SENATE BILL 214

 $\begin{array}{c} \text{A3} \\ \text{(PRE-FILED)} \end{array}$

By: Chair, Finance Committee (By Request – Departmental – Alcohol, Tobacco, and Cannabis Commission)

Requested: September 19, 2024

Introduced and read first time: January 8, 2025

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: February 2, 2025

CHAPTER

1 AN ACT concerning

2 Cannabis - Sale and Distribution - Tetrahydrocannabinol Offenses

- 3 FOR the purpose of authorizing the officers and employees of the Field Enforcement 4 Division of the Alcohol, Tobacco, and Cannabis Commission to issue a citation for a certain violation; providing that the display or offering of tetrahydrocannabinol for 5 sale is prima facie evidence of selling tetrahydrocannabinol; prohibiting the sale or 6 7 distribution of certain products that contain tetrahydrocannabinol or are advertised 8 as containing tetrahydrocannabinol; authorizing the Executive Director of the 9 Commission to seize, destroy, or confiscate a certain unlawful product; and generally 10 relating to the sale and distribution of tetrahydrocannabinol and related offenses.
- 11 BY repealing and reenacting, with amendments,
- 12 Article Alcoholic Beverages and Cannabis
- 13 Section 1–313 and 6–207
- 14 Annotated Code of Maryland
- 15 (2024 Replacement Volume)
- 16 BY repealing and reenacting, without amendments,
- 17 Article Alcoholic Beverages and Cannabis
- 18 Section 36–1102(a) through (d)
- 19 Annotated Code of Maryland
- 20 (2024 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

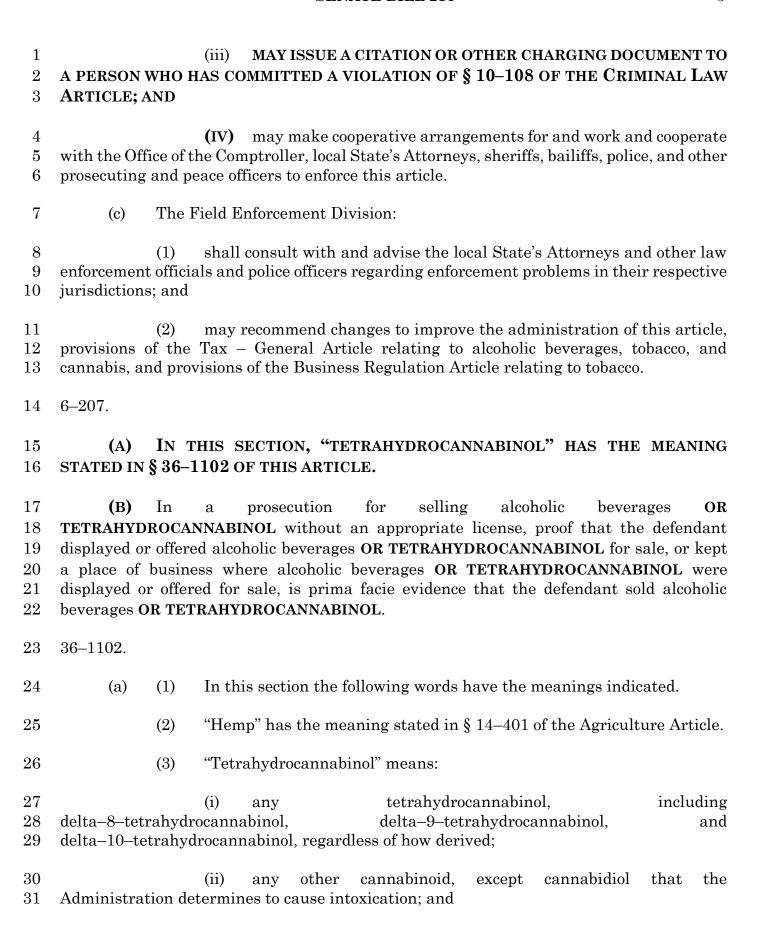
[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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



1 2 3 4 5	BY adding to Article – Alcoholic Beverages and Cannabis Section 36–1104 Annotated Code of Maryland (2024 Replacement Volume)					
6 7 8 9	BY repealing and reenacting, without amendments, Article – Criminal Law Section 10–108 Annotated Code of Maryland (2021 Replacement Volume and 2024 Supplement)					
11 12	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:					
13	Article - Alcoholic Beverages and Cannabis					
14	1–313.					
15	(a) There is a Field Enforcement Division in the Office of the Executive Director.					
16 17	(b) (1) The Field Enforcement Division may employ officers and employees as provided in the State budget.					
18	(2) The officers and employees of the Field Enforcement Division:					
19	(i) shall be sworn police officers;					
20 21	(ii) shall have the powers, duties, and responsibilities of peace officers to enforce the provisions of this article relating to:					
22 23	1. the unlawful importation of alcoholic beverages, tobacco, and cannabis into the State;					
24 25	2. the unlawful manufacture of alcoholic beverages, tobacco, and cannabis in the State;					
26 27 28 29	3. the transportation and distribution throughout the State of alcoholic beverages, tobacco, and cannabis that are manufactured illegally and on which any alcoholic beverages taxes, tobacco taxes, or cannabis taxes imposed by the State are due and unpaid; and					
30 31 32 33	4. the manufacture, sale, barter, transportation, distribution, or other form of owning, handling, or dispersing alcoholic beverages, tobacco, or cannabis by any person not licensed or authorized under this article, provisions of the Tax – General Article relating to alcoholic beverages, tobacco, or cannabis, or provisions of the Business Regulation Article relating to alcoholic beverages, tobacco, or cannabis; [and]					



