQUITY LICENSEES THAT HAVE DIFFICULTY OBTAINING FINANCING AND TO
19 ESTABLISH A LOAN LOSS RESERVE ACCOUNT.

20 36-1404.

21 (A) A LOAN TO A SOCIAL EQUITY LICENSEE QUALIFIES UNDER THE
22 PROGRAM IF THE LOAN:

23 (1) SATISFIES THE LENDING CRITERIA OF THE ~~FINANCIAL~~
24 ~~INSTITUTION~~ LENDER; AND

25 (2) ~~HAS A TERM NOT EXCEEDING 10 YEARS; AND~~

26 ~~(3)~~ DOES NOT EXCEED:

27 (I) FOR A DISPENSARY, \$500,000; OR

1 **(II) FOR A GROWER OR PROCESSOR, \$1,000,000.**

2 **(B) A LOAN THAT QUALIFIES UNDER SUBSECTION (A) OF THIS SECTION MAY**
3 **BE SHORT OR LONG TERM, HAVE FIXED OR VARIABLE RATES, AND BE SECURED OR**
4 **UNSECURED.**

5 **36-1405.**

6 **~~IF A LENDER WOULD LIKE TO~~ TO PARTICIPATE IN THE PROGRAM, ~~THE~~**
7 **~~LENDER MUST~~ A LENDER SHALL ENROLL THE QUALIFYING LOAN IN THE PROGRAM**
8 **NOT MORE THAN 30 DAYS AFTER THE DATE OF THE FIRST DISBURSEMENT OF THE**
9 **LOAN.**

10 **(B) A LENDER MAY ENROLL ALL OR A PORTION OF A QUALIFYING LOAN IN**
11 **AN AMOUNT OF NOT MORE THAN:**

12 **(1) FOR A DISPENSARY, \$500,000; OR**

13 **(2) FOR A GROWER OR PROCESSOR, \$1,000,000.**

14 **36-1406.**

15 **(A) THE DEPARTMENT SHALL ESTABLISH A LOAN LOSS RESERVE ACCOUNT**
16 **FOR A LENDER WHEN THE LENDER ENROLLS ITS FIRST LOAN UNDER THE PROGRAM.**

17 **(B) AT THE TIME OF ENROLLMENT:**

18 **(1) THE BORROWER SHALL MAKE A PAYMENT TO THE ACCOUNT OF**
19 **BETWEEN 0% AND 7% OF THE ENROLLED LOAN AMOUNT;**

20 **(2) THE LENDER SHALL MAKE A PAYMENT TO THE ACCOUNT OF AT**
21 **LEAST 2% OF THE ENROLLED AMOUNT; AND**

22 **(3) THE ~~DIVISION~~ ADMINISTRATION SHALL MAKE A MATCHING**
23 **PAYMENT TO THE ACCOUNT IN AN AMOUNT EQUAL TO THE BORROWER AND**
24 **LENDER'S AGGREGATE PAYMENT UNDER ITEMS (1) AND (2) OF THIS SUBSECTION.**

25 **(C) THE LOAN LOSS RESERVE ACCOUNT OF A LENDER SHALL BE AVAILABLE**
26 **FOR THE LENDER TO WITHDRAW IF A BORROWER DEFAULTS ON A QUALIFYING LOAN.**

27 **(D) THE DEPARTMENT SHALL COLLABORATE WITH THE OFFICE OF SOCIAL**
28 **EQUITY ESTABLISHED UNDER § 1-309.1 OF THIS ARTICLE TO IDENTIFY AND ASSIST**
29 **BUSINESSES WITH OBTAINING FINANCING FROM THE PROGRAM.**

1 (E) THE DEPARTMENT SHALL ESTABLISH PROCEDURES FOR A LENDER TO
2 WITHDRAW FROM THE PROGRAM.

3 SUBTITLE 15. BANKING AND INSURANCE.

4 ~~36-1501.~~

5 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

7 ~~(B) "CANNABIS-RELATED LEGITIMATE BUSINESS" MEANS A~~
8 ~~MANUFACTURER, PRODUCER, OR ANOTHER PERSON THAT:~~

9 (B) "CANNABIS BUSINESS" MEANS A MANUFACTURER, PRODUCER, OR
10 ANOTHER PERSON THAT:

11 (1) PARTICIPATES IN ANY BUSINESS OR ORGANIZED ACTIVITY THAT
12 INVOLVES HANDLING CANNABIS OR CANNABIS PRODUCTS, INCLUDING
13 CULTIVATING, PRODUCING, MANUFACTURING, SELLING, TRANSPORTING,
14 DISPLAYING, DISPENSING, DISTRIBUTING, OR PURCHASING CANNABIS OR CANNABIS
15 PRODUCTS; AND

16 (2) ENGAGES IN AN ACTIVITY DESCRIBED IN ITEM (1) OF THIS
17 SUBSECTION IN ACCORDANCE WITH STATE LAW.

18 (C) "DEPOSITORY INSTITUTION" MEANS A STATE-CHARTERED OR
19 FEDERALLY CHARTERED FINANCIAL INSTITUTION, OTHER-STATE BANK, OR
20 FOREIGN BRANCH THAT:

21 (1) IS LOCATED IN THE STATE OR MAINTAINS BRANCHES IN THE
22 STATE; AND

23 (2) IS AUTHORIZED TO MAINTAIN ACCOUNTS.

24 ~~(D)~~ (D) (1) "SERVICE PROVIDER" MEANS:

25 ~~(1)~~ (1) A BUSINESS, AN ORGANIZATION, OR ANY OTHER PERSON
26 THAT:

27 ~~(1)~~ (I) SELLS GOODS OR SERVICES TO A ~~CANNABIS-RELATED~~
28 CANNABIS LEGITIMATE BUSINESS; OR

1 ~~2.~~ (II) PROVIDES ANY BUSINESS SERVICES, INCLUDING THE
2 SALE OR LEASE OF REAL OR ANY OTHER PROPERTY, LEGAL OR OTHER LICENSED
3 SERVICES, OR ANY OTHER ANCILLARY SERVICE, RELATING TO CANNABIS.

