4lr1643 CF 4lr1287

By: Senators Raskin, Feldman, Ferguson, Forehand, Kelley, Madaleno, Manno, Montgomery, Pinsky, and Zirkin

Introduced and read first time: January 31, 2014 Assigned to: Judicial Proceedings and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

 $\mathbf{2}$

The Marijuana Taxation and Regulation Act

3 FOR the purpose of repealing certain criminal prohibitions against the use and 4 possession of marijuana and marijuana paraphernalia; establishing certain $\mathbf{5}$ exemptions from prosecution for certain persons for using, obtaining, 6 purchasing, transporting, or possessing marijuana under certain circumstances; 7 providing that certain conduct is lawful; establishing certain exemptions from 8 prosecution for certain retailers, marijuana product manufacturers, marijuana 9 cultivation facilities, and safety compliance facilities in certain circumstances; 10 establishing a certain affirmative defense; prohibiting a certain adult from cultivating marijuana under certain circumstances; requiring the Comptroller 11 12or the Comptroller's designee to establish certain procedures; providing that 13this Act does not exempt certain conduct from certain penalties; prohibiting a 14person from smoking marijuana in a public place; providing that employers are 15not required to accommodate certain conduct; authorizing landlords and 16 innkeepers to prohibit certain behavior in certain locations; prohibiting a person 17from falsely representing the person's age for certain purposes; providing that 18 this Act, by operation of law, expunges certain convictions; providing that this 19 Act does not repeal or modify certain other statutes; establishing a procedure 20for a certain retailer, marijuana cultivation facility, or safety compliance facility 21to register under this Act; authorizing local governments to enact certain 22ordinances or regulations not in conflict with this Act; prohibiting a retailer, 23marijuana cultivation facility, or other person from advertising in a certain 24manner; requiring a retailer to include a certain safety insert with the sale of 25marijuana; requiring a marijuana cultivation facility to create certain 26packaging; providing for the cultivation of marijuana in certain circumstances; 27requiring a certain marijuana cultivation facility to have certain documentation 28at certain times; prohibiting a retailer from selling, giving, or otherwise 29furnishing marijuana to a person under a certain age; prohibiting a retailer 30 from allowing a person under a certain age to be present in a certain location

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



1 under certain circumstances; prohibiting a retailer from selling, giving, or $\mathbf{2}$ otherwise furnishing more than a certain amount of marijuana to a person in a 3 single transaction, knowingly and willfully selling, giving, or otherwise 4 furnishing an amount of marijuana to a person under certain circumstances, $\mathbf{5}$ purchasing marijuana from a person other than a marijuana cultivation facility, 6 or violating certain regulations; providing a certain defense; prohibiting a 7marijuana cultivation facility from allowing a person under a certain age to be 8 present on certain premises under certain circumstances, selling, giving, or 9 otherwise furnishing marijuana to certain persons, purchasing marijuana from 10 certain persons, or purchasing or selling, giving, or otherwise furnishing 11 marijuana in a certain manner; authorizing the Comptroller to suspend or terminate a certain registration under certain circumstances; authorizing a 1213 certain court action under certain circumstances; providing that it is not a 14violation of State or local law for a person to purchase and possess a material or product made, in whole or in part, with industrial hemp; requiring the 1516 Department of Agriculture to adopt certain rules and regulations; providing 17that a certain person is authorized to manufacture, produce, use, obtain, 18 purchase, transport, or possess marijuana paraphernalia in a certain manner or 19to distribute or sell marijuana paraphernalia to certain persons; prohibiting a 20person under a certain age from possessing marijuana; requiring the Governor 21to appoint a certain oversight committee; requiring the oversight committee to 22undertake certain duties; imposing a certain excise tax on marijuana cultivation 23facilities; requiring the Comptroller to allocate certain tax funds in a certain 24manner; requiring the Comptroller to administer and carry out this Act and to 25adopt certain regulations; allowing a certain deduction from State taxes; 26providing certain penalties for a violation of this Act; defining certain terms; 27and generally relating to marijuana.

- 28 BY repealing and reenacting, with amendments,
- 29 Article Criminal Law
- 30 Section 5–601(c)(2) and 5–620(d)(2)
- 31 Annotated Code of Maryland
- 32 (2012 Replacement Volume and 2013 Supplement)
- 33 BY adding to
- 34 Article Criminal Law
- 35Section 5–1201 through 5–1231 to be under the new subtitle "Subtitle 12.36Marijuana"
- 37 Annotated Code of Maryland
- 38 (2012 Replacement Volume and 2013 Supplement)

39 BY adding to

- 40 Article Tax General
- 41Section 12.5–101 through 12.5–105 to be under the new title "Title 12.5.42Marijuana Tax"
- 43 Annotated Code of Maryland
- 44 (2010 Replacement Volume and 2013 Supplement)

$ \begin{array}{c} 1 \\ 2 \\ 3 \\ 4 \\ 5 \end{array} $	BY adding to Article – Courts and Judicial Proceedings Section 3–8A–19(d)(7) Annotated Code of Maryland (2013 Replacement Volume and 2013 Supplement)
$rac{6}{7}$	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
8	Article – Criminal Law
9	5-601.
10 11 12	(c) (2) [(i)] A person whose violation of this section involves the use or possession of marijuana is subject to [imprisonment not exceeding 1 year or a fine not exceeding \$1,000 or both.
$13 \\ 14 \\ 15$	(ii) 1. A person convicted of the use or possession of less than 10 grams of marijuana is subject to imprisonment not exceeding 90 days or a fine not exceeding \$500 or both.
$16 \\ 17 \\ 18$	2. Unless specifically charged by the State, the use or possession of less than 10 grams of marijuana under subsubparagraph 1 of this subparagraph may not be considered a lesser included crime of any other crime.
19 20 21	3. If a person is convicted under this subparagraph, the court shall stay any sentence imposed that includes an unserved, nonsuspended period of imprisonment without requiring an appeal bond:
22	A. until the time for filing an appeal has expired; and
$\frac{23}{24}$	B. if an appeal is filed, during the pendency of the appeal] THE PROVISIONS OF SUBTITLE 12 OF THIS TITLE.
25	5-620.
26 27 28	(d) (2) A person who violates this section involving the use or possession of marijuana is subject to [imprisonment not exceeding 1 year or a fine not exceeding \$1,000 or both] THE PROVISIONS OF SUBTITLE 12 OF THIS TITLE.
29	SUBTITLE 12. MARIJUANA.
30	5-1201.

1 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS 2 INDICATED.

3 (B) "COMPTROLLER" MEANS THE COMPTROLLER OF MARYLAND OR 4 THE COMPTROLLER'S DESIGNEE.

5 (C) "ENCLOSED LOCKED FACILITY" INCLUDES A BUILDING, ROOM, 6 GREENHOUSE, FULLY ENCLOSED FENCED-IN AREA, OR OTHER LOCATION 7 ENCLOSED ON ALL SIDES AND EQUIPPED WITH LOCKS OR OTHER SECURITY 8 DEVICES THAT PERMIT ACCESS ONLY BY:

9 (1) AN EMPLOYEE, AGENT, OR OWNER OF A MARIJUANA 10 CULTIVATION FACILITY, PROVIDED THAT THE EMPLOYEE, AGENT, OR OWNER IS 11 AT LEAST 21 YEARS OLD;

12 (2) A GOVERNMENT EMPLOYEE PERFORMING AN OFFICIAL DUTY 13 OF THE EMPLOYEE;

14 **(3)** A CONTRACTOR PERFORMING LABOR THAT DOES NOT 15 INCLUDE MARIJUANA CULTIVATION, PACKAGING, OR PROCESSING IF THE 16 CONTRACTOR IS ACCOMPANIED BY AN EMPLOYEE, AGENT, OR OWNER OF THE 17 MARIJUANA CULTIVATION FACILITY WHEN THE CONTRACTOR IS IN AREAS IN 18 WHICH MARIJUANA IS BEING GROWN OR STORED; OR

19 (4) A MEMBER OF THE MEDIA, AN ELECTED OFFICIAL, OR 20 ANOTHER INDIVIDUAL WHO IS TOURING THE MARIJUANA CULTIVATION 21 FACILITY IF THE INDIVIDUAL IS ACCOMPANIED BY AN EMPLOYEE, AGENT, OR 22 OWNER OF THE FACILITY AND IS AT LEAST 21 YEARS OLD.

(D) "INDUSTRIAL HEMP" MEANS ANY LOW-TETRAHYDROCANNABINOL
OIL-SEED AND FIBER VARIETY OF CANNABIS SATIVA L. WITH A
DELTA-9-TETRAHYDROCANNABINOL CONCENTRATION THAT DOES NOT EXCEED
0.3% ON A DRY WEIGHT BASIS.

27 (E) (1) "MARIJUANA" MEANS:

28 (I) ALL PARTS OF THE GENUS CANNABIS, WHETHER 29 GROWING OR NOT;

30 (II) THE SEEDS OF THE PLANT;

31 (III) THE RESIN EXTRACTED FROM A PART OF THE PLANT; OR

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1(IV)EVERY COMPOUND, MANUFACTURE, SALT, DERIVATIVE,2MIXTURE, OR PREPARATION OF THE PLANT, ITS SEEDS, OR ITS RESIN.

3 (2) "MARIJUANA" DOES NOT INCLUDE THE MATURE STALKS OF 4 THE PLANT, FIBER PRODUCED FROM THE STALKS, OIL OR CAKE MADE FROM 5 THE SEEDS OF THE PLANT, ANY OTHER COMPOUND, MANUFACTURE, SALT, 6 DERIVATIVE, MIXTURE, OR PREPARATION OF THE MATURE STALKS, EXCEPT THE 7 EXTRACTED RESIN, FIBER, OIL OR CAKE, OR THE STERILIZED SEED OF THE 8 PLANT THAT IS INCAPABLE OF GERMINATION.

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(F) "MARIJUANA CULTIVATION FACILITY" MEANS AN ENTITY THAT IS:

10 (1) REGISTERED IN ACCORDANCE WITH THIS SUBTITLE TO BE 11 EXEMPT FROM STATE PENALTIES FOR CULTIVATING, PREPARING, PACKAGING, 12 TRANSPORTING, OR SELLING MARIJUANA TO A MARIJUANA PRODUCT 13 MANUFACTURER, RETAILER, OR ANOTHER MARIJUANA CULTIVATION FACILITY; 14 OR

15(2)EXEMPT FROM STATE PENALTIES UNDER § 5–1212 OF THIS16SUBTITLE DUE TO FAILURE OF THE COMPTROLLER TO ISSUE REGISTRATIONS.