1 any other chemically similar compound, substance, derivative, or 2 isomer of tetrahydrocannabinol, as identified by the Administration. 3 **(4)** "Tincture" means a solution that is: 4 (i) dissolved in alcohol, glycerin, or vegetable oil; and 5 distributed in a dropper bottle of 4 ounces or less. (ii) 6 (b) A person may not sell or distribute a product intended for human (1) 7 consumption or inhalation that contains more than 0.5 milligrams of tetrahydrocannabinol 8 per serving or 2.5 milligrams of tetrahydrocannabinol per package unless the person is 9 licensed under § 36–401 of this title and the product complies with the: 10 (i) manufacturing standards established under § 36-203 of this title; 11 12 (ii) laboratory testing standards established under § 36–203 of this 13 title; and packaging and labeling standards established under § 36–203 of 14 (iii) 15 this title. 16 A person may not sell or distribute a product described under 17 paragraph (1) of this subsection to an individual under the age of 21 years. 18 A person may not sell or distribute a cannabinoid product that is not derived (c) 19 from naturally occurring biologically active chemical constituents. 20 (d) (1) Notwithstanding subsection (b) of this section and subject to paragraph 21(2) of this subsection, it is not a violation of this section for a person to sell or distribute a 22hemp-derived tincture intended for human consumption that contains: 23(i) a ratio of cannabidiol to tetrahydrocannabinol of at least 15 to 1; 24and 252.5 milligrams or less of tetrahydrocannabinol per serving and (ii) 26 100 milligrams or less of tetrahydrocannabinol per package. 27 To sell or distribute a hemp-derived tincture under this subsection, a (2)28person must provide, as required by the Administration, tincture samples for the purpose

of testing to determine chemical potency and composition levels and to detect and quantify

31 **36–1104.**

contaminants.

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- 1 (A) IN THIS SECTION, "TETRAHYDROCANNABINOL" HAS THE MEANING 2 STATED IN § 36–1102 OF THIS SUBTITLE.
- 3 (B) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT CONTAINING
 4 TETRAHYDROCANNABINOL THAT VIOLATES THE POTENCY, PACKAGING, OR
 5 LABELING REQUIREMENTS UNDER § 36–203 OR § 36–203.1 OF THIS TITLE OR ANY
 6 REGULATIONS ADOPTED UNDER THOSE SECTIONS.
- 7 (C) (1) A PERSON MAY NOT SELL OR DISTRIBUTE A PRODUCT THAT IS 8 ADVERTISED AS CONTAINING AN AMOUNT OF TETRAHYDROCANNABINOL THAT 9 VIOLATES § 36–1102 OF THIS SUBTITLE.
- 10 (2) ADVERTISING UNDER PARAGRAPH (1) OF THIS SUBSECTION 11 INCLUDES PACKAGING, LABELING, OR ELECTRONIC COMMUNICATION.
- 12 (D) THE EXECUTIVE DIRECTOR MAY SEIZE, DESTROY, OR CONFISCATE A
 13 PRODUCT THAT IS:
- 14 (1) OFFERED OR DISPLAYED FOR SALE TO A CONSUMER IN A
 15 LOCATION THAT IS NOT APPROPRIATELY LICENSED UNDER SUBTITLE 4 OF THIS
 16 TITLE; AND
- 17 (2) THE SUBJECT OF A VIOLATION UNDER SUBSECTION (B) OR (C) OF 18 THIS SECTION.
- 19 **(E) (1)** If A PERSON WHO IS NOT A CANNABIS LICENSEE VIOLATES 20 SUBSECTION (B) OR (C) OF THIS SECTION, THE PERSON:
- 21 (I) MAY BE CHARGED BY A CITATION; AND
- 22 (II) IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS 23 SUBJECT TO A FINE NOT EXCEEDING \$5,000.
- 24 (2) If A CANNABIS LICENSEE VIOLATES SUBSECTION (B) OR (C) OF THIS SECTION, THE LICENSEE IS SUBJECT TO DISCIPLINARY ACTION BY THE ADMINISTRATION IN ACCORDANCE WITH § 36–202 OF THIS TITLE.

27 Article - Criminal Law

- 28 10–108.
- 29 (a) A person who distributes products containing delta-8— or 30 delta-10—tetrahydrocannabinol, including a person licensed under Title 16, Title 16.5, Title 31 16.7, Title 16.9, or Title 17 of the Business Regulation Article, may not distribute, purchase

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1 2	for sale, or sell a product containing delta-8- or delta-10-tetrahydrocannabinol to an individual under the age of 21 years.				
3 4 5 6	(b) In a prosecution for a violation of this section, it is a defense that the defendant examined the purchaser's or recipient's driver's license, or other valid identification issued by a governmental unit, that positively identified the purchaser or recipient as being at least 21 years old.				
7 8 9 10	(c) Any website owned, managed, or operated by a person who distributes or sells a product containing delta—8— or delta—10—tetrahydrocannabinol shall employ a neutral age—screening mechanism that verifies that the user is at least 21 years old, including by using an age—gate, age—screen, or age—verification mechanism.				
11 12	(d) A person who violates this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding:				
13		(1)	\$300 for a first violation;		
14 15	violation; an	(2) nd	\$1,000 for a second violation occurring within 2	years after the first	
16 17	preceding vi	(3) iolation	\$3,000 for each subsequent violation occurring with	hin 2 years after the	
18 19	SECT 1, 2025.	TON 2	. AND BE IT FURTHER ENACTED, That this Act s	shall take effect July	
	Approved:				
				Governor.	

Speaker of the House of Delegates.

President of the Senate.