4 (2) "SERVICE PROVIDER" DOES NOT INCLUDE A BUSINESS, AN
5 ORGANIZATION, OR ANY OTHER PERSON THAT PARTICIPATES IN ANY BUSINESS OR
6 ORGANIZED ACTIVITY THAT INVOLVES HANDLING CANNABIS OR CANNABIS
7 PRODUCTS, INCLUDING CULTIVATING, PRODUCING, MANUFACTURING, SELLING,
8 TRANSPORTING, DISPLAYING, DISPENSING, DISTRIBUTING, OR PURCHASING
9 CANNABIS OR CANNABIS PRODUCTS.

10 36-1502.

11 THE PROVISIONS IN THIS SUBTITLE APPLY TO:

12 (1) ALL BANKS, CREDIT UNIONS, AND OTHER ENTITIES OPERATING AS
13 DEPOSITORY INSTITUTIONS IN THE STATE; AND

14 (2) INSURANCE COMPANIES AND INSURANCE PRODUCERS
15 OPERATING IN THE STATE.

16 36-1503.

17 (A) ~~THE STATE BANKING REGULATOR~~ THE OFFICE COMMISSIONER OF
18 FINANCIAL REGULATION MAY NOT:

19 (1) TERMINATE OR LIMIT THE DEPOSIT INSURANCE OR SHARE
20 INSURANCE OF A DEPOSITORY INSTITUTION UNDER THE FEDERAL DEPOSIT
21 INSURANCE ACT OR THE FEDERAL CREDIT UNION ACT, A DEPOSITORY
22 INSTITUTION OPERATING IN THE STATE UNDER THE FINANCIAL INSTITUTIONS
23 ARTICLE, OR TAKE ANY OTHER ADVERSE ACTION AGAINST A DEPOSITORY
24 INSTITUTION UNDER 12 U.S.C. § 1818 SOLELY BECAUSE THE DEPOSITORY
25 INSTITUTION PROVIDES OR HAS PROVIDED FINANCIAL SERVICES TO A
26 ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS OR SERVICE PROVIDER;

27 (2) PROHIBIT, PENALIZE, OR OTHERWISE DISCOURAGE A
28 DEPOSITORY INSTITUTION FROM PROVIDING FINANCIAL SERVICES TO A
29 ~~CANNABIS-RELATED~~ CANNABIS LEGITIMATE BUSINESS IN THE STATE;

30 (3) RECOMMEND, INCENTIVIZE, OR ENCOURAGE A DEPOSITORY
31 INSTITUTION ~~NOT TO~~ TO NOT OFFER FINANCIAL SERVICES TO AN ACCOUNT HOLDER,
32 OR TO DOWNGRADE OR CANCEL THE FINANCIAL SERVICES OFFERED TO AN
33 ACCOUNT HOLDER SOLELY BECAUSE:

1 (I) THE ACCOUNT HOLDER IS A ~~CANNABIS-RELATED~~ CANNABIS
2 ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, OR IS AN EMPLOYEE, OWNER, OR
3 OPERATOR OF A ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE
4 PROVIDER;

5 (II) THE ACCOUNT HOLDER LATER BECOMES AN EMPLOYEE,
6 OWNER, OR OPERATOR OF A ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS
7 OR SERVICE PROVIDER; OR

8 (III) THE DEPOSITORY INSTITUTION WAS NOT AWARE THAT THE
9 ACCOUNT HOLDER IS AN EMPLOYEE, OWNER, OR OPERATOR OF A
10 ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER;

11 (4) TAKE ANY ADVERSE OR CORRECTIVE SUPERVISORY ACTION ON A
12 LOAN MADE TO:

13 (I) A ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS
14 OR SERVICE PROVIDER SOLELY BECAUSE THE BUSINESS IS A ~~CANNABIS-RELATED~~
15 CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER;

16 (II) AN EMPLOYEE, OWNER, OR OPERATOR OF A
17 ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER
18 SOLELY BECAUSE THE EMPLOYEE, OWNER, OR OPERATOR IS EMPLOYED BY, OWNS,
19 OR OPERATES A ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE
20 PROVIDER, AS APPLICABLE; OR

21 (III) AN OWNER OR OPERATOR OF REAL ESTATE OR EQUIPMENT
22 THAT IS LEASED TO A ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS OR
23 SERVICE PROVIDER SOLELY BECAUSE THE OWNER OR OPERATOR OF THE REAL
24 ESTATE OR EQUIPMENT LEASED THE EQUIPMENT OR REAL ESTATE TO A
25 ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, AS
26 APPLICABLE; OR

27 (5) PROHIBIT OR PENALIZE A DEPOSITORY INSTITUTION, OR AN
28 ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN ASSOCIATION WITH A
29 DEPOSITORY INSTITUTION, OR OTHERWISE DISCOURAGE A DEPOSITORY
30 INSTITUTION, OR AN ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN
31 ASSOCIATION WITH A DEPOSITORY INSTITUTION, FROM ENGAGING IN A FINANCIAL
32 SERVICE FOR A ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE
33 PROVIDER.

34 (B) SUBSECTION (A) OF THIS SECTION SHALL APPLY TO AN INSTITUTION
35 APPLYING FOR A DEPOSITORY INSTITUTION CHARTER TO THE SAME EXTENT AS IT
36 APPLIES TO A DEPOSITORY INSTITUTION.

1 36-1504.