17 (G) "MARIJUANA ESTABLISHMENT" MEANS A RETAILER, MARIJUANA
18 CULTIVATION FACILITY, MARIJUANA PRODUCT MANUFACTURER, OR SAFETY
19 COMPLIANCE FACILITY.

20 (H) "MARIJUANA PARAPHERNALIA" MEANS EQUIPMENT, PRODUCTS, OR 21 MATERIALS THAT ARE USED OR INTENDED FOR USE IN:

(1) PLANTING, PROPAGATING, CULTIVATING, GROWING,
HARVESTING, MANUFACTURING, COMPOUNDING, CONVERTING, PRODUCING,
PROCESSING, PREPARING, TESTING, ANALYZING, PACKAGING, REPACKAGING,
STORING, CONTAINING, OR CONCEALING MARIJUANA; OR

26 (2) INGESTING OR INHALING MARIJUANA OR OTHERWISE 27 INTRODUCING MARIJUANA INTO THE HUMAN BODY.

28 (I) "MARIJUANA PRODUCT" MEANS A GOOD COMPOSED OF MARIJUANA 29 AND OTHER INGREDIENTS THAT IS INTENDED FOR USE OR CONSUMPTION.

30 (J) "MARIJUANA PRODUCT MANUFACTURER" MEANS AN ENTITY THAT 31 IS:

	6 SENATE BILL 658
$\frac{1}{2}$	(1) REGISTERED IN ACCORDANCE WITH THIS SUBTITLE TO BE EXEMPT FROM STATE PENALTIES FOR:
$\frac{3}{4}$	(I) PURCHASING MARIJUANA FROM MARIJUANA CULTIVATION FACILITIES;
5 6	(II) MANUFACTURING, PREPARING, AND PACKAGING MARIJUANA PRODUCTS; AND
7 8	(III) SELLING MARIJUANA PRODUCTS TO RETAILERS OR ANOTHER MARIJUANA PRODUCT MANUFACTURER; OR
9 10	(2) EXEMPT FROM STATE PENALTIES UNDER § 5–1213 OF THIS SUBTITLE DUE TO FAILURE OF THE COMPTROLLER TO ISSUE REGISTRATIONS.
11	(K) "PERSONAL USE AMOUNT OF USABLE MARIJUANA" MEANS:
12	(1) 1 OUNCE OR LESS OF MARIJUANA;
13	(2) 5 GRAMS OR LESS OF HASHISH;
$\begin{array}{c} 14 \\ 15 \end{array}$	(3) 16 OUNCES OF MARIJUANA PRODUCTS OTHER THAN HASHISH IN SOLID FORM; OR
16	(4) 72 OUNCES OF MARIJUANA IN LIQUID FORM.
17 18 19 20	(L) (1) "PUBLIC PLACE" MEANS A STREET, AN ALLEY, A PARK, A SIDEWALK, A PLACE OR BUILDING OF BUSINESS OR ASSEMBLY OPEN TO OR FREQUENTED BY THE PUBLIC, OR ANY OTHER PLACE TO WHICH THE PUBLIC HAS ACCESS.
$\begin{array}{c} 21 \\ 22 \end{array}$	(2) "PUBLIC PLACE" DOES NOT INCLUDE AN INDIVIDUAL DWELLING.
23	(M) "RETAILER" MEANS AN ENTITY THAT IS:
24 25 26 27 28	(1) REGISTERED IN ACCORDANCE WITH THIS SUBTITLE TO BE EXEMPT FROM STATE PENALTIES FOR PURCHASING MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY OR MARIJUANA PRODUCT MANUFACTURER AND SELLING MARIJUANA AND MARIJUANA PARAPHERNALIA TO CUSTOMERS WHO ARE AT LEAST 21 YEARS OLD; OR

1 (2) EXEMPT FROM STATE PENALTIES UNDER § 5–1211 OF THIS 2 SUBTITLE DUE TO THE COMPTROLLER NOT ISSUING REGISTRATIONS.

3 (N) "SAFETY COMPLIANCE FACILITY" MEANS AN ENTITY THAT IS:

4 (1) REGISTERED IN ACCORDANCE WITH THIS SUBTITLE TO BE 5 EXEMPT FROM STATE PENALTIES FOR TESTING MARIJUANA, INCLUDING 6 MARIJUANA PRODUCTS, FOR POTENCY AND CONTAMINANTS; OR

7 (2) EXEMPT FROM STATE PENALTIES UNDER § 5–1214 OF THIS 8 SUBTITLE DUE TO THE COMPTROLLER NOT ISSUING REGISTRATIONS.

9 (O) (1) "SMOKING" MEANS HEATING TO AT LEAST THE POINT OF 10 COMBUSTION, CAUSING PLANT MATERIAL TO BURN.

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(2) "SMOKING" DOES NOT INCLUDE VAPORIZING.

(P) "STATE PROSECUTION" MEANS CRIMINAL PROSECUTION INITIATED
 OR MAINTAINED BY THE STATE OR AN AGENCY OR A POLITICAL SUBDIVISION OF
 THE STATE.

15 **5–1202.**

16 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE 17 FOLLOWING ACTS ARE LAWFUL AND A PERSON WHO IS AT LEAST 21 YEARS OLD 18 IS EXEMPT FROM ARREST, CIVIL OR CRIMINAL PENALTY, SEIZURE OR 19 FORFEITURE OF ASSETS BY OR TO THE STATE OR AN AGENT OF THE STATE, 20 DISCIPLINE BY A STATE OR LOCAL LICENSING BOARD, OR STATE PROSECUTION 21 FOR THE FOLLOWING ACTS:

(1) ACTUALLY OR CONSTRUCTIVELY USING, OBTAINING,
 PURCHASING, TRANSPORTING, OR POSSESSING A PERSONAL USE AMOUNT OF
 USABLE MARIJUANA;

(2) CONTROLLING THE PREMISES OR A VEHICLE WHERE
AMOUNTS OF MARIJUANA THAT ARE LAWFUL UNDER THIS SUBTITLE ARE
POSSESSED, PROCESSED, OR STORED BY PERSONS WHO ARE AT LEAST 21 YEARS
OLD, PROVIDED THAT THE TOTAL NUMBER OF PLANTS MAY NOT EXCEED 18 IN
AN INDIVIDUAL RESIDENCE;

30(3) USING, OBTAINING, MANUFACTURING, PRODUCING,31PURCHASING, TRANSPORTING, OR POSSESSING, ACTUALLY OR32CONSTRUCTIVELY, MARIJUANA PARAPHERNALIA;

1 (4) SELLING MARIJUANA SEEDS OR MARIJUANA PARAPHERNALIA 2 TO A MARIJUANA ESTABLISHMENT OR TO PERSONS WHO ARE AT LEAST 21 3 YEARS OLD;

4 **(5)** TRANSFERRING A PERSONAL USE AMOUNT OF USABLE 5 MARIJUANA AND THREE OR FEWER MARIJUANA SEEDLINGS OR CUTTINGS 6 WITHOUT REMUNERATION TO A PERSON WHO IS AT LEAST **21** YEARS OLD;

7 (6) TRANSFERRING AN AMOUNT OF MARIJUANA OR MARIJUANA
8 PRODUCTS THAT A PERSON IS ALLOWED TO POSSESS UNDER THIS SECTION TO A
9 SAFETY COMPLIANCE FACILITY;

10(7)AIDING AND ABETTING ANOTHER PERSON WHO IS AT LEAST 2111YEARS OLD IN ACTIONS THAT ARE ALLOWED UNDER THIS SUBTITLE;

12 (8) CULTIVATING SIX OR FEWER MARIJUANA PLANTS, NO MORE 13 THAN THREE OF WHICH MAY BE MATURE, FLOWERING PLANTS, AND 14 POSSESSING THE MARIJUANA PRODUCED BY THE PLANTS ON THE PREMISES 15 WHERE THE PLANTS WERE GROWN; OR

16 (9) ASSISTING WITH THE CULTIVATION OF MARIJUANA PLANTS 17 THAT ARE CULTIVATED AT THE SAME LOCATION BY ADULTS AT LEAST 21 YEARS 18 OLD, WITH THE TOTAL NUMBER OF MATURE, FLOWERING PLANTS NOT 19 EXCEEDING 18 IN A DWELLING UNIT.

(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A RETAILER
OR ANY OTHER PERSON THAT IS AT LEAST 21 YEARS OLD AND ACTING IN A
CAPACITY AS AN OWNER, A PRINCIPAL OFFICER, A PARTNER, A BOARD MEMBER,
AN EMPLOYEE, OR AN AGENT OF A RETAILER IS EXEMPT FROM ARREST, CIVIL
OR CRIMINAL PENALTY, SEIZURE OR FORFEITURE OF ASSETS, DISCIPLINE BY A
STATE OR LOCAL LICENSING BOARD, OR STATE PROSECUTION FOR THE
FOLLOWING ACTS:

(1) TRANSPORTING OR POSSESSING, ACTUALLY OR
CONSTRUCTIVELY, MARIJUANA, INCLUDING SEEDLINGS OR CUTTINGS, THAT
WAS PURCHASED FROM A MARIJUANA CULTIVATION FACILITY OR ANOTHER
RETAILER;

31(2) TRANSPORTING OR POSSESSING, ACTUALLY OR32CONSTRUCTIVELY, MARIJUANA PRODUCTS THAT WERE PURCHASED FROM A33MARIJUANA PRODUCT MANUFACTURER OR A RETAILER;

(3) OBTAINING OR PURCHASING MARIJUANA FROM A MARIJUANA CULTIVATION FACILITY OR A RETAILER;
(4) OBTAINING OR PURCHASING MARIJUANA FROM A MARIJUANA PRODUCT MANUFACTURER OR A RETAILER;
(5) MANUFACTURING, POSSESSING, PRODUCING, OBTAINING, OR PURCHASING MARIJUANA PARAPHERNALIA;

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7 (6) SELLING, TRANSFERRING, OR DELIVERING MARIJUANA, 8 SEEDLINGS AND CUTTINGS OF MARIJUANA PLANTS, MARIJUANA PRODUCTS, OR 9 MARIJUANA PARAPHERNALIA TO A PERSON WHO IS AT LEAST 21 YEARS OLD OR 10 TO ANOTHER MARIJUANA RETAILER;

11(7) TRANSFERRING OR DELIVERING MARIJUANA TO A SAFETY12COMPLIANCE FACILITY; OR

13(8) CONTROLLING THE PREMISES OR A VEHICLE WHERE14MARIJUANA, MARIJUANA PRODUCTS, OR MARIJUANA PARAPHERNALIA IS15POSSESSED, SOLD, OR DEPOSITED.

