

SENATE BILL 722

J1

2lr2021

By: **Senator Waldstreicher**

Introduced and read first time: February 7, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Cannabis – Licensees – Ownership Limitation Exemption**

3 FOR the purpose of exempting certain ownership of publicly traded securities of a medical
4 cannabis grower, dispensary, or processor from the prohibition on a person having
5 an ownership interest in multiple medical cannabis growers, dispensaries, or
6 processors; and generally relating to ownership of medical cannabis growers,
7 dispensaries, and processors.

8 BY repealing and reenacting, without amendments,

9 Article – Health – General

10 Section 13–3306(a)(1)

11 Annotated Code of Maryland

12 (2019 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Health – General

15 Section 13–3306(a)(2)(v), 13–3307(d), and 13–3309(d)

16 Annotated Code of Maryland

17 (2019 Replacement Volume and 2021 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Health – General**

21 13–3306.

22 (a) (1) The Commission shall license medical cannabis growers that meet all
23 requirements established by the Commission to operate in the State to provide cannabis to:

24 (i) Processors licensed by the Commission under this subtitle;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) Dispensaries licensed by the Commission under this subtitle;
2 and

3 (iii) Independent testing laboratories registered with the
4 Commission under this subtitle.

5 (2) (v) 1. IN THIS SUBPARAGRAPH, "OWNERSHIP INTEREST"
6 DOES NOT INCLUDE THE OWNERSHIP INTEREST IN A GROWER OR DIRECT OR
7 INDIRECT PARENT COMPANY OF A GROWER THAT IS:

8 A. OWNERSHIP OF PUBLICLY TRADED SECURITIES THAT
9 IS LESS THAN 5% OF VOTING SHARES; OR

10 B. OWNERSHIP OF PUBLICLY TRADED SECURITIES THAT
11 ARE NONVOTING SHARES.

12 2. A person may not have an ownership interest in or control
13 of, including the power to manage and operate, more than one grower.

14 13-3307.

15 (d) (1) IN THIS SUBSECTION, "OWNERSHIP INTEREST" DOES NOT
16 INCLUDE THE OWNERSHIP INTEREST IN A DISPENSARY OR DIRECT OR INDIRECT
17 PARENT COMPANY OF A DISPENSARY THAT IS:

18 (I) OWNERSHIP OF PUBLICLY TRADED SECURITIES THAT IS
19 LESS THAN 5% OF VOTING SHARES; OR

20 (II) OWNERSHIP OF PUBLICLY TRADED SECURITIES THAT ARE
21 NONVOTING SHARES.

22 (2) The Commission shall allow a person to have an ownership interest in
23 or control of, including the power to manage and operate, up to four dispensaries under this
24 section.

25 13-3309.

26 (d) (1) IN THIS SUBSECTION, "OWNERSHIP INTEREST" DOES NOT
27 INCLUDE THE OWNERSHIP INTEREST IN A PROCESSOR OR DIRECT OR INDIRECT
28 PARENT COMPANY OF A PROCESSOR THAT IS:

29 (I) OWNERSHIP OF PUBLICLY TRADED SECURITIES THAT IS
30 LESS THAN 5% OF VOTING SHARES; OR

1 **(II) OWNERSHIP OF PUBLICLY TRADED SECURITIES THAT ARE**
2 **NONVOTING SHARES.**

3 **(2)** A person may not have an ownership interest in or control of, including
4 the power to manage and operate, more than one processor.

5 SECTION 2. AND BE IT FURTHER ENACTED, That the Natalie M. LaPrade
6 Medical Cannabis Commission shall adopt or amend regulations in accordance with this
7 Act.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2022.