2 FOR THE PURPOSES OF ~~TITLE~~ 18 U.S.C. §§ 1956 AND 1957 AND ALL OTHER
3 PROVISIONS OF FEDERAL LAW, THE PROCEEDS FROM A TRANSACTION INVOLVING
4 ACTIVITIES OF A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR SERVICE
5 PROVIDER MAY NOT BE CONSIDERED PROCEEDS FROM AN UNLAWFUL ACTIVITY
6 SOLELY BECAUSE:

7 (1) THE TRANSACTION INVOLVES PROCEEDS FROM A
8 ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER; OR

9 (2) THE TRANSACTION INVOLVES PROCEEDS FROM:

10 (I) ~~CANNABIS-RELATED CANNABIS~~ ACTIVITIES CONDUCTED BY
11 A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS; OR

12 (II) ACTIVITIES CONDUCTED BY A SERVICE PROVIDER.

13 36-1505.

14 (A) WITH RESPECT TO PROVIDING A FINANCIAL SERVICE TO A
15 ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR A SERVICE PROVIDER, A
16 DEPOSITORY INSTITUTION, ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN
17 ASSOCIATION WITH A DEPOSITORY INSTITUTION, OR INSURER THAT PROVIDES A
18 FINANCIAL SERVICE TO A ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR
19 SERVICE PROVIDER, AND THE OFFICERS, DIRECTORS, AND EMPLOYEES OF THAT
20 DEPOSITORY INSTITUTION, ENTITY, OR INSURER MAY NOT BE HELD LIABLE UNDER
21 ANY STATE LAW OR REGULATION:

22 (1) SOLELY FOR PROVIDING THE FINANCIAL SERVICE; OR

23 (2) FOR FURTHER INVESTING ANY INCOME DERIVED FROM THE
24 FINANCIAL SERVICE.

25 (B) AN INSURER THAT ENGAGES IN THE BUSINESS OF INSURANCE WITH A
26 ~~CANNABIS-RELATED CANNABIS LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER OR
27 THAT OTHERWISE ENGAGES WITH A PERSON IN A TRANSACTION ALLOWED UNDER
28 STATE LAW RELATED TO CANNABIS, AND THE OFFICERS, DIRECTORS, AND
29 EMPLOYEES OF THAT INSURER MAY NOT BE HELD LIABLE UNDER STATE LAW OR
30 REGULATION:

31 (1) SOLELY FOR ENGAGING IN THE BUSINESS OF INSURANCE; OR

1 (2) FOR FURTHER INVESTING ANY INCOME DERIVED FROM THE
2 BUSINESS OF INSURANCE.

3 (C) A DEPOSITORY INSTITUTION THAT HAS A LEGAL INTEREST IN THE
4 COLLATERAL FOR A LOAN OR ANOTHER FINANCIAL SERVICE PROVIDED TO AN
5 OWNER, EMPLOYEE, OR OPERATOR OF A ~~CANNABIS-RELATED~~ CANNABIS
6 ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, OR TO AN OWNER OR OPERATOR OF
7 REAL ESTATE OR EQUIPMENT THAT IS LEASED OR SOLD TO A ~~CANNABIS-RELATED~~
8 CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER, MAY NOT BE SUBJECT TO
9 CRIMINAL, CIVIL, OR ADMINISTRATIVE FORFEITURE OF THAT LEGAL INTEREST
10 UNDER STATE LAW FOR PROVIDING THE LOAN OR OTHER FINANCIAL SERVICE.

11 **36-1506.**

12 (A) THIS SUBTITLE DOES NOT REQUIRE A DEPOSITORY INSTITUTION,
13 ENTITY PERFORMING A FINANCIAL SERVICE FOR OR IN ASSOCIATION WITH A
14 DEPOSITORY INSTITUTION, OR INSURER TO PROVIDE FINANCIAL SERVICES TO A
15 ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS, SERVICE PROVIDER, OR ANY
16 OTHER BUSINESS.

17 (B) THIS SUBTITLE MAY NOT BE CONSTRUED TO LIMIT OR OTHERWISE
18 RESTRICT THE GENERAL EXAMINATION, SUPERVISORY, AND ENFORCEMENT
19 AUTHORITY OF THE ~~STATE-BANKING-REGULATOR~~ COMMISSIONER OF FINANCIAL
20 REGULATION, PROVIDED THAT THE BASIS FOR ANY SUPERVISORY OR
21 ENFORCEMENT ACTION IS NOT THE PROVISION OF FINANCIAL SERVICES TO A
22 ~~CANNABIS-RELATED~~ CANNABIS ~~LEGITIMATE~~ BUSINESS OR SERVICE PROVIDER.

23 (C) THIS SUBTITLE MAY NOT BE CONSTRUED TO INTERFERE WITH THE
24 REGULATION OF THE BUSINESS OF INSURANCE.

25 **36-1507.**

26 THE STATE MAY NOT COOPERATE OR AID FEDERAL LAW ENFORCEMENT
27 AUTHORITIES ATTEMPTING TO PROSECUTE FINANCIAL INSTITUTIONS THAT ARE
28 LAWFULLY OPERATING WITHIN THE CONFINES OF THIS SUBTITLE.

29 Article - Tax - General

30 **2-1302.2.**

31 AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 THROUGH
32 2-1302.1 OF THIS SUBTITLE, OF THE SALES AND USE TAX COLLECTED UNDER §
33 11-104(K) OF THIS ARTICLE FROM THE SALE OF CANNABIS ~~FROM A DISPENSARY TO~~
34 ~~A CONSUMER UNDER TITLE 36~~, AS DEFINED IN § 1-101 OF THE ALCOHOLIC

1 BEVERAGES AND CANNABIS ARTICLE, THE COMPTROLLER QUARTERLY SHALL
2 DISTRIBUTE:

3 (1) TO THE CANNABIS REGULATION AND ENFORCEMENT FUND,
4 ESTABLISHED UNDER § 36-206 OF THE ALCOHOLIC BEVERAGES AND CANNABIS
5 ARTICLE, AN AMOUNT NECESSARY TO DEFRAY THE ENTIRE COST OF THE
6 ~~OPERATION~~ OPERATIONS AND ADMINISTRATIVE EXPENSES OF THE ~~CANNABIS~~
7 ~~REGULATION AND ENFORCEMENT DIVISION~~ MARYLAND CANNABIS
8 ADMINISTRATION ESTABLISHED UNDER TITLE 36 OF THE ALCOHOLIC BEVERAGES
9 AND CANNABIS ARTICLE;