16 (C) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A MARIJUANA 17 CULTIVATION FACILITY OR OTHER PERSON WHO IS AT LEAST 21 YEARS OLD AND 18 ACTING IN A CAPACITY AS AN OWNER, A PRINCIPAL OFFICER, A PARTNER, A 19 BOARD MEMBER, AN EMPLOYEE, OR AN AGENT OF A MARIJUANA CULTIVATION 20 FACILITY IS EXEMPT FROM ARREST, CIVIL OR CRIMINAL PENALTY, SEIZURE OR 21 FORFEITURE OF ASSETS, DISCIPLINE BY A STATE OR LOCAL LICENSING BOARD, 22 OR STATE PROSECUTION FOR THE FOLLOWING ACTS:

23(1)CULTIVATING, PACKING, POSSESSING, PROCESSING,24TRANSPORTING, OR MANUFACTURING MARIJUANA;

25(2) POSSESSING, TRANSPORTING, SELLING, OR PRODUCING26MARIJUANA PARAPHERNALIA;

27 (3) SELLING, TRANSFERRING, OR DELIVERING MARIJUANA TO A
 28 RETAILER, MARIJUANA PRODUCT MANUFACTURER, OR A MARIJUANA
 29 CULTIVATION FACILITY;

30(4) TRANSFERRING OR DELIVERING MARIJUANA TO A SAFETY31COMPLIANCE FACILITY;

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1(5) PURCHASING OR OBTAINING MARIJUANA, INCLUDING2PLANTS, FROM A MARIJUANA CULTIVATION FACILITY;

3 (6) PURCHASING MARIJUANA SEEDS FROM A PERSON WHO IS AT
 4 LEAST 21 YEARS OLD; OR

5 (7) CONTROLLING THE PREMISES OR A VEHICLE WHERE 6 MARIJUANA OR MARIJUANA PARAPHERNALIA IS POSSESSED, MANUFACTURED, 7 SOLD, OR DEPOSITED.

8 (D) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A MARIJUANA 9 PRODUCT MANUFACTURER OR OTHER PERSON WHO IS AT LEAST 21 YEARS OLD 10 AND ACTING IN A CAPACITY AS AN OWNER, A PRINCIPAL OFFICER, A PARTNER, A 11 BOARD MEMBER, AN EMPLOYEE, OR AN AGENT OF A MARIJUANA PRODUCT 12 MANUFACTURER IS EXEMPT FROM ARREST, CIVIL OR CRIMINAL PENALTY, 13 SEIZURE OR FORFEITURE OF ASSETS, DISCIPLINE BY A STATE OR LOCAL 14 LICENSING BOARD, OR STATE PROSECUTION FOR THE FOLLOWING ACTS:

15(1) PACKING, POSSESSING, PROCESSING, OR TRANSPORTING16MARIJUANA AND MARIJUANA PRODUCTS;

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(2) MANUFACTURING MARIJUANA PRODUCTS;

18 (3) POSSESSING, TRANSPORTING, SELLING, OR PRODUCING
 19 MARIJUANA PARAPHERNALIA;

20(4) SELLING, TRANSFERRING, OR DELIVERING MARIJUANA21PRODUCTS TO A RETAILER OR A MARIJUANA PRODUCT MANUFACTURER;

22(5)TRANSFERRING OR DELIVERING MARIJUANA OR MARIJUANA23PRODUCTS TO A SAFETY COMPLIANCE FACILITY;

24(6)PURCHASING OR OBTAINING MARIJUANA FROM A MARIJUANA25CULTIVATION FACILITY OR A MARIJUANA PRODUCT MANUFACTURER; OR

26 (7) CONTROLLING THE PREMISES OR A VEHICLE WHERE
27 MARIJUANA OR MARIJUANA PARAPHERNALIA IS POSSESSED, MANUFACTURED,
28 SOLD, OR DEPOSITED.

(E) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A SAFETY
 COMPLIANCE FACILITY OR OTHER PERSON WHO IS AT LEAST 21 YEARS OLD AND
 ACTING IN A CAPACITY AS AN OWNER, EMPLOYEE, OR AGENT OF A SAFETY
 COMPLIANCE FACILITY MAY NOT BE SUBJECT TO STATE PROSECUTION, SEARCH

EXCEPT BY THE COMPTROLLER IN ACCORDANCE WITH § 12.5–103 OF THE TAX –
 GENERAL ARTICLE, SEIZURE, OR PENALTY, INCLUDING CIVIL PENALTY OR
 DISCIPLINARY ACTION BY A COURT OR BUSINESS LICENSING BOARD OR ENTITY,
 OR BE DENIED A RIGHT OR PRIVILEGE FOR PROVIDING THE FOLLOWING
 SERVICES:

6 (1) ACQUIRING, TRANSPORTING, OR POSSESSING MARIJUANA OR 7 MARIJUANA PRODUCTS;

8 (2) RETURNING MARIJUANA TO MARIJUANA ESTABLISHMENTS 9 AND TO PERSONS AT LEAST 21 YEARS OLD, PROVIDED THAT THE AMOUNT 10 RETURNED TO AN INDIVIDUAL AT LEAST 21 YEARS OLD DOES NOT EXCEED THE 11 AMOUNT OF MARIJUANA THE INDIVIDUAL IS ALLOWED TO POSSESS UNDER 12 STATE LAW; OR

13(3) RECEIVING COMPENSATION FOR TESTING MARIJUANA AND14MARIJUANA PRODUCTS.

15 (F) EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, IN A 16 PROSECUTION FOR SELLING, TRANSFERRING, DELIVERING, GIVING, OR 17 OTHERWISE FURNISHING MARIJUANA OR MARIJUANA PARAPHERNALIA TO A 18 PERSON WHO IS UNDER 21 YEARS OF AGE, IT IS A COMPLETE DEFENSE IF:

(1) THE PERSON WHO SOLD, GAVE, OR OTHERWISE FURNISHED
MARIJUANA OR MARIJUANA PARAPHERNALIA TO A PERSON WHO IS UNDER 21
YEARS OF AGE WAS A RETAILER OR WAS ACTING IN A CAPACITY AS AN OWNER,
EMPLOYEE, OR AGENT OF A RETAILER AT THE TIME THE MARIJUANA OR
MARIJUANA PARAPHERNALIA WAS SOLD, GIVEN, OR OTHERWISE FURNISHED TO
THE PERSON; AND

25(2) BEFORE SELLING, GIVING, OR OTHERWISE FURNISHING 26MARIJUANA OR MARIJUANA PARAPHERNALIA TO A PERSON WHO IS UNDER 21 27YEARS OF AGE, THE PERSON WHO SOLD, GAVE, OR OTHERWISE FURNISHED THE 28MARIJUANA OR MARIJUANA PARAPHERNALIA OR AN EMPLOYEE OR AGENT OF 29THE SELLER WAS SHOWN A DOCUMENT THAT APPEARED TO BE ISSUED BY AN 30 AGENCY OF A FEDERAL, STATE, TRIBAL, OR FOREIGN SOVEREIGN GOVERNMENT 31 THAT INDICATED THE PERSON TO WHOM THE MARIJUANA OR MARIJUANA 32PARAPHERNALIA WAS SOLD, GIVEN, OR OTHERWISE FURNISHED WAS AT LEAST 33 **21** YEARS OLD AT THE TIME THE MARIJUANA OR MARIJUANA PARAPHERNALIA 34WAS SOLD, GIVEN, OR OTHERWISE FURNISHED TO THE PERSON.

35 (G) THE COMPLETE DEFENSE SET FORTH IN SUBSECTION (F) OF THIS 36 SECTION DOES NOT APPLY IF: 1 (1) THE DOCUMENT THAT WAS SHOWN TO THE PERSON WHO 2 SOLD, GAVE, OR OTHERWISE FURNISHED THE MARIJUANA OR MARIJUANA 3 PARAPHERNALIA WAS COUNTERFEIT, FORGED, ALTERED, OR ISSUED TO A 4 PERSON OTHER THAN THE PERSON TO WHOM THE MARIJUANA OR MARIJUANA 5 PARAPHERNALIA WAS SOLD, GIVEN, OR OTHERWISE FURNISHED; AND

6 (2) UNDER THE CIRCUMSTANCES, A REASONABLE PERSON WOULD 7 HAVE KNOWN OR SUSPECTED THAT THE DOCUMENT WAS COUNTERFEIT, 8 FORGED, ALTERED, OR ISSUED TO A PERSON OTHER THAN THE PERSON TO 9 WHOM THE MARIJUANA OR MARIJUANA PARAPHERNALIA WAS SOLD, GIVEN, OR 10 OTHERWISE FURNISHED.

(H) A COMMON CARRIER OR OTHER PERSON ACTING IN A CAPACITY AS
AN EMPLOYEE OR AGENT OF A COMMON CARRIER MAY NOT BE SUBJECT TO
STATE PROSECUTION, SEARCH EXCEPT BY THE COMPTROLLER IN ACCORDANCE
WITH § 12.5–103 OF THE TAX – GENERAL ARTICLE, SEIZURE, OR PENALTY,
INCLUDING CIVIL PENALTY OR DISCIPLINARY ACTION BY A COURT, BUSINESS
LICENSING BOARD, OR ENTITY, OR BE DENIED A RIGHT OR PRIVILEGE, FOR
TRANSPORTING OR POSSESSING MARIJUANA.

18 **5–1203.**

19 (A) (1) IN THIS SUBSECTION, "REASONABLE PRECAUTIONS" 20 INCLUDES CULTIVATING MARIJUANA IN A LOCKED CLOSET, ROOM, OR FULLY 21 ENCLOSED AREA TO WHICH PERSONS UNDER 21 YEARS OF AGE DO NOT POSSESS 22 A KEY.

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(2) AN ADULT WHO IS AT LEAST 21 YEARS OLD MAY NOT:

(I) MANUFACTURE OR CULTIVATE MARIJUANA PLANTS IN A
LOCATION WHERE THE MARIJUANA PLANTS ARE SUBJECT TO PUBLIC VIEW
WITHOUT THE USE OF BINOCULARS, AIRCRAFT, OR OTHER OPTICAL AIDS;

27 (II) CULTIVATE MARIJUANA OUTDOORS OTHER THAN IN AN 28 ENCLOSED LOCATION, SUCH AS A FENCED-IN AREA;

29(III) CULTIVATE MARIJUANA ON PROPERTY NOT LAWFULLY30IN POSSESSION OF THE CULTIVATOR OR WITHOUT THE CONSENT OF THE31PERSON IN LAWFUL POSSESSION OF THE PROPERTY; OR

32(IV) ALLOW A PERSON UNDER 21 YEARS OF AGE TO LIVE IN33OR BE A GUEST AT PROPERTY WHERE MARIJUANA IS CULTIVATED WITHOUT

1 TAKING REASONABLE PRECAUTIONS TO PREVENT THE ACCESS BY THE PERSON 2 TO MARIJUANA PLANTS.

3 (B) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A 4 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT 5 EXCEEDING 10 DAYS OR A FINE NOT EXCEEDING \$1,000 OR BOTH.

