



Wes Moore, Governor • Aruna Miller, Lt. Governor • Will Tilburg, Director

February 23, 2024

The Honorable C.T. Wilson
Chair, House Economic Matters Committee
Room 231
House Office Building
Annapolis, MD 21401

RE: House Bill 253– Cannabis Reform – Alterations – Support with Amendments

Dear Chair Wilson,

The Maryland Cannabis Administration (MCA) supports House Bill 253 (HB 253) – Cannabis Reform – Alterations, and respectfully requests a favorable report on the bill with the proposed amendments outlined below. HB 253 is departmental legislation requested by the MCA that seeks to make certain technical and corrective amendments to the Cannabis Reform Act (Chapters 254/255 of the Acts of 2023), which established a commercial market and regulatory structure for the cultivation, manufacture, and distribution of adult-use cannabis, beginning July 1, 2023. These corrections and clarifications will assist the MCA in streamlining its operations and fulfilling the legislative mandate to establish and maintain a safe, accessible and equitable cannabis industry in Maryland.

The bill’s provisions that directly impact the MCA and the licensed cannabis industry include: (1) clarifying that the definition of “cannabis” in 36-101 expressly includes cannabis seeds, seedlings, immature plants, and clones; (2) establishing a “cannabis nursery” registration category that is authorized to distribute seeds, seedlings, immature plants, and clones to adult consumers and patients; (3) replacing certain references to the “Commission” with the “Office of Social Equity” or the “Administration,” as appropriate; (4) clarifying that the hearing and enforcement authority granted under the Act allows MCA to fine or sanction a cannabis licensee for violating the Act or MCA regulations; (5) authorizing the MCA to issue a temporary agent registration based on a third-party criminal records check if an individual has submitted an application to the FBI’s Criminal Justice Information System (CJIS) and is awaiting the results; and (6) allowing cannabis licensees to sponsor events if a certain percentage of the audience will be 21 years of age or older.

Additional Recommendations

In collaboration with state agency partners at the Office of Social Equity (OSE), Alcohol, Tobacco, and Cannabis Commission (ATCC), and the Office of the Comptroller, the MCA has identified additional provisions to correct or clarify within the Cannabis Reform Act:

1. Replace “county and, if applicable, the municipality” in 36-407(a) with “political subdivision” to make it consistent with the rest of the Act.
2. Clarify that MCA will provide staff support to the Advisory Board on Medical and Adult-use Cannabis and specify certain responsibilities of the Board..
3. Clarify the ownership restrictions for individuals who hold an ownership interest in, or control of, an incubator license or on-site consumption establishment license.
4. Align the deadlines of certain reports prepared by OSE related to the Community Reinvestment and Repair Fund.
5. Eliminate “medical” from the subtraction modification authorized for cannabis licensees under the Tax-General Article.

The MCA appreciates your consideration of its departmental bill to clarify and strengthen Title 36 - Medical and Adult-use Cannabis of the Alcoholic Beverages and Cannabis Article, and respectfully requests a favorable report on the bill, with the proposed amendments. If you would like to discuss HB 253 further, or have any questions, please contact me at (410) 487-8069 or william.tilburg@maryland.gov or Andrew Garrison, Chief of the Office of Policy and Government Affairs at (443) 844-6114 or andrew.garrison@maryland.gov.

Sincerely,

A handwritten signature in blue ink that reads "William Tilburg". The signature is written in a cursive style and is followed by a long horizontal flourish.

Will Tilburg, JD, MPH
Director, Maryland Cannabis Administration

cc: Members of the House Economic Matters Committee