10 (2) AFTER MAKING THE DISTRIBUTION REQUIRED UNDER ITEM (1) OF
11 THIS SECTION:

12 ~~(2)~~ (1) ~~30%~~ 35% TO THE COMMUNITY REINVESTMENT AND REPAIR
13 FUND UNDER § 1-322 OF THE ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE
14 FOR FISCAL YEARS 2024 THROUGH 2033;

15 ~~(3)~~ (II) ~~1.5%~~ 5% TO COUNTIES ~~AND MUNICIPALITIES~~, WHICH SHALL
16 BE ALLOCATED TO EACH ~~JURISDICTION~~ COUNTY BASED ON THE PERCENTAGE OF
17 REVENUE COLLECTED FROM THAT ~~JURISDICTION~~ COUNTY, EXCEPT THAT A COUNTY
18 ~~SHALL CONSIDER DISTRIBUTING THE ALLOCATION RECEIVED UNDER THIS ITEM TO~~
19 ~~A MUNICIPALITY LOCATED IN THE COUNTY IN PROPORTION TO THE REVENUE~~
20 ~~GENERATED BY THAT MUNICIPALITY~~ DISTRIBUTE TO A MUNICIPALITY LOCATED IN
21 THE COUNTY 50% OF THE ALLOCATION RECEIVED UNDER THIS ITEM THAT IS
22 ATTRIBUTABLE TO THE SALES AND USE TAX REVENUE GENERATED BY A DISPENSARY
23 LOCATED IN THAT MUNICIPALITY;

24 (4) (III) ~~1.5%~~ 5% TO THE CANNABIS PUBLIC HEALTH FUND
25 ESTABLISHED UNDER § 13-4505 OF THE HEALTH – GENERAL ARTICLE; AND

26 ~~(5)~~ (IV) FOR FISCAL YEARS 2024 THROUGH 2028, ~~1.5%~~ 5% TO THE
27 CANNABIS BUSINESS ASSISTANCE FUND ESTABLISHED UNDER § 5-1901 OF THE
28 ECONOMIC DEVELOPMENT ARTICLE; AND

29 ~~(6)~~ (3) ANY BALANCE REMAINING AFTER THE DISTRIBUTIONS
30 REQUIRED UNDER ~~PARAGRAPHS (1) THROUGH (5)~~ ITEMS (1) AND (2) OF THIS
31 SECTION TO THE GENERAL FUND OF THE STATE.

32 2-1303.

33 After making the distributions required under §§ 2-1301 through [2-1302.1]
34 **2-1302.2** of this subtitle, the Comptroller shall pay:

1 (1) revenues from the hotel surcharge into the Dorchester County
 2 Economic Development Fund established under § 10–130 of the Economic Development
 3 Article;

4 (2) to the Blueprint for Maryland’s Future Fund established under § 5–206
 5 of the Education Article, the following percentage of the remaining sales and use tax
 6 revenues:

7 (i) for fiscal year 2023, 9.2%;

8 (ii) for fiscal year 2024, 11.0%;

9 (iii) for fiscal year 2025, 11.3%;

10 (iv) for fiscal year 2026, 11.7%; and

11 (v) for fiscal year 2027 and each fiscal year thereafter, 12.1%; and

12 (3) the remaining sales and use tax revenue into the General Fund of the
 13 State.

14 11–104.

15 (K) THE SALES AND USE TAX RATE FOR THE SALE OF CANNABIS FROM A
 16 DISPENSARY TO A CONSUMER UNDER TITLE 36, AS DEFINED IN § 1-101 OF THE
 17 ALCOHOLIC BEVERAGES AND CANNABIS ARTICLE IS AS FOLLOWS: FOR FISCAL
 18 YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, 9%.

19 ~~(1) FOR FISCAL YEAR 2024, 6%;~~

20 ~~(2) FOR FISCAL YEAR 2025, 7%;~~

21 ~~(3) FOR FISCAL YEAR 2026, 8%;~~

22 ~~(4) FOR FISCAL YEAR 2027, 9%; AND~~

23 ~~(5) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER,~~
 24 ~~10%.~~

25 11–245.

26 THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF:

27 (1) MEDICAL CANNABIS UNDER TITLE 36 OF THE ALCOHOLIC
 28 BEVERAGES AND CANNABIS ARTICLE; OR

1 **(2) CANNABIS BETWEEN CANNABIS ~~ESTABLISHMENTS~~ BUSINESSES**
2 **THAT ARE LICENSED UNDER TITLE 36 OF THE ALCOHOLIC BEVERAGES AND**
3 **CANNABIS ARTICLE.**

4 **Article – Economic Development**

5 5–1901.

6 (a) **(1) In this section[,] THE FOLLOWING WORDS HAVE THE MEANINGS**
7 **INDICATED.**

8 **(2) “Fund” means the Cannabis Business Assistance Fund.**

9 **(3) (I) “PERSONAL NET WORTH” MEANS THE NET VALUE OF THE**
10 **ASSETS OF AN INDIVIDUAL REMAINING AFTER TOTAL LIABILITIES ARE DEDUCTED,**
11 **INCLUDING THE INDIVIDUAL’S SHARE OF ASSETS HELD JOINTLY OR AS COMMUNITY**
12 **PROPERTY WITH THE INDIVIDUAL’S SPOUSE.**

13 **(II) “PERSONAL NET WORTH” DOES NOT INCLUDE:**

14 **1. THE INDIVIDUAL’S OWNERSHIP INTEREST IN THE**
15 **APPLICANT;**

16 **2. THE INDIVIDUAL’S EQUITY IN THE INDIVIDUAL’S**
17 **PRIMARY PLACE OF RESIDENCE; OR**

18 **3. THE CASH VALUE OF ANY QUALIFIED RETIREMENT**
19 **SAVINGS PLANS OR INDIVIDUAL RETIREMENT ACCOUNTS.**

20 (b) There is a Cannabis Business Assistance Fund.