6 **5–1204.**

7 THIS SUBTITLE DOES NOT EXEMPT A PERSON FROM ARREST, CIVIL OR 8 CRIMINAL PENALTY, SEIZURE OR FORFEITURE OF ASSETS, DISCIPLINE BY A 9 STATE OR LOCAL LICENSING BOARD, OR STATE PROSECUTION FOR THE 10 FOLLOWING ACTS:

(1) DRIVING, OPERATING, OR BEING IN ACTUAL PHYSICAL
 CONTROL OF A VEHICLE OR A VESSEL UNDER POWER OR SAIL WHILE IMPAIRED
 BY MARIJUANA OR MARIJUANA PRODUCTS; OR

14 (2) POSSESSING MARIJUANA, INCLUDING MARIJUANA PRODUCTS,
15 IN A LOCAL DETENTION FACILITY, COUNTY JAIL, STATE PRISON,
16 REFORMATORY, OR OTHER CORRECTIONAL FACILITY, INCLUDING A FACILITY
17 FOR THE DETENTION OF JUVENILE OFFENDERS.

18 **5–1205.**

19 (A) A PERSON MAY NOT SMOKE MARIJUANA IN A PUBLIC PLACE.

20 (B) A PERSON WHO VIOLATES THIS SUBSECTION IS GUILTY OF A CIVIL 21 INFRACTION AND IS SUBJECT TO A CIVIL FINE OF UP TO **\$100**.

22 **5–1206.**

THIS SUBTITLE DOES NOT REQUIRE EMPLOYERS TO ACCOMMODATE THE
 USE OR POSSESSION OF MARIJUANA OR BEING UNDER THE INFLUENCE OF
 MARIJUANA IN A PLACE OF EMPLOYMENT.

26 **5–1207.**

27(A) THIS SUBTITLE DOES NOT PREVENT A LANDLORD FROM28PROHIBITING THE CULTIVATION OF MARIJUANA ON RENTAL PREMISES.

1 (B) IF A LANDLORD OR INNKEEPER POSTS A NOTICE, THE LANDLORD 2 OR INNKEEPER MAY PROHIBIT THE SMOKING OF MARIJUANA ON RENTED 3 PROPERTY OR IN A RENTED ROOM.

4 **5–1208.**

5 (A) A PERSON MAY NOT FALSELY REPRESENT THAT THE PERSON AT 6 LEAST 21 YEARS OLD TO OBTAIN MARIJUANA, MARIJUANA PRODUCTS, OR 7 MARIJUANA PARAPHERNALIA IN ACCORDANCE WITH THIS SUBTITLE.

8 (B) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A 9 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT 10 EXCEEDING 10 DAYS OR A FINE NOT EXCEEDING \$250 OR BOTH.

11 **5–1209.**

12 (A) THIS SUBTITLE SHALL, BY OPERATION OF LAW, EXPUNGE THE 13 CONVICTION OF A PERSON PREVIOUSLY CONVICTED OF AN OFFENSE 14 EQUIVALENT TO THOSE DESCRIBED IN § 5–1202(A) OF THIS SUBTITLE OR THE 15 POSSESSION OF MARIJUANA PARAPHERNALIA.

16 **(B)** ALL STATE AGENCIES WITH RECORDS PERTAINING TO ARRESTS 17 AND CONVICTIONS FOR POSSESSION OF 1 OUNCE OR LESS OF MARIJUANA OR 18 POSSESSION OF MARIJUANA PARAPHERNALIA BY PERSONS AT LEAST 21 YEARS 19 OLD SHALL DESTROY THOSE RECORDS.

20 **5–1210.**

THIS SUBTITLE DOES NOT REPEAL OR MODIFY ANY LAW CONCERNING THE
 MEDICAL USE OF MARIJUANA OR TETRAHYDROCANNABINOL IN OTHER FORMS,
 SUCH AS MARINOL.

24 **5–1211.**

(A) A PERSON OR AN ENTITY MAY APPLY FOR THE ISSUANCE OF A
REGISTRATION EXEMPTING THE ENTITY FROM STATE PROSECUTION AND
PENALTIES FOR OPERATING AS A RETAILER IN ACCORDANCE WITH THIS
SUBTITLE.

(B) AN APPLICANT FOR A RETAILER REGISTRATION SHALL SUBMIT
 30 APPLICATION MATERIALS REQUIRED BY THE COMPTROLLER AND A
 31 NONREFUNDABLE FEE IN AN AMOUNT DETERMINED BY THE COMPTROLLER,
 32 NOT TO EXCEED \$5,000.

1 (C) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OR (III) 2 OF THIS PARAGRAPH, ON OR BEFORE OCTOBER 1, 2015, THE COMPTROLLER 3 SHALL ISSUE ONE RETAILER REGISTRATION FOR EVERY 20,000 RESIDENTS OF A 4 COUNTY OR TWO RETAILER REGISTRATIONS FOR EACH COUNTY, WHICHEVER IS 5 GREATER.

6 (II) IF FEWER QUALIFIED APPLICANTS APPLY FOR A 7 REGISTRATION IN A COUNTY THAN THE COMPTROLLER IS REQUIRED TO 8 REGISTER IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE 9 COMPTROLLER SHALL ISSUE A REGISTRATION TO EACH QUALIFIED APPLICANT 10 IN THE COUNTY.

11 (III) THE COMPTROLLER MAY ISSUE A SMALLER NUMBER OF 12 REGISTRATIONS IN A COUNTY IF THE NUMBER OF REGISTRATIONS WOULD 13 OTHERWISE EXCEED THE NUMBER OF RETAILERS ALLOWED UNDER LOCAL 14 ORDINANCES OR REGULATIONS ENACTED IN ACCORDANCE WITH § 5–1217 OF 15 THIS SUBTITLE.

16

(2) EXCEPT AS PROVIDED IN § 5-1217 OF THIS SUBTITLE:

17(I) RETAILER REGISTRATIONS SHALL BE DISTRIBUTED18WITHIN A COUNTY BASED ON THE POPULATION OF CITIES AND19UNINCORPORATED AREAS WITHIN THAT COUNTY; AND

20 (II) EACH CITY MAY HAVE APPROXIMATELY ONE 21 REGISTRATION FOR EVERY **20,000** RESIDENTS.

22 (D) IF AT ANY TIME AFTER OCTOBER 1, 2016, THERE ARE FEWER VALID 23 RETAILER REGISTRATIONS THAN THE COMPTROLLER IS AUTHORIZED TO ISSUE, 24 THE COMPTROLLER SHALL ACCEPT AND PROCESS APPLICATIONS FOR 25 RETAILER REGISTRATIONS.

26 (E) IF AT ANY TIME AFTER OCTOBER 1, 2016, THE COMPTROLLER 27 FINDS THAT THE NUMBER OF RETAILERS IS INADEQUATE, THE COMPTROLLER 28 MAY ISSUE ADDITIONAL RETAILER REGISTRATIONS.

29 (F) THE FEE FOR THE INITIAL ISSUANCE OF A REGISTRATION AS A 30 RETAILER IS \$10,000.

31 (G) (1) A REGISTRATION AS A RETAILER MAY BE RENEWED 32 ANNUALLY FOR A \$5,000 FEE.

1(2) THE RENEWAL APPLICATION MAY BE SUBMITTED UP TO 1202DAYS BEFORE THE EXPIRATION OF THE RETAILER REGISTRATION.

3 (3) IF THE COMPTROLLER FAILS TO APPROVE A VALID RENEWAL
 4 APPLICATION, THE APPLICATION SHALL BE DEEMED GRANTED 60 DAYS AFTER
 5 SUBMISSION.

6 (H) IF AT ANY TIME AFTER APRIL 1, 2016, THE COMPTROLLER HAS 7 FAILED TO BEGIN ISSUING RETAILER REGISTRATIONS OR HAS CEASED ISSUING 8 RETAILER REGISTRATIONS OR RENEWALS AS REQUIRED BY THIS SUBTITLE, A 9 PERSON OR ENTITY MAY OPERATE AS A RETAILER WITHOUT A RETAIL 10 REGISTRATION PROVIDED THAT:

11(1) THE PERSON OR ENTITY CONDUCTS OPERATIONS AS A12RETAILER IN A LOCATION ZONED FOR RETAIL USE; AND

13(2) THE PERSON OR ENTITY SATISFIES THE REQUIREMENTS FOR14A RETAILER SET FORTH IN THIS SUBTITLE AND REGULATIONS ADOPTED IN15ACCORDANCE WITH THIS SUBTITLE.

16 **5–1212.**

17 (A) A PERSON MAY APPLY FOR THE ISSUANCE OF A REGISTRATION 18 EXEMPTING THE PERSON FROM STATE PROSECUTION AND PENALTIES FOR 19 OPERATING AS A MARIJUANA CULTIVATION FACILITY IN ACCORDANCE WITH 20 THIS SUBTITLE.

(B) AN APPLICANT FOR A MARIJUANA CULTIVATION FACILITY
 REGISTRATION SHALL SUBMIT APPLICATION MATERIALS REQUIRED BY THE
 COMPTROLLER AND A NONREFUNDABLE FEE IN AN AMOUNT DETERMINED BY
 THE COMPTROLLER, NOT TO EXCEED \$5,000.

25(C) NO LATER THAN 300 DAYS AFTER OCTOBER 1, 2014, THE26COMPTROLLER SHALL ISSUE 100 MARIJUANA CULTIVATION FACILITY27REGISTRATIONS, PROVIDED THAT QUALIFIED APPLICANTS EXIST.

28 (D) (1) IF AT ANY TIME AFTER OCTOBER 1, 2015, THERE ARE FEWER 29 VALID MARIJUANA CULTIVATION FACILITY REGISTRATIONS THAN SPECIFIED IN 30 SUBSECTION (C) OF THIS SECTION, THE COMPTROLLER SHALL ACCEPT AND 31 PROCESS APPLICATIONS FOR MARIJUANA CULTIVATION FACILITY 32 REGISTRATIONS.