21 (c) The purpose of the Fund is to assist small, minority–owned, and
22 women–owned businesses entering the adult–use cannabis industry.

23 (d) The Department shall administer the Fund.

24 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
25 the State Finance and Procurement Article.

26 (2) The State Treasurer shall hold the Fund separately, and the
27 Comptroller shall account for the Fund.

28 (f) The Fund consists of:

29 (1) money appropriated in the State budget to the Fund; [and]

1 (2) REVENUE DISTRIBUTED TO THE FUND IN ACCORDANCE WITH §
2 2-1302.2 OF THE TAX – GENERAL ARTICLE; AND

3 (3) any other money from any other source accepted for the benefit of the
4 Fund.

5 (g) (1) Subject to paragraph (2) of this subsection, the Fund may be used only
6 for:

7 (i) grants or loans to small, minority-owned, or women-owned
8 businesses for:

9 1. license application assistance for participation in the
10 adult-use cannabis industry;

11 2. assistance with the operating or capital expenses of a
12 business participating in the adult-use cannabis industry; or

13 3. targeted training to support participation in the adult-use
14 cannabis industry; and

15 (ii) grants to historically black colleges and universities for
16 cannabis-related programs and business development organizations, including incubators,
17 to train and assist small, minority, and women business owners and entrepreneurs seeking
18 to become licensed to participate in the adult-use cannabis industry.

19 (2) The Department:

20 (i) shall prioritize awarding grants and loans in accordance with
21 paragraph (1) of this subsection to:

22 1. populations that have been historically disproportionately
23 impacted ~~HARMED~~ **IMPACTED** by the enforcement of laws criminalizing the use of
24 cannabis; ~~and~~

25 2. individuals who have been convicted of a violation of a law
26 criminalizing the use of cannabis; and

27 **3. SOCIAL EQUITY LICENSEES TO ASSIST WITH START-UP**
28 **OPERATING AND CAPITAL FUNDING NEEDS; AND**

29 (ii) may not award grants or loans to small, minority, and women
30 business owners and entrepreneurs with a personal net worth exceeding \$1,700,000.

1 (3) In order to award grants and loans in accordance with paragraph (1) of
2 this subsection, the Department shall develop partnerships with:

3 (i) traditional minority-serving institutions in the State and
4 surrounding jurisdictions, including historically black colleges and universities;

5 (ii) trade associations representing minority and women-owned
6 businesses; and

7 (iii) the Governor's Office of Small, Minority, and Women Business
8 Affairs.

9 (h) (1) The State Treasurer shall invest the money of the Fund in the same
10 manner as other State money may be invested.

11 (2) Any interest earnings of the Fund shall be credited to the Fund.

12 (i) Expenditures from the Fund may be made only in accordance with the State
13 budget.

14 Article – State Finance and Procurement

15 6-201.

16 (e) “Financial institution” means:

17 (1) any banking institution;

18 (2) any national banking association;

19 (3) an institution that is incorporated under the laws of any other state as
20 a bank; [and] OR

21 (4) an institution that is incorporated under the laws of this State or of the
22 United States as a savings and loan association.

23 6-226.

24 (a) (2) (i) Notwithstanding any other provision of law, and unless
25 inconsistent with a federal law, grant agreement, or other federal requirement or with the
26 terms of a gift or settlement agreement, net interest on all State money allocated by the
27 State Treasurer under this section to special funds or accounts, and otherwise entitled to
28 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
29 Fund of the State.

30 (ii) The provisions of subparagraph (i) of this paragraph do not apply
31 to the following funds:

1 170. the Cannabis Public Health Fund; [and]

2 171. the Community Reinvestment and Repair Fund;

3 **172. THE CANNABIS REGULATION AND ENFORCEMENT**
4 **FUND; AND**

5 **173. THE MEDICAL CANNABIS COMPASSIONATE USE**
6 **FUND.**

7 **Article – State Personnel and Pensions**

8 23–201.

9 (a) Except as provided in subsection (b) of this section, §§ 23–203 through 23–205
10 of this subtitle apply only to:

11 (13) an individual who, on and before the effective date of participation as
12 defined under § 31–101(c) of this article, is:

13 (i) a supportive service employee of the Board of Education of Kent
14 County;

15 (ii) an employee of the Town of Oakland;

16 (iii) an employee of the City of Frostburg;

17 (iv) an employee of the Town of Sykesville; or

18 (v) an employee of the Town of University Park; [and]

19 (14) an employee of the Maryland Automobile Insurance Fund on or after
20 the date that the Maryland Automobile Insurance Fund begins participation in the
21 Employees' Pension System; AND

22 **(15) THE EXECUTIVE DIRECTOR OF THE ALCOHOL, TOBACCO, AND**
23 **CANNABIS COMMISSION, IF THE EXECUTIVE DIRECTOR IS NOT A SWORN POLICE**
24 **OFFICER WITH THE POWERS GRANTED TO AN OFFICER OF THE FIELD**
25 **ENFORCEMENT DIVISION UNDER § 1–313 OF THE ALCOHOLIC BEVERAGES AND**
26 **CANNABIS ARTICLE.**

27 26–201.

28 (a) Except as provided in subsection (b) of this section, this subtitle applies only
29 to:

1 (22) the Executive Director of the Alcohol [and], Tobacco, AND CANNABIS
 2 Commission, ONLY IF THE EXECUTIVE DIRECTOR IS A SWORN POLICE OFFICER WITH
 3 THE POWERS GRANTED TO AN OFFICER OR EMPLOYEE OF THE FIELD
 4 ENFORCEMENT DIVISION UNDER § 1-313 OF THE ALCOHOLIC BEVERAGES AND
 5 CANNABIS ARTICLE.

6 **Article – Health – General**

7 13-4505.

8 (a) There is a Cannabis Public Health Fund.

9 (b) The purpose of the Fund is to provide funding to address the health effects
 10 associated with the legalization of adult-use cannabis.

11 (c) The Department shall administer the Fund.

12 (d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of
 13 the State Finance and Procurement Article.

14 (2) The State Treasurer shall hold the Fund separately, and the
 15 Comptroller shall account for the Fund.

16 (e) The Fund consists of:

17 (1) Revenue distributed to the Fund based on revenues from adult-use
 18 cannabis;

19 (2) Money appropriated in the State budget to the Fund; [and]

20 **(3) REVENUE DISTRIBUTED TO THE FUND IN ACCORDANCE WITH §**
 21 **2-1302.2 OF THE TAX – GENERAL ARTICLE; AND**

22 ~~[(3)]~~ (4) Any other money from any other source accepted for the benefit
 23 of the Fund.

24 (f) The Fund may be used only for:

25 (1) Supporting the Advisory Council in performing its duties;

26 (2) Supporting data collection and research on the effects of cannabis
 27 legalization in the State;

28 (3) Providing funding for education and public awareness campaigns
 29 related to cannabis use, including funding for educational programs to be used in schools;

1 (4) Supporting substance use disorder counseling and treatment for
2 individuals;

3 (5) Training and equipment for law enforcement to recognize impairments
4 due to cannabis; and

5 (6) Purchasing technology proven to be effective at measuring cannabis
6 levels in drivers.

7 (g) (1) The State Treasurer shall invest the money of the Fund in the same
8 manner as other State money may be invested.

9 (2) Any interest earnings of the Fund shall be credited to the Fund.

10 (h) Expenditures from the Fund may be made only in accordance with the State
11 budget.

12 SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That Article – Alcoholic
13 Beverages of the Annotated Code of Maryland be renamed to be Article – Alcoholic
14 Beverages and Cannabis.

15 SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That:

16 (a) The transfer of the Maryland Medical Cannabis Commission personnel to the
17 ~~Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis Administration to oversee
18 the regulation of cannabis under this Act shall be conducted in a manner that will minimize
19 the costs of the transfer and will result in a more cost-efficient operation for the regulation
20 of cannabis for the protection of the public health, safety, and welfare of the State.

21 (b) The ~~Cannabis Regulation and Enforcement Division of the Office of the~~
22 ~~Executive Director of the Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis
23 ~~Commission~~ Administration is the successor of the Maryland Medical Cannabis
24 Commission in matters concerning the regulation of medical cannabis.

25 (c) In every law, executive order, rule, regulation, policy, or document created by
26 an official, an employee, or a unit of this State, the names and titles of those agencies and
27 officials mean the names and titles of the successor agency or official.

28 SECTION ~~7~~ 8. AND BE IT FURTHER ENACTED, That all persons who, as of ~~June~~
29 ~~30, 2023~~ the effective date of this Act, are merit employees or contract staff in budgeted
30 positions of the Maryland Medical Cannabis Commission and whose positions are
31 transferred to the ~~Cannabis Regulation and Enforcement Division of the Office of the~~
32 ~~Executive Director of the Alcohol, Tobacco, and Cannabis Commission~~ Maryland Cannabis
33 ~~Commission~~ Administration to oversee, the regulation of cannabis provided by this Act, are
34 hereby transferred to the ~~Cannabis Regulation and Enforcement Division of the Office of~~
35 ~~the Executive Director of the Alcohol, Tobacco, and Cannabis Commission~~ Maryland

1 Cannabis Commission Administration without any change or loss of rights, pay, working
 2 conditions, benefits, rights, or status, and shall retain any merit system and retirement
 3 status they may have on the date of transfer.

4 SECTION ~~8~~ 9. AND BE IT FURTHER ENACTED, That the balance of the Natalie
 5 M. LaPrade Medical Cannabis Fund on the date immediately preceding the date this Act
 6 takes effect shall be credited to the Cannabis Regulation and Enforcement Fund, and that
 7 any funds credited to the Cannabis Regulation and Enforcement Fund may be used to cover
 8 the costs of implementing this Act and regulating the cannabis industry in Maryland.

9 SECTION ~~9~~ 10. AND BE IT FURTHER ENACTED, That, notwithstanding any
 10 other provision of law, from the date this Act takes effect to December 31, 2023, both
 11 inclusive, the ~~Commission~~ Maryland Cannabis Administration is exempt from
 12 procurement requirements under the State Finance and Procurement Article if the
 13 procurement is for:

14 (1) banking services for the ~~Division~~ Administration to collect fees and tax
 15 revenue;

16 (2) banking services to help support cannabis businesses to transition from
 17 an all cash system;

18 (3) a consultant to support the ~~Division~~ Administration in the process for
 19 cannabis licensure, including services related to investigations and the financial or criminal
 20 history review of applicants; ~~and~~

21 (4) a consultant to provide technical assistance to social equity applicants;
 22 ~~and~~

23 (5) communication services for public and consumer education campaigns
 24 on cannabis laws and regulations and potential health and safety risks associated with
 25 cannabis use; and

26 ~~(5) (6) establishing a State cannabis testing laboratory at a preexisting site.~~

27 ~~SECTION 10. AND BE IT FURTHER ENACTED, That:~~

28 ~~(a) To the extent practicable and authorized by the U.S. Constitution, a cannabis~~
 29 ~~licensee shall comply with the State's Minority Business Enterprise Program.~~