1 THE COMPTROLLER SHALL GRANT ADDITIONAL MARIJUANA (2) $\mathbf{2}$ CULTIVATION FACILITY REGISTRATIONS AT ANY TIME AFTER APRIL 1, 2016, IF 3 THE EXISTING NUMBER OF MARIJUANA CULTIVATION FACILITY REGISTRATIONS 4 IS UNABLE TO MEET DEMAND. $\mathbf{5}$ **(E)** THE FEE FOR THE INITIAL ISSUANCE OF A REGISTRATION AS A 6 MARIJUANA CULTIVATION FACILITY IS \$10,000. 7**(F)** (1) A REGISTRATION AS A MARIJUANA CULTIVATION FACILITY 8 MAY BE RENEWED ANNUALLY FOR A \$5,000 FEE. 9 THE RENEWAL APPLICATION MAY BE SUBMITTED UP TO 120 (2) 10 DAYS BEFORE THE EXPIRATION OF THE MARIJUANA CULTIVATION FACILITY 11 **REGISTRATION.** 12(3) IF THE COMPTROLLER FAILS TO APPROVE A VALID RENEWAL 13APPLICATION, THE APPLICATION SHALL BE DEEMED GRANTED 60 DAYS AFTER 14 SUBMISSION. IF AT ANY TIME AFTER APRIL 1, 2015, THE COMPTROLLER HAS 15(G) 16 FAILED TO BEGIN ISSUING MARIJUANA CULTIVATION FACILITY REGISTRATIONS 17OR HAS CEASED ISSUING MARIJUANA CULTIVATION FACILITY REGISTRATIONS IN ACCORDANCE WITH THIS SUBTITLE, A PERSON OR AN ENTITY MAY OPERATE 18 19 AS A MARIJUANA CULTIVATION FACILITY WITHOUT A MARIJUANA CULTIVATION 20 FACILITY REGISTRATION PROVIDED THAT THE PERSON OR ENTITY: 21(1) CONDUCTS OPERATIONS AS A MARIJUANA CULTIVATION 22FACILITY IN A LOCATION ZONED FOR AGRICULTURAL OR INDUSTRIAL USE; AND 23(2) SATISFIES THE REQUIREMENTS SET FORTH IN THIS SUBTITLE 24AND REGULATIONS ADOPTED IN ACCORDANCE WITH THIS SUBTITLE. 255-1213. 26(A) A PERSON MAY APPLY FOR THE ISSUANCE OF A REGISTRATION 27EXEMPTING THE PERSON FROM STATE PROSECUTION AND PENALTIES FOR 28**OPERATING AS A MARIJUANA PRODUCT MANUFACTURER IN ACCORDANCE WITH** 29THIS SUBTITLE. 30 **(B)** AN APPLICANT FOR A MARIJUANA PRODUCT MANUFACTURER

30 (B) AN APPLICANT FOR A MARIJUANA PRODUCT MANUFACTURER 31 REGISTRATION SHALL SUBMIT APPLICATION MATERIALS REQUIRED BY THE 32 COMPTROLLER AND A NONREFUNDABLE FEE IN AN AMOUNT DETERMINED BY 33 THE COMPTROLLER, NOT TO EXCEED \$5,000.

1 (C) ON OR BEFORE OCTOBER 1, 2015, THE COMPTROLLER SHALL 2 BEGIN ISSUING MARIJUANA PRODUCT MANUFACTURER REGISTRATIONS TO 3 QUALIFIED APPLICANTS.

4 (D) THE FEE FOR THE INITIAL ISSUANCE OF A REGISTRATION AS A 5 MARIJUANA PRODUCT MANUFACTURER IS \$5,000.

6 (E) (1) A REGISTRATION AS A MARIJUANA PRODUCT MANUFACTURER 7 MAY BE RENEWED ANNUALLY FOR A \$5,000 FEE.

8 (2) THE RENEWAL APPLICATION MAY BE SUBMITTED UP TO 120
9 DAYS BEFORE THE EXPIRATION OF THE MARIJUANA PRODUCT MANUFACTURER
10 REGISTRATION.

(3) IF THE COMPTROLLER FAILS TO APPROVE A VALID RENEWAL
 APPLICATION, THE APPLICATION SHALL BE DEEMED GRANTED 60 DAYS AFTER
 SUBMISSION.

(F) IF AT ANY TIME AFTER APRIL 1, 2015, THE COMPTROLLER HAS 1415FAILED ТО BEGIN ISSUING MARIJUANA PRODUCT MANUFACTURER 16 REGISTRATIONS OR HAS CEASED ISSUING MARIJUANA PRODUCT 17MANUFACTURER REGISTRATIONS IN ACCORDANCE WITH THIS SUBTITLE, A PERSON OR AN ENTITY MAY OPERATE AS A MARIJUANA PRODUCT 18 19 MANUFACTURER PROVIDED THAT THE PERSON OR ENTITY:

20(1) CONDUCTS OPERATIONS AS A MARIJUANA PRODUCT21MANUFACTURER IN A LOCATION ZONED FOR AGRICULTURAL OR INDUSTRIAL22USE; AND

23(2)SATISFIES THE REQUIREMENTS SET FORTH IN THIS SUBTITLE24AND REGULATIONS ADOPTED IN ACCORDANCE WITH THIS SUBTITLE.

25 **5–1214.**

(A) A PERSON MAY APPLY FOR THE ISSUANCE OF A REGISTRATION
EXEMPTING THE PERSON FROM STATE PROSECUTION AND PENALTIES FOR
OPERATING AS A SAFETY COMPLIANCE FACILITY IN ACCORDANCE WITH THIS
SUBTITLE.

30(B) AN APPLICANT FOR A SAFETY COMPLIANCE FACILITY31REGISTRATION SHALL SUBMIT APPLICATION MATERIALS REQUIRED BY THE

1 COMPTROLLER AND A NONREFUNDABLE FEE IN AN AMOUNT DETERMINED BY 2 THE COMPTROLLER, NOT TO EXCEED \$5,000.

3 (C) IF QUALIFIED APPLICANTS EXIST, THE COMPTROLLER SHALL 4 GRANT A 2-YEAR REGISTRATION TO AT LEAST 10 SAFETY COMPLIANCE 5 FACILITIES ON OR BEFORE OCTOBER 1, 2015, PROVIDED THAT EACH FACILITY 6 PAYS A \$5,000 FEE.

7 (D) (1) IF AT ANY TIME AFTER OCTOBER 1, 2016, THERE ARE FEWER 8 THAN 10 VALID SAFETY COMPLIANCE FACILITY REGISTRATIONS, THE 9 COMPTROLLER SHALL ACCEPT AND PROCESS APPLICATIONS FOR SAFETY 10 COMPLIANCE FACILITY REGISTRATIONS.

11(2) THE COMPTROLLER MAY, AT THE COMPTROLLER'S12DISCRETION, GRANT ADDITIONAL SAFETY COMPLIANCE FACILITY13REGISTRATIONS.

14(E)(1)A SAFETY COMPLIANCE FACILITY REGISTRATION MAY BE15RENEWED EVERY 2 YEARS FOR A \$5,000 FEE.

16 (2) THE RENEWAL APPLICATION MAY BE SUBMITTED UP TO 120 17 DAYS BEFORE THE EXPIRATION OF THE REGISTRATION.

18 (3) IF THE COMPTROLLER FAILS TO APPROVE A VALID RENEWAL 19 APPLICATION, IT SHALL BE DEEMED GRANTED 60 DAYS AFTER ITS SUBMISSION.

20 **5–1215.**

(A) WITHIN 3 BUSINESS DAYS OF RECEIVING AN APPLICATION TO
OPERATE A MARIJUANA ESTABLISHMENT, THE COMPTROLLER SHALL FORWARD
A COPY OF THE APPLICATION TO THE LOCAL GOVERNMENT WHERE THE
PROSPECTIVE MARIJUANA ESTABLISHMENT WOULD OPERATE, SEEKING ITS
INPUT REGARDING WHETHER THE APPLICATION SHOULD BE GRANTED.

(B) IF MORE QUALIFYING APPLICANTS FOR A TYPE OF MARIJUANA
ESTABLISHMENT LICENSE APPLY THAN THE COMPTROLLER MAY REGISTER IN
THE STATE OR IN A COUNTY OR CITY, THE COMPTROLLER SHALL IMPLEMENT A
COMPETITIVE SCORING PROCESS TO DETERMINE TO WHICH APPLICANTS A
REGISTRATION MAY BE GRANTED.

31 (C) THE SCORING PROCESS DESCRIBED IN SUBSECTION (B) OF THIS 32 SECTION SHALL TAKE INTO ACCOUNT: 1 (1) INPUT PROVIDED BY THE LOCAL GOVERNMENT WHERE THE 2 PROSPECTIVE RETAILER WOULD OPERATE, WHICH SHALL BE GIVEN 3 SUBSTANTIAL WEIGHT;

4 (2) THE APPLICABLE EXPERIENCE, TRAINING, AND EXPERTISE OF 5 THE APPLICANT AND MANAGING OFFICERS OF THE APPLICANT;

6 (3) THE PLAN FOR SECURITY AND DIVERSION PREVENTION OF 7 THE APPLICANT;

8 (4) CRIMINAL, CIVIL, OR REGULATORY ISSUES ENCOUNTERED BY 9 OTHER ENTITIES THAT THE APPLICANT AND MANAGING OFFICERS OF THE 10 APPLICANT HAVE CONTROLLED OR MANAGED; AND

11

(5) THE SUITABILITY OF THE PROPOSED LOCATION.

12 (D) NO APPLICANT MAY RECEIVE MORE THAN ONE REGISTRATION TO 13 OPERATE A MARIJUANA ESTABLISHMENT IF RECEIVING A SUBSEQUENT 14 REGISTRATION WOULD PREVENT APPROVAL OF A QUALIFIED APPLICANT WHO 15 HAS NOT BEEN GRANTED A REGISTRATION.

16 **5–1216.**

17 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MARIJUANA
 18 ESTABLISHMENT MAY NOT OPERATE AND A PROSPECTIVE MARIJUANA
 19 ESTABLISHMENT MAY NOT APPLY FOR A REGISTRATION IF:

20(1) THE ENTITY WOULD BE LOCATED WITHIN 1,000 FEET OF THE21PROPERTY LINE OF A PREEXISTING PUBLIC OR PRIVATE SCHOOL; OR

22(2)THE ENTITY SELLS ALCOHOL FOR CONSUMPTION ON THE23PREMISES.

24 **5–1217.**

(A) SUBJECT TO SUBSECTIONS (B) AND (C) OF THIS SECTION, NOTHING
IN THIS SUBTITLE SHALL BE CONSTRUED TO PROHIBIT A LOCAL GOVERNMENT
FROM ENACTING AN ORDINANCE OR A REGULATION NOT IN CONFLICT WITH
THIS SECTION OR WITH RULES ADOPTED BY THE COMPTROLLER REGULATING
THE TIME, PLACE, OR MANNER OF OPERATION OR NUMBER OF RETAILERS,
MARIJUANA PRODUCT MANUFACTURERS, MARIJUANA CULTIVATION FACILITIES,
OR SAFETY COMPLIANCE FACILITIES.