30 ~~(b) On or before 6 months after the issuance of a cannabis license under § 36-401~~
 31 ~~of the Alcoholic Beverages and Cannabis Article, the Governor's Office of Small, Minority,~~
 32 ~~and Women Business Affairs, in consultation with the Office of the Attorney General and~~
 33 ~~the Office of Social Equity within the Alcohol, Tobacco, and Cannabis Commission and the~~
 34 ~~cannabis licensee, shall establish a clear plan for setting reasonable and appropriate~~
 35 ~~minority business enterprise participation goals and procedures for the procurement of~~

~~goods and services related to cannabis, including the cultivation, manufacturing, and dispensing of cannabis.~~

~~(e) To the extent practicable, the goals and procedures specified in subsection (b) of this section shall be based on the requirements of Title 14, Subtitle 3 of the State Finance and Procurement Article and the regulations implementing that subtitle.~~

SECTION 11. AND BE IT FURTHER ENACTED, That:

(a) ~~(1)~~ As soon as practicable after the effective date of this Act, the ~~Cannabis Regulation and Enforcement Division~~ Maryland Cannabis Administration established under § 36-201 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act, ~~shall issue a license to~~ shall, by regulation, establish a process for issuing up to five grower licenses to operate as a cannabis grower under Title 36, Subtitle 4 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act, to ~~one applicant that~~ five applicants that:

(1) ~~is a~~ are recognized class ~~member~~ members of Pigford v. Glickman, 185 F.R.D. 82 (D.D.C. 1999), or In Re Black Farmers Litig., 856 F. Supp. 2d 1 (D.D.C. 2011);

(2) were awarded damages pursuant to the claims processes established for class members of Pigford v. Glickman or In Re Black Farmers Litig. and those damages were related to farming operations in Maryland;

(3) have provided evidence, suitable to the Administration and consistent with constitutional and federal requirements, that they have not been fully compensated for the discrimination they have endured and that they have experienced ongoing discrimination or the continued effects of past discrimination; and

(4) satisfy any other criteria established by the Administration.

~~(2) An applicant awarded a license under paragraph (1) of this subsection may subsequently apply for and be awarded a license to operate as a cannabis processor under Title 36, Subtitle 4 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act.~~

(b) Notwithstanding any other provision of law, a license issued under subsection (a) of this section is in addition to and not subject to the limitations on the total number of licenses that the ~~Division~~ Administration may issue under Title 36, Subtitle 4 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act.

(c) If an applicant for a license to operate as a cannabis grower that is a recognized class member is not awarded a license under subsection (a) of this section:

(1) the applicant may apply for a license in accordance with the provisions of Title 36 of the Alcoholic Beverages and Cannabis Article, as enacted by Section 4 5 of this Act;

1 (2) the ~~Division~~ Administration shall allow the applicant to amend, if
2 necessary, and resubmit the applicant's application or withdraw the application entirely;
3 and

4 (3) the ~~Division~~ Administration may waive the initial application fee for
5 the applicant but may charge the applicant a reasonable fee for the resubmission or an
6 unamended or amended application.

7 SECTION 12. AND BE IT FURTHER ENACTED, That:

8 (a) As soon as practicable after the effective date of this Act, the Maryland
9 Cannabis Administration shall contract with an independent consultant to complete a
10 study on wholesale cannabis licenses.

11 (b) The study shall include:

12 (1) the costs to regulate wholesale cannabis licenses;

13 (2) whether there is market necessity for wholesale cannabis licensing;

14 (3) whether there is a need for wholesale cannabis licensing to alleviate
15 supply demand and facilitate an equitable marketplace for suppliers and retailers; and

16 (4) the approximate number of wholesale cannabis licenses appropriate for
17 the size of the marketplace in the State.

18 (c) On or before June 1, 2024, the Maryland Cannabis Administration shall
19 submit the results of the study required under subsection (a) of this section to the Governor
20 and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

21 SECTION 13. AND BE IT FURTHER ENACTED, That:

22 (a) The Maryland Economic Development Corporation shall identify in each of
23 the following locations a site for proposed use as incubator space, to be established in
24 accordance with § 36–406 of the Alcoholic Beverages and Cannabis Article, as enacted by
25 Section 5 of this Act:

26 (1) Caroline County, Cecil County, Dorchester County, Kent County,
27 Queen Anne's County, Somerset County, Talbot County, Wicomico County, or Worcester
28 County;

29 (2) Allegany County, Garrett County, or Washington County;

30 (3) Baltimore City or a beltway community located in Anne Arundel
31 County or Baltimore County; and

1 (4) a beltway community located in Montgomery County or Prince George's
2 County.

3 (b) The site identifications shall include:

4 (1) the proposed locations for incubator spaces identified under subsection
5 (a) of this section;

6 (2) the square footage of the identified locations; and

7 (3) the estimated costs for construction or renovation of the proposed
8 location to prepare it for use as an incubator space.

9 (c) In evaluating sites for proposed use as incubator spaces, the Maryland
10 Economic Development Corporation shall consider, in addition to other appropriate
11 criteria, the suitability of converting to incubator space obsolete or underutilized
12 commercial and retail properties such as enclosed malls, big box stores, and warehouse
13 spaces.

14 (d) On or before January 1, 2024, the Maryland Economic Development
15 Corporation shall submit a report on the identified sites and the qualifying criteria required
16 by this section to the Governor and, in accordance with § 2-1257 of the State Government
17 Article, the General Assembly.

18 SECTION 14. AND BE IT FURTHER ENACTED, That:

19 (a) As soon as practicable after the effective date of this Act, the Maryland
20 Cannabis Administration shall conduct a study on on-site consumption of cannabis and
21 cannabis products at retail premises of cannabis licensees.

22 (b) The study shall include:

23 (1) a survey of regulations and trade practices for on-site consumption of
24 cannabis and cannabis products in other states and countries;

25 (2) authorizations and restrictions for the use of cannabis distributed at
26 cannabis premises and for the removal of unconsumed cannabis or cannabis products from
27 the premises;

28 (3) operational procedures and controls for on-site consumption premises
29 and the preparation, use, and consumption of cannabis and cannabis products;

30 (4) training requirements and safeguards for employees of premises with
31 on-site consumption of cannabis and cannabis products; and

1 (5) recommendations for policies to implement on-site consumption of
2 cannabis and cannabis products at suitable locations, including suggested legislative and
3 regulatory changes.

4 (c) The Administration may contract with an independent contractor to conduct
5 the study under this section.

6 (d) On or before June 1, 2024, the Maryland Cannabis Administration shall
7 submit the results of the study required under subsection (a) of this section to the Governor
8 and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

9 ~~SECTION 15. AND BE IT FURTHER ENACTED, That:~~

10 ~~(a) The Maryland Cannabis Administration shall study:~~

11 ~~(1) types of cannabis products and cannabis-infused products that are not~~
12 ~~meant to be smoked and that are available in neighboring states and other jurisdictions,~~
13 ~~such as low-concentration edibles, cannabis-infused soft drinks and other beverages, and~~
14 ~~related products;~~

15 ~~(2) issues relating to processing, packaging, labeling, and use of these~~
16 ~~cannabis products as they may be introduced into the Maryland adult-use cannabis~~
17 ~~regulatory system; and~~

18 ~~(3) regulatory and enforcement issues that may arise from the introduction~~
19 ~~and availability of these cannabis products in Maryland.~~

20 ~~(b) On or before July 1, 2024, the Administration shall submit a report, including~~
21 ~~any proposed legislative or regulatory changes, to the Governor and, in accordance with §~~
22 ~~2-1257 of the State Government Article, the Senate Finance Committee and the House~~
23 ~~Economic Matters Committee.~~

24 ~~SECTION 16. 15. AND BE IT FURTHER ENACTED, That:~~

25 ~~(a) A grower awarded a stage one preapproval by the Natalie M. LaPrade Medical~~
26 ~~Cannabis Commission before October 1, 2022, and was not operational before October 1,~~
27 ~~2022, and This section applies only to a business awarded a grower license under § 9 of~~
28 ~~Chapter 598 of the Acts of the General Assembly of 2018, that does not hold a cannabis~~
29 ~~dispensary license.~~

30 ~~(b) (1) A licensed grower subject to this section may apply to the Maryland~~
31 ~~Cannabis Administration for and be awarded a standard dispensary license to operate as~~
32 ~~a cannabis dispensary established under § 36-401(c)(1)(iii) of the Alcoholic Beverages and~~
33 ~~Cannabis Article as enacted by Section 5 of this Act.~~

1 (2) If the licensed grower meets the minimum qualifications as determined
 2 by the Maryland Cannabis Administration for a standard dispensary license, the
 3 Administration shall award the grower a standard dispensary license.

4 ~~(b) A business that was awarded a stage one preapproval for a processor license~~
 5 ~~by the Natalie M. LaPrade Medical Cannabis Commission before October 1, 2022, and was~~
 6 ~~not operational before October 1, 2022, notwithstanding § 36-404(d)(2) of the Alcoholic~~
 7 ~~Beverages and Cannabis Article, as enacted under Section 5 of this Act, shall be entered~~
 8 ~~into the lottery under § 36-404(d)(1)(ii)1 of the Alcoholic Beverages and Cannabis Article~~
 9 ~~as enacted by Section 5 of this Act.~~

10 SECTION 16. AND BE IT FURTHER ENACTED, That, notwithstanding any other
 11 provision of law, on or before June 30, 2024, the Governor may transfer to the Maryland
 12 Cannabis Administration established under § 36-201 of the Alcoholic Beverages and
 13 Cannabis Article, as enacted by Section 5 of this Act, any positions and the associated funds,
 14 and any amount of the unexpended appropriation under the Alcohol and Tobacco
 15 Commission – Administration and Enforcement (E17A01.01), Alcohol and Tobacco
 16 Commission – Shared Services (E17A01.02), and Alcohol and Tobacco Commission –
 17 Cannabis Regulatory and Enforcement Division (E17A01.03) that was included in the fiscal
 18 year 2024 operating budget (House Bill 200 of the Acts of the General Assembly of 2023).

19 SECTION 17. AND BE IT FURTHER ENACTED, That, as soon as practicable after
 20 the effective date of this Act, the Alcohol, Tobacco, and Cannabis Commission and the
 21 Maryland Cannabis Administration shall enter into a memorandum of understanding that
 22 provides that both parties agree to collaborate in order to enforce the provisions of this Act
 23 with respect to unlicensed cannabis operations in the State.

24 SECTION 18. AND BE IT FURTHER ENACTED, That, notwithstanding §
 25 1-309(c)(1) of the Alcoholic Beverages and Cannabis Article, as enacted by Section 5 of this
 26 Act, an individual serving as the Executive Director of the Alcohol and Tobacco Commission
 27 on the effective date of this Act may continue to serve as the Executive Director of the Alcohol,
 28 Tobacco, and Cannabis Commission.

29 SECTION ~~12, 17,~~ 19. AND BE IT FURTHER ENACTED, That the publisher of the
 30 Annotated Code of Maryland, in consultation with and subject to the approval of the
 31 Department of Legislative Services, shall correct, with no further action required by the
 32 General Assembly, cross-references and terminology rendered incorrect by this Act. The
 33 publisher shall adequately describe any correction that is made in an editor's note following
 34 the section affected.

35 SECTION ~~13, 18,~~ 20. AND BE IT FURTHER ENACTED, That this Act is an
 36 emergency measure, is necessary for the immediate preservation of the public health or
 37 safety, has been passed by a yea and nay vote supported by three-fifths of all the members
 38 elected to each of the two Houses of the General Assembly, and shall take effect from the
 39 date it is enacted.