1 (B) A LOCAL GOVERNMENT MAY NOT PROHIBIT OPERATIONS BY A 2 RETAILER, MARIJUANA PRODUCT MANUFACTURER, MARIJUANA CULTIVATION 3 FACILITY, OR SAFETY COMPLIANCE FACILITY EITHER EXPRESSLY OR THROUGH 4 THE ENACTMENT OF ORDINANCES OR REGULATIONS THAT MAKE THE 5 OPERATIONS IMPRACTICABLE.

6 (C) A LOCAL GOVERNMENT MAY IMPOSE CIVIL AND CRIMINAL 7 PENALTIES ON THE VIOLATION OF ORDINANCES ENACTED IN ACCORDANCE 8 WITH THIS SECTION.

- 9 **5–1218.**
- 10 **A RETAILER SHALL:**

(1) INCLUDE A SAFETY INSERT WITH ALL MARIJUANA SOLD THAT
 MAY, AT THE COMPTROLLER'S DISCRETION, BE DEVELOPED AND APPROVED BY
 THE COMPTROLLER AND INCLUDE INFORMATION ON:

14

(I) METHODS FOR ADMINISTERING MARIJUANA;

15(II) POTENTIAL DANGERS STEMMING FROM THE USE OF16MARIJUANA; AND

(III) HOW TO RECOGNIZE PROBLEMATIC USAGE OF
 MARIJUANA AND HOW TO OBTAIN APPROPRIATE SERVICES OR TREATMENT FOR
 PROBLEMATIC USAGE; AND

20(2) SELL MARIJUANA OR MARIJUANA PRODUCTS IN THE21ORIGINAL MARIJUANA CULTIVATION FACILITY OR MARIJUANA PRODUCT22MANUFACTURER PACKAGING WITHOUT MAKING CHANGES OR REPACKAGING.

23 **5–1219.**

24(A) A MARIJUANA CULTIVATION FACILITY AND MARIJUANA PRODUCT25MANUFACTURER SHALL:

26(1)CREATE A UNIQUE PACKAGE AND LABEL FOR THE MARIJUANA27CULTIVATION FACILITY OR MARIJUANA PRODUCT MANUFACTURER; AND

28(2) IDENTIFY THE MARIJUANA CULTIVATION FACILITY OR THE29MARIJUANA PRODUCT MANUFACTURER AS THE PRODUCER.

1 (B) THE PACKAGING DESCRIBED IN SUBSECTION (A) OF THIS SECTION 2 SHALL INCLUDE:

3 (1) THE NAME OR REGISTRATION NUMBER OF THE MARIJUANA
 4 ESTABLISHMENT;

5 (2) IF A SAFETY COMPLIANCE FACILITY IS OPERATIONAL, THE 6 POTENCY OF THE MARIJUANA, AS DETERMINED BY TESTING BY A SAFETY 7 COMPLIANCE FACILITY, REPRESENTED BY THE PERCENTAGE OF 8 TETRAHYDROCANNABINOL BY MASS;

9

(3) A "PRODUCED ON" DATE; AND

10 (4) WARNINGS THAT STATE: "CONSUMPTION OF MARIJUANA 11 IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY", "KEEP 12 AWAY FROM CHILDREN", AND "TRANSPORTING THIS PRODUCT OUTSIDE THE 13 STATE OF MARYLAND MAY SUBJECT YOU TO CRIMINAL AND/OR CIVIL 14 PENALTIES UNDER THE LAWS OF OTHER STATES. POSSESSION OF MARIJUANA IS 15 ILLEGAL UNDER FEDERAL LAW."

16 **5–1220.**

17 ALL MARIJUANA CULTIVATED BY A MARIJUANA CULTIVATION FACILITY 18 SHALL BE CULTIVATED ONLY IN ONE OR MORE ENCLOSED LOCKED FACILITIES, 19 EACH OF WHICH SHALL HAVE BEEN REGISTERED WITH THE COMPTROLLER 20 UNLESS THE COMPTROLLER HAS CEASED ISSUING OR FAILED TO BEGIN 21 ISSUING REGISTRATIONS.

22 **5–1221.**

(A) A MARIJUANA ESTABLISHMENT OR ANY OTHER PERSON WHO IS
ACTING IN A CAPACITY AS AN OWNER, EMPLOYEE, OR AGENT OF A MARIJUANA
ESTABLISHMENT SHALL HAVE DOCUMENTATION WHEN TRANSPORTING
MARIJUANA ON BEHALF OF THE MARIJUANA ESTABLISHMENT THAT SPECIFIES:

27

(1) THE AMOUNT OF MARIJUANA BEING TRANSPORTED;

28 (2) THE REGISTRY IDENTIFICATION NUMBER OF THE MARIJUANA
 29 ESTABLISHMENT; AND

30 (3) THE DATE THE MARIJUANA IS BEING TRANSPORTED.

1 (B) IF THE RETAILER OR MARIJUANA CULTIVATION FACILITY DOES NOT 2 HAVE A REGISTRATION NUMBER BECAUSE THE COMPTROLLER HAS CEASED 3 ISSUING REGISTRY IDENTIFICATION CERTIFICATES OR HAS FAILED TO BEGIN 4 ISSUING REGISTRY IDENTIFICATION CERTIFICATES, THE RETAILER OR 5 MARIJUANA CULTIVATION FACILITY MAY INSTEAD USE A NUMBER OF ITS 6 CHOOSING THAT IT CONSISTENTLY USES ON DOCUMENTATION IN PLACE OF A 7 REGISTRY IDENTIFICATION NUMBER.

8 **5–1222.**

9 (A) A MARIJUANA ESTABLISHMENT MAY NOT ALLOW A PERSON WHO IS 10 UNDER 21 YEARS OF AGE TO BE PRESENT INSIDE A ROOM OR ANY OTHER 11 LOCATION WHERE MARIJUANA IS STORED, CULTIVATED, POSSESSED, OR SOLD 12 BY THE MARIJUANA ESTABLISHMENT UNLESS THE PERSON WHO IS UNDER 21 13 YEARS OF AGE IS A GOVERNMENT EMPLOYEE PERFORMING OFFICIAL DUTIES, 14 AN ELECTED OFFICIAL, A MEMBER OF THE MEDIA, OR A CONTRACTOR 15 PERFORMING LABOR THAT DOES NOT INCLUDE HANDLING MARIJUANA.

16 **(B)** (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IN A 17PROSECUTION FOR A VIOLATION OF SUBSECTION (A) OF THIS SECTION, IT IS A 18 COMPLETE DEFENSE THAT BEFORE ALLOWING A PERSON WHO IS UNDER 21 19YEARS OF AGE INTO THE LOCATION WHERE MARIJUANA IS STORED, 20CULTIVATED, POSSESSED, OR SOLD, AN EMPLOYEE OR AGENT OF THE 21MARIJUANA ESTABLISHMENT WAS SHOWN A DOCUMENT THAT APPEARED TO BE 22ISSUED BY AN AGENCY OF A FEDERAL, STATE, TRIBAL, OR FOREIGN SOVEREIGN 23GOVERNMENT THAT INDICATED THAT THE PERSON WAS AT LEAST 21 YEARS OLD 24AT THE TIME THE PERSON WAS ALLOWED ON THE PREMISES OF THE MARIJUANA 25ESTABLISHMENT.

26 (2) THE DEFENSE SET FORTH IN THIS SUBSECTION DOES NOT 27 APPLY IF:

(I) THE DOCUMENT THAT WAS SHOWN TO THE PERSON WHO
ALLOWED THE PERSON WHO IS UNDER 21 YEARS OF AGE ON THE PREMISES OF
THE MARIJUANA ESTABLISHMENT WAS COUNTERFEIT, FORGED, ALTERED, OR
ISSUED TO A PERSON OTHER THAN THE PERSON WHO WAS ALLOWED ON THE
PREMISES OF THE MARIJUANA ESTABLISHMENT; AND

(II) UNDER THE CIRCUMSTANCES, A REASONABLE PERSON
WOULD HAVE KNOWN OR SUSPECTED THAT THE DOCUMENT WAS COUNTERFEIT,
FORGED, ALTERED, OR ISSUED TO A PERSON OTHER THAN THE PERSON WHO
WAS ALLOWED ON THE PREMISES OF THE MARIJUANA ESTABLISHMENT.

1 (C) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A 2 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING 3 \$1,000.

4 **5–1223.**

5 **A RETAILER MAY NOT:**

6 (1) SELL, GIVE, OR OTHERWISE FURNISH MARIJUANA OR 7 MARIJUANA PARAPHERNALIA TO A PERSON WHO IS UNDER 21 YEARS OF AGE;

8 (2) SELL, GIVE, OR OTHERWISE FURNISH MORE THAN A 9 PERSONAL USE AMOUNT OF USABLE MARIJUANA OR MORE THAN THREE 10 PLANTS, SEEDLINGS, OR CUTTINGS OF MARIJUANA TO A PERSON IN A SINGLE 11 TRANSACTION;

12 (3) KNOWINGLY AND WILLFULLY SELL, GIVE, OR OTHERWISE 13 FURNISH AN AMOUNT OF MARIJUANA TO A PERSON THAT WOULD CAUSE THAT 14 PERSON TO POSSESS MORE MARIJUANA THAN THE INDIVIDUAL IS ALLOWED TO 15 POSSESS UNDER STATE LAW;

16 (4) PURCHASE MARIJUANA, OTHER THAN MARIJUANA SEEDS,
17 FROM A PERSON OTHER THAN A RETAILER, MARIJUANA CULTIVATION FACILITY,
18 OR MARIJUANA PRODUCT MANUFACTURER; OR

19(5) VIOLATE REGULATIONS ADOPTED BY THE COMPTROLLER IN20ACCORDANCE WITH THIS SUBTITLE.

21 **5–1224.**

22AMARIJUANACULTIVATIONFACILITY,MARIJUANAPRODUCT23MANUFACTURER, OR SAFETY COMPLIANCE FACILITY MAY NOT:

(1) PURCHASE, PRODUCE, OBTAIN, SELL, GIVE, OR OTHERWISE
FURNISH MARIJUANA OR MARIJUANA PRODUCTS TO A PERSON OR AN ENTITY
OTHER THAN THOSE EXEMPTED FROM STATE PENALTIES IN ACCORDANCE WITH
THIS SUBTITLE; OR

28 (2) VIOLATE REGULATIONS ADOPTED BY THE COMPTROLLER IN 29 ACCORDANCE WITH THIS SUBTITLE.

30 **5–1225.**

1(A) THE COMPTROLLER MAY SUSPEND OR TERMINATE THE2REGISTRATION OF A MARIJUANA ESTABLISHMENT THAT COMMITS MULTIPLE OR3SERIOUS VIOLATIONS OF THIS SUBTITLE OR REGULATIONS ISSUED IN4ACCORDANCE WITH THIS SUBTITLE.

5 (B) IF THE COMPTROLLER HAS CEASED ISSUING REGISTRATIONS OR 6 HAS NOT BEGUN ISSUING REGISTRATIONS, AND A MARIJUANA ESTABLISHMENT 7 LACKS A REGISTRATION AS A RESULT, A CITY OR COUNTY WHERE THE 8 RETAILER, MARIJUANA CULTIVATION FACILITY, OR SAFETY COMPLIANCE 9 FACILITY IS OPERATING MAY FILE FOR AN INJUNCTION IN CIRCUIT COURT IF 10 THE RETAILER HAS COMMITTED MULTIPLE OR SERIOUS VIOLATIONS OF THIS 11 SUBTITLE OR REGULATIONS ISSUED IN ACCORDANCE WITH THIS SUBTITLE.

12 **5–1226.**

13 IT IS NOT A VIOLATION OF STATE OR LOCAL LAW FOR A PERSON TO 14 PLANT, GROW, HARVEST, POSSESS, PROCESS, SELL, OR BUY INDUSTRIAL HEMP 15 IF THAT PERSON DOES SO IN COMPLIANCE WITH THE REGULATIONS ADOPTED 16 BY THE DEPARTMENT OF AGRICULTURE AS REQUIRED IN § 5–1228 OF THIS 17 SUBTITLE.

18 **5–1227.**

19 IT IS NOT A VIOLATION OF STATE OR LOCAL LAW FOR A PERSON TO 20 PURCHASE OR POSSESS A MATERIAL OR PRODUCT MADE, IN WHOLE OR IN PART, 21 WITH INDUSTRIAL HEMP.

22 **5–1228.**

23 **THE DEPARTMENT OF AGRICULTURE SHALL:**

24 (1) ADOPT REGULATIONS NECESSARY TO REGISTER A PERSON TO
 25 PLANT, GROW, HARVEST, POSSESS, PROCESS, SELL, OR BUY INDUSTRIAL HEMP;
 26 AND

- 27 (2) SET REASONABLE FEES.
- 28 **5–1229.**
- 29 UNLESS OTHERWISE PROHIBITED UNDER THIS SUBTITLE:

1 (1) A PERSON WHO IS AT LEAST 21 YEARS OLD MAY 2 MANUFACTURE, PRODUCE, USE, OBTAIN, PURCHASE, TRANSPORT, OR POSSESS, 3 ACTUALLY OR CONSTRUCTIVELY, MARIJUANA PARAPHERNALIA;

4 (2) A PERSON WHO IS AT LEAST 21 YEARS OLD MAY DELIVER, 5 TRANSFER, DISTRIBUTE, OR SELL MARIJUANA PARAPHERNALIA TO A 6 MARIJUANA ESTABLISHMENT OR TO PERSONS WHO ARE AT LEAST 21 YEARS 7 OLD;

8 (3) A MARIJUANA ESTABLISHMENT MAY MANUFACTURE, 9 PRODUCE, USE, OBTAIN, PURCHASE, TRANSPORT, OR POSSESS, ACTUALLY OR 10 CONSTRUCTIVELY, MARIJUANA PARAPHERNALIA; AND

(4) A MARIJUANA ESTABLISHMENT MAY DELIVER, TRANSFER,
 DISTRIBUTE, OR SELL MARIJUANA PARAPHERNALIA TO A MARIJUANA
 ESTABLISHMENT OR TO PERSONS WHO ARE AT LEAST 21 YEARS OLD.

14 **5–1230.**

15 (A) (1) A PERSON UNDER THE AGE OF 21 YEARS MAY NOT POSSESS 16 MARIJUANA.

17 (2) A VIOLATION OF THIS SUBSECTION BY A PERSON AT LEAST 18 18 YEARS OLD AND UNDER THE AGE OF 21 YEARS WHO POSSESSES 1 OUNCE OR 19 LESS OF MARIJUANA IS A CIVIL OFFENSE PUNISHABLE BY A FINE NOT 20 EXCEEDING \$100.

(3) A PERSON UNDER THE AGE OF 18 YEARS WHO VIOLATES THIS
 SUBSECTION IS SUBJECT TO THE PROCEDURES AND DISPOSITIONS PROVIDED IN
 TITLE 3, SUBTITLE 8A OF THE COURTS ARTICLE.

24(B) A POLICE OR COURT RECORD RESULTING FROM A CITATION UNDER25THIS SECTION SHALL BE RENDERED INACCESSIBLE TO THE PUBLIC.

26 (C) NO RECORDS THAT INCLUDE PERSONALLY IDENTIFIABLE 27 INFORMATION RESULTING FROM A CITATION UNDER THIS SECTION MAY BE 28 MADE ACCESSIBLE TO:

- 29 **(1)** THE PUBLIC;
- 30 (2) FEDERAL AUTHORITIES; OR
- 31 (3) AUTHORITIES FROM OTHER STATES OR COUNTRIES.

1 **5–1231.**

 $\mathbf{2}$ THE GOVERNOR SHALL APPOINT A 12-MEMBER OVERSIGHT (A) **COMMITTEE COMPOSED OF:** 3 (1) ONE MEMBER OF THE HOUSE OF DELEGATES; 4 (2) THE COMPTROLLER OR THE COMPTROLLER'S DESIGNEE; $\mathbf{5}$ 6 (3) ONE MEMBER OF THE SENATE OF MARYLAND; 7 (4) ONE PHYSICIAN WITH EXPERIENCE IN MEDICAL MARIJUANA 8 **ISSUES:** 9 (5) **ONE ECONOMIST;** 10 (6) ONE BOARD MEMBER OR PRINCIPAL OFFICER OF A 11 **REGISTERED SAFETY COMPLIANCE FACILITY;** 12(7) ONE INDIVIDUAL WITH **EXPERIENCE** IN POLICY DEVELOPMENT OR IMPLEMENTATION IN THE FIELD OF MARIJUANA POLICY; 1314 (8) **ONE PUBLIC HEALTH PROFESSIONAL;** 15 (9) **ONE SOCIOLOGIST:** (10) ONE ATTORNEY FAMILIAR WITH FIRST AMENDMENT LAW; 16 17(11) ONE EXPERT IN CRIMINAL JUSTICE; AND 18 (12) ONE EXPERT IN ALCOHOLISM AND DRUG DEPENDENCE. 19 **(B)** THE OVERSIGHT COMMITTEE SHALL MEET AT LEAST 4 TIMES EACH YEAR FOR THE PURPOSE OF: 2021(1) COLLECTING INFORMATION ABOUT AND EVALUATING THE 22**EFFECTS OF THIS SUBTITLE;** 23(2) PERFORMING OTHER RESPONSIBILITIES ENTRUSTED TO IT BY

24 THE GOVERNOR OR THE GENERAL ASSEMBLY; AND

COMPTROLLER ON ISSUES INCLUDING: (I) RESTRICTIONS ON ADVERTISING, INCLUDING **RESTRICTIONS DESIGNED TO PREVENT ADVERTISING FROM TARGETING MINORS;** (II) **REGULATIONS DESIGNED TO ENSURE THAT MARIJUANA** ESTABLISHMENTS ENHANCE THE SECURITY OF THE NEIGHBORHOODS IN WHICH THE ESTABLISHMENTS OPERATE; (III) **REGULATIONS** TO ENSURE MARIJUANA PROVIDE LOCAL BUSINESS **EMPLOYMENT ESTABLISHMENTS** AND **OPPORTUNITIES:** (IV) THE CONTENT OF SAFETY INSERTS; **(**V**)** WHETHER ADDITIONAL WARNING LABELS SHOULD BE ADDED; (VI) THE EFFECT, IF ANY, ON ORGANIZED CRIME IN THE STATE; (VII) QUALITY CONTROL AND LABELING STANDARDS; (VIII) RECOMMENDATIONS REGARDING POSSIBLE ADJUSTMENTS TO THE EXCISE TAX RATES THAT WOULD FURTHER THE GOALS OF REDUCING MINORS' USE OF MARIJUANA, GENERATING REVENUE, AND **UNDERCUTTING ILLEGAL MARKET PRICES;** (IX) REPORTING AND DATA MONITORING RELATED TO **BENEFICIAL AND ADVERSE EFFECTS OF MARIJUANA; AND (**X**)** THE LATEST RESEARCH RELATED TO DRIVING UNDER THE INFLUENCE OF MARIJUANA, POLICIES FOR ROADSIDE SOBRIETY TESTS, AND CHANGES TO STATUTES RELATING TO DRIVING UNDER THE INFLUENCE. (C) THE COMPTROLLER SHALL SUBMIT TO THE GOVERNOR AND, IN

(C) THE COMPTROLLER SHALL SUBMIT TO THE GOVERNOR AND, IN
ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE
GENERAL ASSEMBLY AN ANNUAL REPORT BY THE FIRST THURSDAY OF EVERY
YEAR, ADDRESSING:

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SENATE BILL 658

REPORTING AND MAKING RECOMMENDATIONS TO THE

(1) 1 THE DIRECT **REVENUE** AND COSTS то RELATED $\mathbf{2}$ IMPLEMENTING THIS SUBTITLE, INCLUDING REVENUE FROM TAXES, FINES, AND 3 FEES; 4 (2) THE NUMBER OF REGISTRATIONS SUSPENDED AND REVOKED $\mathbf{5}$ AND THE NATURE OF THE REVOCATIONS; AND 6 (3) THE FINDINGS AND RECOMMENDATIONS OF THE OVERSIGHT 7 **COMMITTEE.** 8 Article – Tax – General TITLE 12.5. MARIJUANA TAX. 9 10 12.5 - 101.11 AN EXCISE TAX IS IMPOSED ON MARIJUANA CULTIVATION FACILITIES, AS 12DEFINED IN § 5-1201 OF THE CRIMINAL LAW ARTICLE, AND SHALL BE 13COLLECTED ON ALL SOLD ТО PRODUCT MARIJUANA MARIJUANA 14MANUFACTURERS OR RETAILERS AT THE RATE OF: 15(1) **\$50** PER OUNCE OR PROPORTIONATE PART OF AN OUNCE FOR 16 MARIJUANA FLOWERS; 17**\$10** PER OUNCE OR PROPORTIONATE PART OF AN OUNCE FOR (2) MARIJUANA LEAVES; OR 18 19 (3) AN AMOUNT THAT THE COMPTROLLER MAY SET THAT 20ADJUSTS THE INITIAL RATE FOR INFLATION OR DEFLATION BASED ON THE **CONSUMER PRICE INDEX.** 212212.5–102. 23(A) THE COMPTROLLER SHALL APPORTION THE MONEY REMITTED TO 24THE COMPTROLLER FROM REGISTRATION FEES AND TAXES COLLECTED IN 25ACCORDANCE WITH THIS TITLE IN THE FOLLOWING MANNER: 26THE COMPTROLLER SHALL RETAIN SUFFICIENT MONEY TO (1) 27DEFRAY THE ENTIRE COST OF ADMINISTRATION OF THIS TITLE; AND 28SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE (2) 29COMPTROLLER SHALL REMIT THE REMAINING MONEY TO THE GENERAL FUND 30 OF THE STATE.

1 (B) EACH YEAR \$5,000,000 OF THE REMAINING FUNDS DESCRIBED IN 2 SUBSECTION (A)(2) OF THIS SECTION SHALL BE DISTRIBUTED TO THE 3 DEPARTMENT OF HEALTH AND MENTAL HYGIENE FOR USE IN VOLUNTARY, 4 EVIDENCE-BASED PROGRAMS FOR THE PREVENTION OR TREATMENT OF THE 5 ABUSE OF ALCOHOL, TOBACCO, MARIJUANA, OR CONTROLLED DANGEROUS 6 SUBSTANCES.

7 **12.5–103.**

8 (A) THE COMPTROLLER IS RESPONSIBLE FOR ADMINISTERING AND 9 CARRYING OUT THIS TITLE.

10**(B)** THE COMPTROLLER MAY ADOPT REGULATIONS THAT ARE11NECESSARY AND CONVENIENT TO ADMINISTER AND CARRY OUT THIS TITLE.

12 (C) THE COMPTROLLER SHALL ADOPT REGULATIONS THAT:

(1) SET FORTH PROCEDURES FOR THE APPLICATION FOR AND
 ISSUANCE OF REGISTRATIONS TO MARIJUANA ESTABLISHMENTS, INCLUDING
 THE CONTENT AND FORM FOR AN APPLICATION TO BE REGISTERED AS A
 MARIJUANA ESTABLISHMENT;

17(2) SPECIFY THE PROCEDURES FOR THE COLLECTION OF TAXES18LEVIED IN ACCORDANCE WITH THIS TITLE;

19(3) SPECIFY THE CONTENT, FORM, AND TIMING OF REPORTS20THAT SHALL BE COMPLETED BY EACH MARIJUANA ESTABLISHMENT;

(4) REQUIRE THAT REPORTS COMPLETED BY MARIJUANA
 ESTABLISHMENTS SHALL BE MADE AVAILABLE FOR INSPECTION BY THE
 COMPTROLLER, INCLUDING INFORMATION ON SALES, EXPENSES, INVENTORY,
 AND TAXES AND RETAINED FOR AT LEAST 1 YEAR;

25 (5) ESTABLISH QUALIFICATIONS FOR REGISTRATION THAT ARE
 26 DIRECTLY AND DEMONSTRABLY RELATED TO THE OPERATION OF A MARIJUANA
 27 ESTABLISHMENT;

28 (6) SPECIFY THE REQUIREMENTS FOR THE PACKAGING AND 29 LABELING OF MARIJUANA, INCLUDING THOSE IN § 5–1219 OF THE CRIMINAL 30 LAWARTICLE; 1 (7) SPECIFY THE REQUIREMENTS FOR THE SAFETY INSERT TO BE 2 INCLUDED WITH MARIJUANA BY RETAILERS. THE REQUIREMENTS MAY INCLUDE 3 THOSE DESCRIBED IN § 5–1218 OF THE CRIMINAL LAW ARTICLE AT THE 4 DISCRETION OF THE COMPTROLLER;

5 (8) ESTABLISH REASONABLE SECURITY REQUIREMENTS FOR 6 MARIJUANA ESTABLISHMENTS;

7 **(9)** REQUIRE THE POSTING OR DISPLAY OF THE REGISTRATION OF 8 A MARIJUANA ESTABLISHMENT;

9 (10) ESTABLISH RESTRICTIONS ON ADVERTISING FOR THE SALE OF MARIJUANA, WHICH SHALL BE IN COMPLIANCE WITH THE MARYLAND 10 CONSTITUTION AND THE U.S. CONSTITUTION, THAT DO NOT PREVENT 11 12APPROPRIATE SIGNS ON THE PROPERTY OF THE RETAILER OR MARIJUANA 13CULTIVATION FACILITY, LISTINGS IN BUSINESS DIRECTORIES AND TELEPHONE 14 BOOKS, LISTINGS IN PUBLICATIONS FOCUSED ON MARIJUANA, OR THE 15SPONSORSHIP OF HEALTH OR NOT-FOR-PROFIT CHARITY OR ADVOCACY 16 **EVENTS;**

17 (11) ESTABLISH PROCEDURES FOR INSPECTING AND AUDITING 18 THE RECORDS OR PREMISES OF MARIJUANA ESTABLISHMENTS;

19(12) SET A SCHEDULE OF CIVIL FINES FOR VIOLATIONS OF THIS20TITLE AND REGULATIONS ISSUED IN ACCORDANCE WITH THIS TITLE;

(13) SET FORTH THE PROCEDURES FOR HEARINGS ON CIVIL FINES
 AND SUSPENSIONS AND REVOCATIONS OF A REGISTRATION AS A MARIJUANA
 ESTABLISHMENT FOR A VIOLATION OF THIS TITLE OR THE REGULATIONS
 ADOPTED IN ACCORDANCE WITH THIS TITLE;

(14) ESTABLISH REASONABLE ENVIRONMENTAL CONTROLS,
INCLUDING RESTRICTIONS ON THE USE OF PESTICIDES, TO ENSURE THAT
MARIJUANA ESTABLISHMENTS MINIMIZE HARM TO THE ENVIRONMENT,
ADJOINING AND NEARBY LANDOWNERS, AND PERSONS PASSING BY;

(15) ESTABLISH RULES REQUIRING MARIJUANA ESTABLISHMENTS
 TO CREATE IDENTIFICATION CARDS FOR THEIR EMPLOYEES AND PROVIDING
 FOR THE CONTENTS OF THE IDENTIFICATION CARDS; AND

32 (16) ESTABLISH RULES FOR THE SAFE TRANSPORTATION OF 33 MARIJUANA. 1 (D) THE COMPTROLLER SHALL MAKE AVAILABLE FREE OF CHARGE ALL 2 FORMS FOR APPLICATIONS AND REPORTS.

3 (E) THE COMPTROLLER SHALL ISSUE ALL REGISTRATIONS AS 4 REQUIRED BY THIS TITLE AND TITLE 5, SUBTITLE 12 OF THE CRIMINAL LAW 5 ARTICLE.

6 (1) **(F)** EXCEPT AS PROVIDED IN THIS SUBSECTION. THE 7 COMPTROLLER SHALL KEEP THE NAME AND ADDRESS OF EACH MARIJUANA 8 ESTABLISHMENT AND EACH OWNER, EMPLOYEE, OR AGENT OF A MARIJUANA 9 ESTABLISHMENT CONFIDENTIAL AND REFUSE TO DISCLOSE THIS INFORMATION TO AN INDIVIDUAL OR A PUBLIC OR PRIVATE ENTITY, EXCEPT AS NECESSARY 10 11 FOR AUTHORIZED EMPLOYEES OF THE COMPTROLLER TO PERFORM OFFICIAL DUTIES OF THE COMPTROLLER IN ACCORDANCE WITH THIS TITLE. 12

(2) THE COMPTROLLER MAY CONFIRM TO A STATE OR LOCAL
 LAW ENFORCEMENT OFFICER THAT A MARIJUANA ESTABLISHMENT HOLDS A
 VALID REGISTRATION IF THE LAW ENFORCEMENT OFFICER INQUIRES ABOUT
 THE SPECIFIC LOCATION OR ENTITY.

17 **12.5–104.**

18 (A) THE COMPTROLLER SHALL ADOPT REGULATIONS TO IMPLEMENT 19 THIS TITLE AND SHALL BEGIN ACCEPTING APPLICATIONS FOR MARIJUANA 20 ESTABLISHMENT FACILITIES WITHIN 180 DAYS AFTER OCTOBER 1, 2014.

(B) IF THE COMPTROLLER FAILS TO ADOPT REGULATIONS TO IMPLEMENT THIS TITLE AND BEGIN PROCESSING APPLICATIONS FOR MARIJUANA ESTABLISHMENTS WITHIN 180 DAYS AFTER OCTOBER 1, 2014, A CITIZEN MAY COMMENCE AN ACTION IN A COURT OF COMPETENT JURISDICTION TO COMPEL THE COMPTROLLER TO PERFORM THE ACTIONS MANDATED IN ACCORDANCE WITH THIS TITLE.

27 **12.5–105**.

28NOTWITHSTANDING ANY FEDERAL TAX LAW TO THE CONTRARY, IN 29COMPUTING NET INCOME FOR BUSINESSES EXEMPTED FROM CRIMINAL 30 PENALTIES UNDER STATE LAW, THERE SHALL BE ALLOWED AS A DEDUCTION 31 FROM STATE TAXES ALL THE ORDINARY AND NECESSARY EXPENSES PAID OR 32INCURRED DURING THE TAXABLE YEAR IN CARRYING ON A TRADE OR BUSINESS 33 AS A MARIJUANA ESTABLISHMENT AS DEFINED BY § 5–1201 OF THE CRIMINAL 34LAW ARTICLE, INCLUDING REASONABLE ALLOWANCE FOR SALARIES OR OTHER 35COMPENSATION FOR PERSONAL SERVICES ACTUALLY RENDERED.

1	Article – Courts and Judicial Proceedings
2	3–8A–19.
3 4 5	(d) (7) IN MAKING A DISPOSITION ON A FINDING THAT A CHILD HAS COMMITTED A VIOLATION OF AN OFFENSE DESCRIBED IN § 5–1230 OF THE CRIMINAL LAW ARTICLE, THE COURT MAY:
6	(I) COUNSEL THE CHILD OR THE PARENT, OR BOTH;
7	(II) ORDER THE CHILD, FOR NO OR MINIMAL COST, TO
8	PARTICIPATE IN A DRUG AND ALCOHOL EDUCATION PROGRAM OR OTHER
9	SUITABLE PRESENTATION OF THE HAZARDS OF DRUG AND ALCOHOL USE THAT
10	IS IN THE BEST INTEREST OF THE CHILD; OR
11	(III) IMPOSE A CIVIL FINE OF NOT MORE THAN \$100.
$\frac{12}{13}$	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.